Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

☒ **QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended August 31, 2025

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES ACT OF 1933**

For the transition period from _____ to _____

Commission File Number: 000-49908

CYTODYN INC.

(Exact name of registrant as specified in its charter)

Delaware	**83-1887078**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer or Identification No.)
1111 Main Street, Suite 660 **Vancouver, Washington**	**98660**
(Address of principal executive offices)	(Zip Code)

(360) 980-8524
(Registrant's telephone number, including area code)

Not applicable
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
None	**None**	**None**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☐	Accelerated Filer	☐
Non-accelerated Filer	☒	Smaller Reporting Company	☒
		Emerging Growth Company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): Yes ☐ No ☒

On September 30, 2025, there were 1,259,753 thousand shares outstanding of the registrant's $0.001 par value common stock.

TABLE OF CONTENTS

PART I. Financial Information

Item 1. Consolidated Financial Statements

CytoDyn Inc.
Consolidated Balance Sheets
(Unaudited, in thousands, except par value)

	August 31, 2025	May 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 9,332	$ 11,903
Prepaid expenses	560	252
Prepaid service fees	3,458	3,723
Other receivables	—	2,000
Total current assets	13,350	17,878
Other non-current assets	133	169
Total assets	$ 13,483	$ 18,047
Liabilities and Stockholders' Deficit		
Current liabilities:		
Accounts payable	$ 14,175	$ 14,692
Accrued liabilities and compensation	2,823	2,206
Accrued interest on convertible notes	16,577	18,151
Accrued dividends on convertible preferred stock	8,642	8,269
Convertible notes payable, net	27,200	27,200
Total current liabilities	69,417	70,518
Other liabilities (Note 9)	43,571	43,571
Total liabilities	112,988	114,089
Commitments and Contingencies (Note 9)		
Stockholders' deficit:		
Preferred stock, $0.001 par value; 5,000 shares authorized:		
Series B convertible preferred stock, $0.001 par value; 400 authorized; 19 issued and outstanding at August 31, 2025 and May 31, 2025	—	—
Series C convertible preferred stock, $0.001 par value; 8 authorized; 6 issued and outstanding at August 31, 2025 and May 31, 2025	—	—
Series D convertible preferred stock, $0.001 par value; 12 authorized; 9 issued and outstanding at August 31, 2025 and May 31, 2025	—	—
Common stock, $0.001 par value; 1,750,000 shares authorized; 1,257,045 and 1,249,460 issued, and 1,256,759 and 1,249,174 outstanding at August 31, 2025 and May 31, 2025, respectively	1,257	1,249
Treasury stock, $0.001 par value; 286 shares at August 31, 2025 and May 31, 2025	—	—
Additional paid-in capital	792,564	790,495
Accumulated deficit	(893,326)	(887,786)
Total stockholders' deficit	(99,505)	(96,042)
Total liabilities and stockholders' deficit	$ 13,483	$ 18,047

See accompanying notes to consolidated financial statements.

CytoDyn Inc.
Consolidated Statements of Operations
(Unaudited, in thousands, except per share data)

	Three months ended August 31,	
	2025	**2024**
Operating expenses:		
General and administrative	$ 1,713	$ 1,609
Research and development	3,232	(24,046)
Total operating expenses	4,945	(22,437)
Operating (loss) gain	(4,945)	22,437
Interest and other income (expense):		
Interest income	94	126
Interest on convertible notes	(676)	(1,165)
Amortization of discount on convertible notes	—	(125)
Loss on induced conversion	—	(1,180)
Finance charges	(13)	(14)
Loss on derivatives	—	(852)
Total interest and other expenses	(595)	(3,210)
(Loss) gain before income taxes	(5,540)	19,227
Income tax benefit	—	—
Net (loss) income	$ (5,540)	$ 19,227
(Loss) income per share:		
Basic	$ (0.00)	$ 0.02
Diluted	$ (0.00)	$ 0.02
Weighted average common shares used in calculation of (loss) income per share:		
Basic	1,252,551	1,135,043
Diluted	1,252,551	1,198,287

See accompanying notes to consolidated financial statements.

CytoDyn Inc.
Consolidated Statement of Changes in Stockholders' Deficit
(Unaudited, in thousands)

	Preferred stock		Common stock		Treasury stock		Additional	Accumulated	Total stockholders'
	Shares	Amount	Shares	Amount	Shares	Amount	paid-in capital	deficit	deficit
Balance at May 31, 2025	34	$ —	1,249,460	$ 1,249	286	$ —	$ 790,495	$ (887,786)	$ (96,042)
Issuance of stock for convertible note repayment	—	—	7,462	8	—	—	2,242	—	2,250
Stock option exercises	—	—	100	—	—	—	21	—	21
Warrant exercises	—	—	23	—	—	—	—	—	—
Dividends accrued on Series C and D convertible preferred stock	—	—	—	—	—	—	(373)	—	(373)
Stock-based compensation	—	—	—	—	—	—	179	—	179
Net loss	—	—	—	—	—	—	—	(5,540)	(5,540)
Balance at August 31, 2025	34	$ —	1,257,045	$ 1,257	286	$ —	$ 792,564	$ (893,326)	$ (99,505)

	Preferred stock		Common stock		Treasury stock		Additional	Accumulated	Total stockholders'
	Shares	Amount	Shares	Amount	Shares	Amount	paid-in capital	deficit	deficit
Balance at May 31, 2024	34	$ —	1,059,002	$ 1,059	443	$ —	$ 773,714	$ (891,531)	$ (116,758)
Issuance of stock for convertible note repayment	—	—	8,777	9	—	—	991	—	1,000
Loss on induced conversion	—	—	—	—	—	—	1,180	—	1,180
Stock issued for tender offer	—	—	152,505	152	—	—	13,874	—	14,026
Issuance costs related to stock issued for tender offer	—	—	—	—	—	—	(3,649)	—	(3,649)
Dividends accrued on Series C and D convertible preferred stock	—	—	—	—	—	—	(372)	—	(372)
Stock-based compensation	—	—	—	—	—	—	136	—	136
Net income	—	—	—	—	—	—	—	19,227	19,227
Balance at August 31, 2024	34	$ —	1,220,284	$ 1,220	443	$ —	$ 785,874	$ (872,304)	$ (85,210)

See accompanying notes to consolidated financial statements.

CytoDyn Inc.
Consolidated Statements of Cash Flows
(Unaudited, in thousands)

	Three months ended August 31,	
	2025	**2024**
Cash flows from operating activities:		
Net (loss) income	$ (5,540)	$ 19,227
Adjustments to reconcile net (loss) income to net cash used in operating activities:		
Amortization and depreciation	4	5
Amortization of discount on convertible notes	—	125
Loss on derivatives	—	852
Loss on induced conversion	—	1,180
Stock-based compensation	179	136
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	1,989	(1,783)
Accounts payable, accrued expenses, and other liabilities	918	(14,302)
Net cash (used in) provided by operating activities	(2,450)	5,440
Cash flows from investing activities:		
Net cash Provided by/used in investing activities	—	—
Cash flows from financing activities:		
Proceeds from warrant transactions, net of offering costs	—	10,377
Proceeds from exercise of stock options	21	—
Cash paid for note payable	(142)	(710)
Net cash (used in) provided by financing activities	(121)	9,667
Net change in cash and cash equivalents	(2,571)	15,107
Cash and cash equivalents at beginning of period	11,903	9,814
Cash and cash equivalents at end of period	$ 9,332	$ 24,921
Supplemental disclosure:		
Cash paid for interest	$ 13	$ 45
Non-cash investing and financing transactions:		
Issuance of common stock for interest of convertible notes	$ 2,250	$ 1,000
Accrued dividends on Series C and D convertible preferred stock	$ 373	$ 372

See accompanying notes to consolidated financial statements.

CYTODYN INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF AUGUST 31, 2025
(Unaudited)

Note 1. Organization

CytoDyn Inc. (together with its wholly owned subsidiary, the "Company") was originally incorporated under the laws of Colorado on May 2, 2002, under the name RexRay Corporation and, effective August 27, 2015, reincorporated under the laws of Delaware. The Company is a clinical-stage biotechnology company focused on the clinical development of innovative treatments for multiple therapeutic indications based on its product candidate, leronlimab, a novel humanized monoclonal antibody targeting the C-C chemokine receptor type 5 ("CCR5").

The Company investigates leronlimab as a viral entry inhibitor believed to competitively bind to the N-terminus and second extracellular loop of the CCR5 receptor. The CCR5 receptor is believed to be implicated in immune-mediated illnesses. Leronlimab is being studied in solid tumors in oncology. The Company also strategically works with select partners to explore leronlimab's potential benefits in certain inflammatory diseases.

Note 2. Summary of Significant Accounting Policies

Basis of presentation

The unaudited consolidated financial statements include the accounts of CytoDyn Inc. and its wholly owned subsidiary, CytoDyn Operations Inc. All intercompany transactions and balances are eliminated in consolidation. The consolidated financial statements reflect all normal recurring adjustments which are, in the opinion of management, necessary for a fair statement of the results of operations for the interim financial statements. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP" or "GAAP") have been omitted in accordance with the rules and regulations of the United States Securities and Exchange Commission ("SEC"). The interim financial information and notes thereto should be read in conjunction with the Company's latest Annual Report on Form 10-K for the fiscal year ended May 31, 2025 (the "2025 Form 10-K"). The results of operations for the periods presented are not necessarily indicative of results to be expected for the entire fiscal year or for any other future annual or interim period.

Going concern

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. As presented in the accompanying consolidated financial statements, the Company had losses for all periods presented, except for the three months ended August 31, 2024 due to a one-time return of clinical expenses. The Company has an accumulated deficit of approximately $893.3 million as of August 31, 2025. These factors, among others, including the various matters discussed in Note 9, *Commitments and Contingencies*, raise substantial doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments relating to the recoverability of assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company's continuance as a going concern is dependent upon its ability to obtain additional operating capital, complete the development of its product candidate, leronlimab, obtain approval to commercialize leronlimab from regulatory agencies, continue to outsource manufacturing of leronlimab, and ultimately generate revenues and attain profitability. The Company plans to continue to engage in research and development activities related to leronlimab and a new or modified longer-acting therapeutic for multiple indications and expects to incur significant research and development expenses in the future, primarily related to its regulatory compliance, including performing additional pre-clinical and clinical studies in various indications, and seeking regulatory approval for its product candidate for commercialization. These research and development activities are subject to significant risks and uncertainties. The Company intends to finance its future development activities and its working capital needs primarily from the sale of

equity and debt securities, combined with additional funding from other sources. However, there can be no assurance that the Company will be successful in these endeavors.

Use of estimates

The unaudited consolidated financial statements have been prepared in accordance with GAAP, which requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, and the disclosure of contingent assets and liabilities at the date of consolidated financial statements, and the reported amounts of expenses during the reporting period. Estimates are assessed each period and updated to reflect current information, such as the status of our analysis of the results of our clinical trials and discussions with the U.S. Food and Drug Administration ("FDA"), which could have an impact on the Company's significant accounting estimates and assumptions. The Company's estimates are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Significant estimates include, but are not limited to, those relating to stock-based compensation. Actual results could differ from these estimates.

Cash and cash equivalents

Cash and cash equivalents are short-term, highly liquid investments with original maturities of three months or less when purchased and comprise bank deposits, money market funds, and treasury bills with original maturity dates of three months or less. Our investments in money market funds and treasury bills are recorded at fair value. The following table summarizes, by major security type, our cash and cash equivalents that are measured at fair value on a recurring basis and are categorized using the fair value hierarchy:

		August 31, 2025		
(in thousands)		Cost or amortized cost	Gross unrealized gains	Total estimated fair value
Cash	$	1,697	$ —	$ 1,697
Level 1 securities:				
Money market funds		2,603	—	2,603
Level 2 securities:				
U.S. treasuries	$	5,032	$ —	$ 5,032

		May 31, 2025		
		Cost or amortized cost	Gross unrealized gains	Total estimated fair value
Cash	$	534	$ —	$ 534
Level 1 securities:				
Money market funds	$	11,369	$ —	$ 11,369

Our investments in money market funds are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices. Our investments in treasury bills are classified within Level 2 of the fair value hierarchy and use quoted market prices for identical or comparable instruments or model-driven valuations using observable market data or inputs corroborated by observable market data.

Fair value of financial instruments

In accordance with the prescribed accounting guidance, the Company measured fair value of money market funds and treasury bills using the fair value hierarchy which include:

Level 1. Quoted prices in active markets for identical assets or liabilities.

Level 2. Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets with insufficient volume or infrequent transactions (less active markets), or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data for substantially the full term of the assets or liabilities. Level 2 inputs also include non-binding market consensus prices that can be corroborated with observable market data, as well as quoted prices that were adjusted for security-specific restrictions.

Level 3. Unobservable inputs to the valuation methodology are significant to the measurement of the fair value of assets or liabilities. These Level 3 inputs also include non-binding market consensus prices or non-binding broker quotes that the Company was unable to corroborate with observable market data.

Recent Accounting Pronouncements

In October 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-06, *Disclosure Improvements – Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative.* The amendments clarify or improve disclosure and presentation requirements on various disclosure areas, including the statement of cash flows, earnings per share, debt, equity, and derivatives. The amendments will align the requirements in the FASB Accounting Standards Codification ("ASC") with the SEC's regulations. The amendments in this ASU will be effective on the date the related disclosures are removed from Regulation S-X or Regulation S-K by the SEC and will not be effective if the SEC has not removed the applicable disclosure requirement by June 30, 2027. Early adoption is prohibited. The Company is currently evaluating the potential impact of this update on its financial statement disclosures.

In December 2023, the FASB issued ASU No. 2023-09, *Improvements to Income Tax Disclosures*, which requires disclosure of disaggregated income taxes paid, prescribes standard categories for the components of the effective tax rate reconciliation, and modifies other income tax-related disclosures. The ASU is effective for annual periods beginning after December 15, 2024, and allows for adoption on a prospective basis, with a retrospective option. The Company is currently evaluating the potential impact of this update on its consolidated financial statements and related disclosures.

In November 2024, the FASB issued ASU 2024-03, *"Income Statement (Topic 220): Reporting Comprehensive Income - Expense Disaggregation Disclosures, Disaggregation of Income Statement Expenses,"* which requires public companies to disclose, in interim and annual reporting periods, additional information about certain expenses in the financial statements. In January 2025, the FASB issued ASU 2025-01, "Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40) – Clarifying the Effective Date" to clarify the effective date for non-calendar year-end entities. The amendments in this ASU will be effective for annual periods beginning after December 15, 2026, and interim reporting periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted and is effective on either a prospective basis or retrospective basis. The Company is currently evaluating the potential impact of this update on its consolidated financial statements and related disclosures.

In November 2024, the FASB issued ASU 2024-04, *"Debt—Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments,"* which clarifies the requirements for determining whether certain settlements of convertible debt instruments should be accounted for as an induced conversion or extinguishment of convertible debt. The new guidance is effective for annual reporting periods beginning after December 15, 2025, and interim periods within those annual periods. The Company is currently evaluating the potential impact of this update on its consolidated financial statements and related disclosures.

Note 3. Accrued Liabilities and Compensation

The components of accrued liabilities and compensation are as follows:

	August 31, 2025	May 31, 2025
Compensation and related expense	$ 236	$ 278
Legal fees	—	50
Clinical expense	1,197	487
License fees	1,240	1,105
Lease payable	105	141
Other liabilities	45	145
Total accrued liabilities	$ 2,823	$ 2,206

Note 4. Convertible Instruments and Accrued Interest

Convertible preferred stock

The following table presents the number of potentially issuable shares of common stock, should shares of preferred stock and amounts of undeclared and accrued preferred dividends be converted to common stock.

	August 31, 2025			May 31, 2025		
(in thousands except conversion rate)	Series B	Series C	Series D	Series B	Series C	Series D
Shares of preferred stock outstanding	19	6	9	19	6	9
Common stock conversion rate	10:1	2,000:1	1,250:1	10:1	2,000:1	1,250:1
Total shares of common stock if converted	190	12,670	10,565	190	12,670	10,565
Undeclared dividends	$ 25	$ —	$ —	$ 24	$ —	$ —
Accrued dividends	$ —	$ 3,929	$ 4,713	$ —	$ 3,769	$ 4,500
Total shares of common stock if dividends converted	50	7,858	9,426	48	7,538	9,000

Under the Company's Amended and Restated Certificate of Incorporation, as amended (the "Certificate of Incorporation"), dividends on its outstanding shares of Series B Convertible Preferred Stock (the "Series B preferred stock") may be paid in cash or shares of the Company's common stock at the election of the Company. Dividends on outstanding shares of Series C Convertible Preferred Stock (the "Series C preferred stock") and Series D Convertible Preferred Stock (the "Series D preferred stock") are payable in cash or shares of common stock at the election of the holder. The preferred stockholders have the right to dividends only when and if declared by the Company's Board of Directors. Under Section 170 of the Delaware General Corporation Law, the Company is permitted to pay dividends only out of capital surplus or, if none, out of net profits for the fiscal year in which the dividend is declared or net profits from the preceding fiscal year.

Series B preferred stock provides for a liquidation preference over the common shares of $5.00 per share, plus any accrued and unpaid dividends. In the event of liquidation, holders of Series C and Series D preferred stock will be entitled to receive, on a pari passu basis, and in preference of any payment or distribution to holders of the Series B preferred stock and common stock, an amount per share equal to $1,000 per share plus any accrued and unpaid dividends.

Convertible Notes and Accrued Interest

The table below presents outstanding convertible notes and accrued interest as of August 31, 2025 and May 31, 2025:

	August 31, 2025			May 31, 2025		
(in thousands)	April 2, 2021 Note	April 23, 2021 Note	Total	April 2, 2021 Note	April 23, 2021 Note	Total
Convertible notes payable outstanding principal	$ 2,831	$ 24,369	$ 27,200	$ 2,831	$ 24,369	$ 27,200
Accrued interest on convertible notes	5,504	11,073	16,577	5,378	12,773	18,151
Outstanding convertible notes payable, net and accrued interest	$ 8,335	$ 35,442	$ 43,777	$ 8,209	$ 37,142	$ 45,351

Reconciliation of changes to the outstanding balance of convertible notes, including accrued interest, were as follows:

(in thousands)	April 2, 2021 Note	April 23, 2021 Note	Total
Outstanding balance at May 31, 2025	$ 8,209	$ 37,142	$ 45,351
Interest expense	126	550	676
Fair market value of shares exchanged for repayment	—	(2,250)	(2,250)
Outstanding balance at August 31, 2025	$ 8,335	$ 35,442	$ 43,777

April 2, 2021 & April 23, 2021 Notes

Key terms of the outstanding convertible notes (the "Notes") are as follows:

	August 31, 2025	
	April 2, 2021 Note	April 23, 2021 Note
Interest rate per annum	6 %	6 %
Conversion price per share upon five trading days' notice	$ 10.00	$ 10.00
Party that controls the conversion rights	Investor	Investor
Maturity date	April 5, 2026	April 23, 2026
Security interest	All Company assets excluding intellectual property	

In addition to standard anti-dilution adjustments, the conversion price of the Notes is subject to full-ratchet anti-dilution protection, pursuant to which the conversion price will be automatically reduced to equal the effective price per share in any new offering by the Company of equity securities that have registration rights, are registered, or become registered under the Securities Act of 1933, as amended (the "Securities Act"). The Notes provide for liquidated damages upon failure to deliver common stock within specified timeframes and require the Company to maintain a share reservation of 6.0 million shares of common stock for each Note.

During the three months ended August 31, 2025, in satisfaction of the required monthly payments, the Company and April 23, 2021 Noteholder entered into exchange agreements, pursuant to which the April 23, 2021 Note was partitioned into new notes (the "Partitioned Notes") with an aggregate principal amount of approximately $2.3 million, which was exchanged concurrently with the issuance of shares of common stock of equal value, amounting to approximately 7.5 million shares of common stock. The monthly payments were applied to accrued interest on convertible notes. The outstanding balance of the April 23, 2021 Note was reduced by the Partitioned Notes to a total amount of $35.4 million.

As of the filing date of this report, the holders of the Notes waived all provisions that, based on the occurrence of various events through that date, could have triggered the imposition of a default interest rate, a downward adjustment of the conversion price, or specified other provisions relating to default, breach or imposition of a penalty. Accordingly, the Company was not in default under the Notes on the filing date of this report.

Note 5. Warrants

Warrants

Warrant activity is presented in the table below:

(in thousands, except for share data and years)	Number of shares	Weighted average exercise price	Weighted average remaining contractual life in years	Aggregate intrinsic value
Warrants outstanding at May 31, 2025	213,128	$ 0.27	3.71	$ 27,923
Granted	—	$ —		
Exercised	(33)	$ 0.09		7
Forfeited, expired, and cancelled	(105)	$ 3.07		
Warrants outstanding at August 31, 2025	212,990	$ 0.26	3.46	$ 18,990
Warrants outstanding and exercisable at August 31, 2025	212,990	$ 0.26	3.46	$ 18,990

Warrant exercises

During the three months ended August 31, 2025, the Company issued approximately 23.1 thousand shares of common stock in connection with the cashless exercise of approximately 32.5 thousand warrants with stated exercise prices of $0.09387 per share.

Note 6. Equity Incentive Plan

Equity Incentive Plan

As of August 31, 2025, the Company had one active equity incentive plan, the *CytoDyn Inc. Amended and Restated 2012 Equity Incentive Plan* (the "EIP"). As of August 31, 2025 and May 31, 2025, the EIP covered a total of 79.3 million and 66.8 million shares of common stock, respectively. The "evergreen provision" automatically increased the number of shares of common stock subject to the EIP by an amount equal to 1% of the total outstanding shares on June 1, 2025. The EIP provides for awards of stock options to purchase shares of common stock, restricted and unrestricted shares of common stock, restricted stock units ("RSUs"), and performance share units ("PSUs").

The Company recognizes the compensation cost of employee and director services received in exchange for equity awards based on the grant date estimated fair value of the awards. Share-based compensation cost is recognized over the period during which the employee or director is required to provide services in exchange for the award and, as forfeitures occur, the associated compensation cost recognized to date is reversed. For awards with performance-based payout conditions, the Company recognizes compensation cost based on the probability of achieving the performance conditions, with changes in expectations recognized as an adjustment to earnings in the period of change. Any recognized compensation cost is reversed if the conditions ultimately are not met.

Stock-based compensation for the three months ended August 31, 2025 and August 31, 2024 was approximately $0.2 million. Stock-based compensation is recorded in general and administrative and research and development costs.

Stock options

Stock option activity is presented in the table below:

(in thousands, except per share data and years)	Number of shares	Weighted average exercise price	Weighted average remaining contractual life in years	Aggregate intrinsic value
Options outstanding at May 31, 2025	38,324	$ 0.46	7.65	$ 4,039
Granted	725	$ 0.30		
Exercised	(100)	$ 0.21		6
Forfeited, expired, and cancelled	(480)	$ 1.93		
Options outstanding at August 31, 2025	38,469	$ 0.44	7.50	$ 3,035
Options outstanding and exercisable at August 31, 2025	29,787	$ 0.46	7.01	$ 2,079

During the three months ended August 31, 2025, stock options for approximately 0.7 million shares were granted. Of the options issued, approximately 0.4 million vest over four years, and approximately 0.3 million vest over one year. The Company records compensation expense based on the Black-Scholes fair value per share of the awards on the grant date. The weighted average fair value per share was $0.26 for the stock options granted in the three months ended August 31, 2025.

PSUs

The following table summarizes the Company's PSU activity:

(shares in thousands)	Number of RSUs and PSUs (1)	Weighted average grant date fair value	Weighted average remaining contractual life in years
Unvested PSUs at May 31, 2025	3,500	0.41	1.75
PSUs granted	—		
PSUs forfeited	—		
PSUs vested	—		
Unvested PSUs at August 31, 2025	3,500	$ 0.41	1.50

(1) The number of PSUs disclosed in this table are at the target level of 100%.

The vesting of the PSUs is subject to the achievement of specified performance-based conditions, and the actual number of common shares that will ultimately be issued will be determined by multiplying this number of PSUs by a payout percentage ranging from 0% to 100%.

Based on the estimated level of achievement of the performance targets associated with the PSUs as of August 31, 2025, unrecognized compensation expense related to the unvested portion of the Company's PSUs was $1.4 million, which is expected to be recognized over a weighted-average period of 1.5 years.

Note 7. (Loss) Income per Share

Basic (loss) income per share is computed by dividing the net (loss) income adjusted for preferred stock dividends by the weighted average number of common shares outstanding during the period. Diluted (loss) income per share includes the weighted average common shares outstanding and potentially dilutive common stock equivalents. Basic and diluted (loss) income per share for the three months ended August 31, 2025 and August 31, 2024 were calculated as follows:

(in thousands, except per share amounts)	Three months ended August 31, 2025	Three months ended August 31, 2024
Numerator:		
Net (loss) income	$ (5,540)	$ 19,227
Less: Accrued preferred stock dividends	(373)	(372)
Basic net (loss) income applicable to common stockholders	(5,913)	18,855
Reallocation of undistributed earnings as a result of conversion of preferred stock	—	372
Diluted net (loss) income applicable to common stockholders	$ (5,913)	$ 19,227
Denominator:		
Basic weighted average common shares outstanding	1,252,551	1,135,043
Effect of dilutive securities:		
Warrant exercises	—	25,450
Preferred stock conversions	—	37,794
Diluted weighted average common shares outstanding	1,252,551	1,198,287
Basic (loss) income per share	$ (0.00)	$ 0.02
Diluted (loss) income per share	$ (0.00)	$ 0.02

The table below shows the approximate number of shares of common stock issuable upon the exercise, vesting, or conversion of outstanding options, PSUs, warrants, convertible notes, and convertible preferred stock (including undeclared dividends) that were not included in the computation of diluted weighted average number of shares of common stock outstanding for the periods presented:

(in thousands)	Three months ended August 31, 2025	Three months ended August 31, 2024
Stock options, PSUs, and warrants	254,959	232,597
Convertible notes	12,000	12,000
Convertible preferred stock	40,761	—

Note 8. Income Taxes

To determine the Company's quarterly provision for income taxes, the Company used an estimated annual effective tax rate that is based on expected annual income and statutory tax rates in the various jurisdictions in which the Company operates. Certain significant unusual or infrequently occurring items that are separately reported are separately recognized in the quarter during which they occur and can be a source of variability in the effective tax rate from quarter to quarter.

The Company had no income tax expense for the three months ended August 31, 2025 and August 31, 2024. The provision for income taxes for the three months ended August 31, 2025 and August 31, 2024 is based on the Company's estimated annualized effective tax rate for the fiscal years ending May 31, 2026 and 2025, respectively. For the three months ended August 31, 2025, the Company's recognized effective tax rate differs from the U.S. federal statutory rate due to the Company maintaining a full valuation allowance on its net deferred tax assets, as the Company does not consider it more likely than not that the benefits from the net deferred tax assets will be realized.

Note 9. Commitments and Contingencies

Other Liabilities

The $43.6 million balance recorded in other liabilities is conditional, and will only be due and payable, upon the Company achieving a qualifying "Revenue" event, as defined below. The Company has agreed to pay 20% of its qualifying Revenue generated in each calendar year, if any, with such payments to be applied to reduce the balance until it is repaid in full. Interest will not accrue on the balance throughout the prospective repayment period. Revenue is defined as:

> "…the gross revenue generated by Client and its Affiliates, less the following items (if not previously deducted from the amount invoiced): (a) reasonable and customary trade, quantity, and cash discounts actually granted and legally permitted wholesaler chargebacks actually paid or credited by Client and its Affiliates to wholesalers of products; (b) reasonable, customary, and legally permitted rebates and retroactive price reductions actually granted; (c) freight charges for the delivery of products; (d) the portion of the administrative fees paid during the relevant time period to group purchasing organizations, pharmaceutical benefit managers and/or government-mandated Medicare or Medicaid Prescription Drug Plans relating specifically to the product; and (e) sales, use or excise taxes imposed and actually paid in connection with the sale of products (but excluding any value added taxes or taxes based on income or gross receipts)."

Operating lease commitments

The Company leases its principal office location in Vancouver, Washington (the "Vancouver Lease"). The Vancouver Lease expires on April 30, 2026. Consistent with the guidance in ASC 842, *Leases*, the Company has recorded this lease in its consolidated balance sheet as an operating lease. For the purpose of determining the right of use asset and associated lease liability, we determined that the renewal of the Vancouver lease was not reasonably probable. The lease does not include any restrictions or covenants requiring special treatment under ASC 842, *Leases*. Operating lease costs for the three months ended August 31, 2025 and August 31, 2024 were approximately $31.0 thousand and $32.0 thousand, respectively. Operating lease right-of-use assets are included in other non-current assets and the current portion of operating lease liabilities are included in accrued liabilities and compensation on the consolidated balance sheets. The following table summarizes the operating lease balances:

(in thousands)	August 31, 2025	May 31, 2025
Assets		
Right-of-use asset	$ 98	$ 130
Liabilities		
Current operating lease liability	$ 105	$ 141
Non-current operating lease liability	—	—
Total operating lease liability	$ 105	$ 141

The minimum (base rental) lease payments are expected to be as follows as of August 31, 2025 (in thousands):

Fiscal Year	Amount
2026 - 9 months remaining	$ 123
Thereafter	—
Total operating lease payments	123
Less: imputed interest	(18)
Present value of operating lease liabilities	$ 105

Supplemental information related to operating leases was as follows:

	August 31, 2025
Weighted average remaining lease term	0.7 years
Weighted average discount rate	10.0 %

PRO 140 Acquisition and Licensing Arrangements

Refer to Note 9, *Commitments and Contingencies*, in the 2025 Form 10-K for additional information.

Legal proceedings

As of August 31, 2025, the Company did not record any accruals related to the outcomes of the legal matters described below. It is not possible to determine the outcome of these proceedings, including the defense and other litigation-related costs and expenses that may be incurred by the Company, as the outcomes of legal proceedings are inherently uncertain. Therefore, it is possible that the ultimate outcome of any proceeding, if in excess of a recognized accrual, if any, could be material to the Company's consolidated financial statements.

Conclusion of Investigations by Securities and Exchange Commission and Department of Justice

In September 2025, the Securities and Exchange Commission ("SEC") and Department of Justice ("DOJ") informed the Company that their respective investigations were effectively closed, and that nothing further was required of the Company.

Securities Class Action Lawsuits

On March 17, 2021, a stockholder filed a putative class-action lawsuit (the "March 17, 2021 lawsuit") in the U.S. District Court for the Western District of Washington against the Company and certain former officers. The complaint generally alleges the defendants made false and misleading statements regarding the viability of leronlimab as a potential treatment for COVID-19. On April 9, 2021, a second stockholder filed a similar putative class action lawsuit in the same court, which the plaintiff voluntarily dismissed without prejudice on July 23, 2021. On August 9, 2021, the court appointed lead plaintiffs for the March 17, 2021 lawsuit. On December 21, 2021, lead plaintiffs filed an amended complaint, which is brought on behalf of an alleged class of those who purchased the Company's common stock between March 27, 2020 and May 17, 2021. The amended complaint generally alleges that the defendants violated Sections 10(b) and/or 20(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Rule 10b-5 promulgated thereunder by making purportedly false or misleading statements concerning, among other things, the safety and efficacy of leronlimab as a potential treatment for COVID-19, the Company's CD10 and CD12 clinical trials, and its human immunodeficiency virus ("HIV") Biologic License Application ("BLA"). The amended complaint also alleges that the individual defendants violated Section 20A of the Exchange Act by selling shares of the Company's common stock purportedly while in possession of material nonpublic information. The amended complaint seeks, among other relief, a ruling that the case may proceed as a class action and unspecified damages and attorneys' fees and costs. On February 25, 2022, the defendants filed a motion to dismiss the amended complaint. On June 24, 2022, lead plaintiffs filed a second amended complaint. The second amended complaint is brought on behalf of an alleged class of those who purchased the Company's common stock between March 27, 2020 and March 30, 2022, makes similar allegations, names the same defendants, and asserts the same claims as the prior complaint, adds a claim for alleged violation

of Section 10(b) of the Exchange Act and Rule 10b-5(a) and (c) promulgated thereunder, and seeks the same relief as the prior complaint. All defendants filed motions to dismiss the second amended complaint in whole or in part.

The Company and the individual defendants deny all allegations of wrongdoing in the complaint and intend to vigorously defend the matter. Since this case is in an early stage where the number of plaintiffs is not known, and the claims do not specify an amount of damages, the Company is unable to predict the ultimate outcome of the lawsuit and cannot reasonably estimate the potential loss or range of loss the Company may incur.

Shareholder Derivative Lawsuits

On June 4, 2021, a stockholder filed a purported derivative lawsuit against certain of the Company's former officers and directors, and the Company as a nominal defendant, in the U.S. District Court for the Western District of Washington. Two additional shareholder derivative lawsuits were filed against the same defendants in the same court on June 25, 2021 and August 18, 2021, respectively. The court has consolidated these three lawsuits for all purposes ("Consolidated Derivative Suit"). On January 20, 2022, the plaintiffs filed a consolidated complaint. The consolidated complaint generally alleges that the director defendants breached their fiduciary duties by allowing the Company to make false and misleading statements regarding, among other things, the safety and efficacy of leronlimab as a potential treatment for COVID-19, the Company's CD10 and CD12 clinical trials and its HIV BLA, and by failing to maintain an adequate system of oversight and controls. The consolidated complaint also asserts claims against one or more individual defendants for waste of corporate assets, unjust enrichment, contribution for alleged violations of the federal securities laws, and for breach of fiduciary duty arising from alleged insider trading. The consolidated complaint seeks declaratory and equitable relief, an unspecified amount of damages, and attorneys' fees and costs.

On January 29, 2024, two purported stockholders filed a purported derivative lawsuit against certain of the Company's former officers, certain current and former directors, and the Company as a nominal defendant, in the Delaware Court of Chancery. The complaint generally makes allegations similar to those set forth in the Consolidated Derivative Suit and asserts that the individual defendants breached their fiduciary duties by allowing the Company to make false and misleading statements and by failing to maintain an adequate system of oversight and controls. The complaint also asserts claims against certain individual defendants for breach of fiduciary duty arising from alleged insider trading.

On June 20, 2025, two other purported stockholders filed a purported derivative lawsuit against certain of the Company's former officers, certain former and current directors, a third-party individual, and the Company as a nominal defendant, in the Delaware Court of Chancery. The complaint generally asserts that the individual defendants breached their fiduciary duties by allowing the Company to make false and misleading statements, by failing to maintain an adequate system of oversight and controls, and/or by purportedly wrongfully refusing plaintiffs' demands that the Company's board investigate and initiate claims against certain of the Company's former officers and directors based on allegations and claims similar to those set forth in the complaint. The complaint also asserts claims against certain individual defendants arising from alleged insider trading. The parties have filed a stipulation and proposed order to consolidate this lawsuit with the January 2024 lawsuit.

The Company and the individual defendants deny all allegations of wrongdoing in the complaints and intend to vigorously defend the litigation. In light of the fact that the suit(s) is/are in an early stage and the claims do not specify an amount of damages, the Company cannot predict the ultimate outcome of the matter(s) and cannot reasonably estimate the potential loss or range of loss the Company may incur.

Investor Lawsuit Seeking Issuance of Additional Shares

In January 2025, two former investors and current shareholders, filed an action against the Company in relation to a dispute over how many shares were issued to them following their direct investment(s) with the Company. The former investors claim that the final pricing utilized to calculate the issuance of shares to them in 2022 was incorrect, and that they are entitled to more shares than were issued. The complaint presents legal claims sounding in breach of fiduciary duty, misrepresentation, fraud, negligence, theft, and breach of contract.

The Company's position is that the claims are without any factual support, or support under applicable law and/or the underlying investment documents. The Company views this action as an attempt to extract more shares without further/fair investment and plans to vigorously defend itself.

Note 10. Segment Information

The Company's measure of segment profit or loss is net earnings or loss. The measure of segment assets is reported on the consolidated balance sheets as total assets.

The following table is representative of the significant expense categories regularly provided to the CODM when managing the Company's single reporting segment.

(in thousands, except for per share data)	Three months ended August 31, 2025	Three months ended August 31, 2024
Expenses[1]:		
General and administrative expense[2]	$ 1,622	$ 1,473
Research and development[3]	3,144	939
Return of clinical expenses	—	(24,985)
Stock-based compensation expense	179	136
Total operating expenses	4,945	(22,437)
Operating (loss) gain	(4,945)	22,437
Interest income	94	126
Interest on convertible notes	(676)	(1,165)
Amortization of discount on convertible notes	—	(125)
Loss on induced conversion	—	(1,180)
Finance charges	(13)	(14)
Loss on derivatives	—	(852)
Provision (benefit) for income taxes	—	—
Segment net income (loss)	(5,540)	19,227
Reconciliation of profit or loss:		
Adjustments or reconciling items	—	—
Consolidated net income (loss)	$ (5,540)	$ 19,227

(1) The significant expense categories and amounts align with the segment-level information that is regularly provided to the CODM.

(2) General and administrative expense for the three months ended August 31, 2025, and August 31, 2024 is net of approximately $0.1 million of stock-based compensation expense.

(3) Research and development expense for the three months ended August 31, 2025 is net of $0.1 million of stock-based compensation expense. No stock-based compensation was part of research and development expense for the three months ended August 31, 2024. For the three months ended August 31, 2024, research and development expense is net of $25.0 million return of clinical expenses due to the settlement with Amarex. See Note 9, Commitments and Contingencies – Legal Proceedings – Settlement of Amarex Dispute in the 2025 Form 10-K for additional discussion.

Note 11. Subsequent Events

Conclusion of Investigations by Securities and Exchange Commission and Department of Justice

In September 2025, the Securities and Exchange Commission ("SEC") and Department of Justice ("DOJ") informed the Company that their respective investigations were effectively closed, and that nothing further is required of the Company.

Note conversion

In September 2025, in satisfaction of the required monthly payment, the Company and the April 23, 2021 Noteholder entered into an exchange agreement, pursuant to which a portion of the April 23, 2021 Note was partitioned into a new note with an aggregate principal amount of approximately $0.8 million, which were exchanged concurrently for approximately 2.6 million shares.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Certain information included in this quarterly report on Form 10-Q contains, or incorporates by reference, forward-looking statements that involve risks, uncertainties, and assumptions that are difficult to predict. Words and expressions reflecting optimism, satisfaction, or disappointment with current prospects, as well as words such as "believes," "intends," "estimates," "expects," "projects," "plans," "anticipates," and variations thereof, or the use of future tense, identify forward-looking statements, but their absence does not mean that a statement is not forward-looking.

Our forward-looking statements are not guarantees of performance, and actual results could vary materially from those contained in or expressed by such statements. In evaluating all such statements, we urge you to specifically consider various risks identified elsewhere in this quarterly report including Item 1A of Part II, as well as those set forth in Item 1A. *Risk Factors* in the 2025 Form 10-K, any of which could cause actual results to differ materially from those indicated by our forward-looking statements.

Our forward-looking statements reflect our current views with respect to future events and are based on currently available financial, economic, scientific, and competitive data and information about current business plans.

Forward-looking statements may include, among others, statements about leronlimab, its ability to have positive health outcomes, the Company's ability to implement a successful operating strategy for the development of leronlimab and thereby create shareholder value, the ability to obtain regulatory approval of the Company's drug products for commercial sales, and the strength of the Company's leadership team. The Company's forward-looking statements are not guarantees of performance, and actual results could vary materially from those contained in or expressed by such statements due to risks and uncertainties, including: (i) the regulatory determinations of leronlimab's safety and effectiveness to treat the disease and conditions for which we are studying the product by the FDA and, potentially, drug regulatory agencies in other countries; (ii) the Company's ability to raise additional capital to fund its operations; (iii) the Company's ability to meet its debt and other payment obligations; (iv) the Company's ability to enter into or maintain partnership or licensing arrangements with third parties; (v) the Company's ability to recruit and retain key employees; (vi) the timely and sufficient development, through internal resources or third-party consultants, of analyses of the data generated from the Company's clinical trials required by the FDA or other regulatory agencies in connection with applications for approval of the Company's drug product; (vii) the Company's ability to achieve approval of a marketable product; (viii) the design, implementation, and conduct of clinical trials; (ix) the results of any such clinical trials, including the possibility of unfavorable clinical trial results; (x) the market for, and marketability of, any product that is approved; (xi) the existence or development of vaccines, drugs, or other treatments that are viewed by medical professionals or patients as superior to the Company's products; (xii) regulatory initiatives, compliance with governmental regulations, and the regulatory approval process; (xiii) legal proceedings, investigations, or inquiries affecting the Company or its products; (xiv) stockholder actions or proposals with regard to the Company, its management, or its Board of Directors; (xv) general economic and business conditions; (xvi) changes in domestic and foreign political and social conditions; and (xvii) various other matters, many of which are beyond the Company's control.

We intend that all forward-looking statements made in this quarterly report will be subject to the safe harbor protection of the federal securities laws pursuant to Section 27A of the Securities Act and Section 21E of the Exchange Act, to the extent applicable. Except as required by law, we do not undertake any responsibility to update these forward-looking statements to address events or circumstances that occur after the date of this quarterly report. Additionally, we do not undertake any responsibility to update you on the occurrence of any unanticipated events that may cause actual results to differ from those expressed or implied by these forward-looking statements.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our 2025 Form 10-K, and the other sections of this Form 10-Q, including our consolidated financial statements and related notes set forth in Part I, Item 1. This discussion and analysis contain forward-looking statements, including information about possible or assumed results of our financial condition, operations, plans, objectives, and performance that involve risks, uncertainties, and assumptions. The actual results may differ materially from those anticipated and set forth in such forward-looking statements.

Overview

The Company is a clinical stage biotechnology company focused on the clinical development and potential commercialization of its product candidate, leronlimab, which is being studied for its potential in solid-tumor oncology.

Our current business strategy is to continue to pursue the clinical development of leronlimab, which may include the following:

1. Continue the Phase II trial of leronlimab in patients with relapsed/refractory micro-satellite stable colorectal cancer;

2. Conduct additional studies exploring leronlimab and its therapeutic potential in other solid-tumor oncology indications, including but not limited to metastatic Triple-Negative Breast Cancer; and

3. Continue our work researching and developing a new or modified long-acting version of leronlimab.

We may need significant additional funding to execute the above business strategy in full, which may include conducting a variety of additional pre-clinical studies and clinical trials, in furtherance of our efforts to obtain FDA approval to commercialize leronlimab. In addition to traditional fundraising, the Company will pursue non-dilutive financing opportunities, such as license agreements and co-development or strategic partnerships, to help implement its strategy.

Corporate Developments

At the Company's annual meeting scheduled for November 21, 2025, our stockholders will be asked to vote on an amendment to the Company's Certificate of Incorporation to provide for an increase in the total number of shares of common stock authorized for issuance from 1,750,000 shares to 2,250,000 shares. As of September 30, 2025, the Company had approximately 164.5 million authorized by unissued shares of common stock available for issuance in future financing transactions.

Results of Operations

Fluctuations in operating results

The Company's operating results may fluctuate significantly depending on the outcomes, number and timing of pre-clinical and clinical studies, patient enrollment and/or completion rates in the studies, and their related effect on research and development expenses, regulatory and compliance activities, activities related to seeking FDA approval of our drug product, general and administrative expenses, professional fees, and legal and regulatory proceedings and related consequences. We require a significant amount of capital to continue to operate; therefore, we regularly conduct financing offerings to raise capital, which may result in various forms of non-cash interest expense or other expenses. Additionally, we periodically seek to negotiate settlement of debt payment obligations in exchange for equity securities of the Company and enter into warrant exchanges or modifications that may result in non-cash charges. Our ability to continue to fund operations will depend on our ability to raise additional funds. See the *Liquidity and Capital Resources* and *Going Concern* sections in this Item 2 of Part I, Item 1A of Part II of this report, and Item 1A. *Risk Factors* in our 2025 Form 10-K.

The results of operations were as follows for the periods presented:

(in thousands, except for per share data)	Three months ended August 31, 2025	2024	Change $	Change %
Operating expenses:				
General and administrative	$ 1,713	$ 1,609	$ 104	6 %
Research and development	3,232	(24,046)	27,278	113
Total operating expenses	4,945	(22,437)	27,382	122
Operating (loss) gain	(4,945)	22,437	(27,382)	(122)
Interest and other income (expense):				
Interest income	94	126	(32)	(25)
Interest on convertible notes	(676)	(1,165)	489	42
Amortization of discount on convertible notes	—	(125)	125	100
Loss on induced conversion	—	(1,180)	1,180	100
Finance charges	(13)	(14)	1	7
Loss on derivatives	—	(852)	852	100
Total interest and other expenses	(595)	(3,210)	2,615	81
(Loss) gain before income taxes	(5,540)	19,227	(24,767)	(129)
Income tax benefit	—	—	—	—
Net (loss) income	$ (5,540)	$ 19,227	$ (24,767)	(129)%
(Loss) income per share:				
Basic	$ (0.00)	$ 0.02	$ (0.02)	(100)
Diluted	$ (0.00)	$ 0.02	$ (0.02)	(100)%
Weighted average common shares used in calculation of (loss) income per share:				
Basic	1,252,551	1,135,043	117,508	10
Diluted	1,252,551	1,198,287	54,264	5 %

General and administrative ("G&A") expenses

G&A expenses consisted of the following:

(in thousands)	Three months ended August 31, 2025	2024	Change $	Change %
Salaries, benefits, and other compensation	$ 495	$ 425	$ 70	16 %
Stock-based compensation	91	136	(45)	(33)
Legal fees	376	376	—	-
Insurance	277	323	(46)	(14)
Other	474	349	125	36
Total general and administrative	$ 1,713	$ 1,609	$ 104	6 %

The increase in G&A expenses for the three-month period ended August 31, 2025, compared to the same period in the prior year, was primarily due to other, and salaries, benefits, and other compensation. Other increased due to additional consulting costs. Salaries, benefits, and other compensation increased primarily due to additional headcount at the Company.

Research and development ("R&D") expenses

R&D expenses consisted of the following:

(in thousands)	Three months ended August 31, 2025	2024	Change $	Change %
Clinical	$ 2,479	$ 737	$ 1,742	236 %
Non-clinical	200	(14)	214	(1,529)
CMC	415	(30)	445	(1,483)
License and patent fees	138	246	(108)	(44)
Return of clinical expenses	—	(24,985)	24,985	(100)
Total research and development	$ 3,232	$ (24,046)	$ 27,278	(113)%

The increase in R&D expenses in the three-month period ended August 31, 2025, compared to the same period in the prior year, was primarily due to a return of clinical expenses related to the settlement of the Company's litigation with Amarex in the prior period. Additionally, clinical expenses increased due to costs related to the Phase II trial of leronlimab in patients with relapsed/refractory micro-satellite stable colorectal cancer in the current period.

The future trend of our R&D expenses is dependent on the costs of any future clinical trials and our decisions regarding which indications on which to focus our future efforts toward the development and study of leronlimab, which may include pre-clinical and clinical studies for oncology and inflammation, as well as efforts to develop a long-acting new or modified therapeutic, and the timing and outcomes of such efforts.

Interest and other income (expense)

Interest and other income (expense) consisted of the following:

(in thousands)	Three months ended August 31, 2025	2024	Change $	Change %
Interest income	$ 94	126	$ (32)	(25) %
Interest on convertible notes payable	(676)	$ (1,165)	489	(42)
Amortization of discount on convertible notes	—	(125)	125	(100)
Loss on induced conversion	—	(1,180)	1,180	(100)
Finance charges	(13)	(14)	1	(7)
Loss on derivatives	—	(852)	852	(100)
Total interest and other expenses	$ (595)	$ (3,210)	$ 2,615	(81)%

The decrease in interest and other expenses for the three-month period ended August 31, 2025, compared with the same period in the prior year, was primarily due to the decreases in loss on induced conversion, loss on derivatives, and interest on convertible notes payable. The decrease in loss on induced conversion is due to the note payments in the current year being exchanged with an equal value of shares of common stock. The decrease in loss on derivatives is due to no derivative activity in the current period. The decrease in interest on convertible notes payable is due to a lower interest rate in the current period compared to the prior period.

Liquidity and Capital Resources

As of August 31, 2025, we had a total of approximately $9.3 million in cash and cash equivalents and approximately $69.4 million in short-term liabilities. We expect to continue to incur operating losses and require a significant amount of capital in the future as we continue to seek approval to commercialize leronlimab. There can be no assurance that future funding will be available to us when needed on terms that are acceptable to us, or at all. We sell securities and incur debt when the terms of such arrangements are deemed acceptable to both parties under then current circumstances and as necessary to fund our current and projected cash needs. As of September 30, 2025, we had approximately 164.5 million shares of common stock available for issuance in new financing transactions. Consequently, if the Company's stockholders do not vote, at the Company's annual meeting in November 2025, to approve an amendment to the Company's Certificate of Incorporation to provide for an increase in the total number of shares of common stock

authorized for issuance from 1,750,000 shares to 2,250,000 shares, the Company will be limited in its ability to engage in equity financing activities to pursue the Company's business strategy over the next 12 months.

Since inception, the Company has financed its activities principally from the public and private sale of equity securities as well as with proceeds from issuance of convertible notes. The Company intends to finance its future operating activities and its working capital needs largely from the sale of equity and debt securities. The sale of equity and convertible debt securities to raise additional capital is likely to result in dilution to stockholders and those securities may have rights senior to those of common shares. If the Company raises funds through the issuance of additional preferred stock, convertible debt securities or other debt or equity financing, the related transaction documents may contain covenants restricting its operations.

During the 2021 fiscal year, the Company entered into long-term convertible notes that are secured by all of our assets (excluding our intellectual property), and include certain restrictive provisions, including limitations on incurring additional indebtedness and future dilutive issuances of securities, any of which could impair our ability to raise additional capital on acceptable terms.

Future third-party funding arrangements may also require the Company to relinquish valuable rights. Additional capital, if available, may not be available on reasonable or non-dilutive terms.

Cash and cash equivalents

The Company's cash and cash equivalents position of approximately $9.3 million as of August 31, 2025, decreased by approximately $2.6 million when compared to the balance of $11.9 million as of May 31, 2025. This decrease was primarily the result of approximately $2.5 million cash used in operating activities. Refer to Item 1, Note 2, *Summary of Significant Accounting Policies – Going Concern*, and the *Going Concern* discussion below for information regarding concerns about the Company's ability to continue to fund its operations and satisfy its payment obligations and commitments. A summary of cash flows and changes between the periods presented is as follows:

(in thousands)	Three months ended August 31, 2025	Three months ended August 31, 2024	Change $
Net cash (used in) provided by:			
Net cash (used in) provided by operating activities	$ (2,450)	$ 5,440	$ (7,890)
Net cash (used in) provided by financing activities	$ (121)	$ 9,667	$ (9,788)

Cash used in operating activities

Net cash used in operating activities totaled approximately $2.5 million during the three months ended August 31, 2025, representing an increase of approximately $7.9 million compared to the three months ended August 31, 2024. The increase in the net amount of cash used in operating activities was due primarily to a one-time legal settlement of approximately $10.0 million in the prior period.

Cash provided by financing activities

Net cash provided by financing activities totaled approximately $0.1 million during the three months ended August 31, 2025, a decrease of approximately $9.8 million compared to the three months ended August 31, 2024. The decrease in net cash provided was primarily the result of no significant fundraising during the current period.

Convertible debt

April 2, 2021 Convertible Note

On April 2, 2021, we issued a convertible note with a principal amount of $28.5 million resulting in net cash proceeds of $25.0 million, after $3.4 million of debt discount and $0.1 million of offering costs. The note accrues interest daily at a rate of 6% per annum, has a stated conversion price of $10.00 per share, and matures in April 2026. As of August 31, 2025, the outstanding balance of the April 2, 2021 Note, including accrued interest, was approximately $8.3 million.

April 23, 2021 Convertible Note

On April 23, 2021, we issued a convertible note with a principal amount of $28.5 million resulting in net cash proceeds of $25.0 million, after $3.4 million of debt discount and $0.1 million of offering costs. The note accrues interest daily at a rate of 6% per annum, has a stated conversion price of $10.00 per share, and matures in April 2026. As of August 31, 2025, the outstanding balance of the April 23, 2021 Note, including accrued interest, was approximately $35.4 million.

Common stock

We have 1,750.0 million authorized shares of common stock. The table below summarizes intended uses of common stock.

(in millions)	As of August 31, 2025
Issuable upon:	
Warrant exercises	213.0
Convertible preferred stock and undeclared dividends conversion	40.8
Outstanding stock option exercises or vesting of outstanding PSUs	42.0
Reserved for issuance pursuant to future stock-based awards under equity incentive plan	18.4
Reserved and issuable upon conversion of outstanding convertible notes	12.0
Total shares reserved for future uses	326.2
Common stock outstanding	1,256.8

As of August 31, 2025, we had approximately 167.0 million unreserved authorized shares of common stock available for issuance. Our ability to continue to fund our operations depends on our ability to raise capital. The funding necessary for our operations may not be available on acceptable terms, or at all. If we deplete our cash reserves, we may have to discontinue our operations and liquidate our assets. In extreme cases, we could be forced to file for bankruptcy protection.

Off-Balance Sheet Arrangements

As of August 31, 2025, we did not have any off-balance sheet arrangements that have, or are reasonably likely to have, a material effect on our current or future financial condition, results of operations, liquidity, capital expenditures or capital resources.

Contractual Obligations

Refer to Note 3, *Accrued Liabilities and Compensation*, Note 4, *Convertible Instruments and Accrued Interest*, and Note 9, *Commitments and Contingencies* included in Part I, Item 1 of this Form 10-Q, and Notes 4 and 9 in Part II, Item 8 in the 2025 Form 10-K.

Legal Proceedings

The Company is a party to various legal proceedings described in Part I, Item 1, Note 9, *Commitments and Contingencies – Legal Proceedings* of this Form 10-Q. The Company recognizes accruals for such proceedings to the extent a loss is determined to be both probable and reasonably estimable. The best estimate of a loss within a possible range is accrued; however, if no estimate in the range is more probable than another, then the minimum amount in the range is accrued. If it is determined that a material loss is not probable but reasonably possible and the loss or range of loss can be estimated, the possible loss is disclosed.

It is not possible to predict the outcome of these proceedings, including the defense and other litigation-related costs and expenses that may be incurred by the Company, as the outcomes of legal proceedings are inherently uncertain, and the outcomes could differ significantly from recognized accruals. Therefore, it is possible that the ultimate outcome of any proceeding, if in excess of a recognized accrual, if any, could be material to the Company's consolidated financial statements. As of August 31, 2025, the Company had not recorded any accruals related to the outcomes of the legal matters discussed in this Form 10-Q.

Going Concern

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As presented in the accompanying consolidated financial statements, the Company had losses for all periods presented, except for the three months ended August 31, 2024. Net income of $19.2 million in the three months ended August 31, 2024, resulted from the recovery of approximately $25.0 million in clinical expenses due to the settlement of the Company's litigation with Amarex, which is a non-recurring event. The Company has an accumulated deficit of approximately $893.3 million as of August 31, 2025. These factors, among several others, raise substantial doubt about our ability to continue as a going concern. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company's continuance as a going concern is dependent upon its ability to obtain additional operating capital, complete the development of its product candidate, leronlimab, obtain approval to commercialize leronlimab from regulatory agencies, continue to outsource manufacturing of leronlimab, and ultimately achieve revenues and attain profitability. The Company plans to continue to engage in research and development activities related to leronlimab and a new or modified longer-acting therapeutic and expects to incur significant research and development expenses in the future, primarily related to its regulatory compliance, including performing additional clinical trials and seeking regulatory approval of its product candidate for commercialization. These research and development activities are subject to significant risks and uncertainties. The Company intends to finance its future development activities and its working capital needs primarily from the sale of equity and debt securities, combined with additional funding from other sources. However, there can be no assurance that the Company will be successful in these endeavors. See also *Liquidity and Capital Resources* above.

New Accounting Pronouncements

Refer to Part I, Item 1, Note 2, *Summary of Significant Accounting Policies – Recent Accounting Pronouncements* in this Form 10-Q for the discussion.

Critical Accounting Estimates

This discussion and analysis of the Company's financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of our financial statements and related disclosures requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of expenses during the reporting period. The Company's critical

accounting estimates are described under the heading *Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Estimates* in our 2025 Form 10-K.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

There have been no material changes from the information previously reported in Part II, Item 7A of the 2025 Form 10-K.

Item 4. Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act, is (1) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and (2) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of August 31, 2025. Our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives, and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Our Chief Executive Officer and Chief Financial Officer concluded, based upon the evaluation described above, that as of August 31, 2025, our disclosure controls and procedures were effective at the reasonable assurance level.

During the quarter ended August 31, 2025, there have been no changes in our internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15(d)-15(f) promulgated under the Exchange Act, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – Other Information

Item 1. Legal Proceedings

For a description of pending material legal proceedings, please see Note 9, *Commitments and Contingencies–Legal Proceedings*, of the Notes to Consolidated Financial Statements included in Part I, Item 1 of this Form 10-Q.

Item 1A. Risk Factors

There have been no material changes in the risk factors that were included in our Annual Report on Form 10-K for the fiscal year ended May 31, 2025, which was filed with the SEC on July 25, 2025. You should carefully consider those risk factors in addition to other information in this Form 10-Q.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuances of Shares in Convertible Note Exchange Transactions

In August and September 2025, the Company and the holder of its April 23, 2021 Note, in partial satisfaction of the holder's redemption rights, entered into an exchange agreement pursuant to which a portion of the original note was partitioned into new notes with an aggregate principal amount of $1.5 million. The new note was exchanged concurrently with issuance of a total of approximately 5.3 million shares of common stock. The Company relied on the exemption provided by Section 3(a)(9) of the Securities Act in connection with the exchange transaction.

Item 6. Exhibits

(a) Exhibits:

Exhibit No	Description	Filed Herewith	Incorporated by Reference		
			Form	Exhibit No.	Filing Date
31.1	Rule 13a-14(a) Certification by Principal Executive Officer of the Registrant.	X			
31.2	Rule 13a-14(a) Certification by Principal Financial Officer of the Registrant.	X			
32	Certification of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350.*	X			
101.INS	Inline XBRL Instance Document.	X			
101.SCH	Inline XBRL Taxonomy Extension Schema Document.	X			
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.	X			
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.	X			
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.	X			
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.	X			
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).	X			

*Furnished, not filed.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CYTODYN INC.
(Registrant)

Dated: October 10, 2025

/s/ Jacob Lalezari
Jacob Lalezari
Chief Executive Officer
(Principal Executive Officer)

Dated: October 10, 2025

/s/ Robert E. Hoffman
Robert E. Hoffman
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 31.1

Certification of Principal Executive Officer

I, Jacob Lalezari, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of CytoDyn Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
    a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
    b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, based on such evaluation; and
    d. disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the registrant's most-recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
    a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
    b. any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: October 10, 2025

/s/ Jacob Lalezari
Jacob Lalezari
Chief Executive Officer

Exhibit 31.2

Certification of Chief Financial Officer

I, Robert E. Hoffman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of CytoDyn Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
    a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
    b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, based on such evaluation; and
    d. disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the registrant's most-recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
    a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
    b. any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: October 10, 2025

/s/ Robert E. Hoffman
Robert E. Hoffman
Chief Financial Officer

Exhibit 32

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350

In connection with the Quarterly Report of CytoDyn Inc. (the "Company") on Form 10-Q for the fiscal quarter ended August 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned certify, pursuant to 18 U.S.C. Section 1350, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jacob Lalezari	/s/ Robert E. Hoffman
Jacob Lalezari	Robert E. Hoffman
Chief Executive Officer	Chief Financial Officer
Date: October 10, 2025	Date: October 10, 2025

A signed original of this written statement required by Section 906 has been provided to CytoDyn Inc. and will be retained by CytoDyn Inc. and furnished to the Securities and Exchange Commission or its staff upon request.