

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-Q**

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

For the quarterly period ended October 31, 2024

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 001-40699

**PHARMACYTE BIOTECH, INC.**  
(Exact name of registrant as specified in its charter)

**Nevada**  
(State or other jurisdiction of incorporation or organization)

**62-1772151**  
(I.R.S. Employer Identification No.)

**3960 Howard Hughes Parkway, Suite 500, Las Vegas, NV 89169**  
(Address of principal executive offices)

**(917) 595-2850**  
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, Par Value \$0.0001 Per Share	PMCB	The Nasdaq Stock Market LLC (Nasdaq Capital Market)

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 (§232.405) 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 <input type="checkbox"/>	Accelerated filer <input type="checkbox"/>
Non-accelerated filer <input checked="" type="checkbox"/>	Smaller reporting company <input checked="" type="checkbox"/>
Emerging growth company <input type="checkbox"/>	

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 ☒

As of December 9, 2024, the registrant had 6,968,134 outstanding shares of common stock, with a par value of \$0.0001 per share.

**PHARMACYTE BIOTECH, INC.**  
**INDEX TO QUARTERLY REPORT ON FORM 10-Q**  
**FOR THE THREE AND SIX MONTHS ENDED OCTOBER 31, 2024**

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# **PART I – FINANCIAL INFORMATION**

## **Item 1. Financial Information.**

### **PHARMACYTE BIOTECH, INC. CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)**

	<b>October 31, 2024</b>	<b>April 30, 2024</b>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 20,840,056	\$ 50,179,968
Prepaid expenses and other current assets	493,213	259,800
Total current assets	<u>21,333,269</u>	<u>50,439,768</u>
<b>Other assets:</b>		
Intangible asset	1,549,427	1,549,427
Investment in preferred stock – TNF	24,855,000	–
Convertible note receivable – Femasys	3,435,000	2,755,000
Warrant asset – Femasys	3,918,000	5,152,000
Other asset	7,688	7,688
Total other assets	<u>33,765,115</u>	<u>9,464,115</u>
<b>Total Assets</b>	<u><u>\$ 55,098,384</u></u>	<u><u>\$ 59,903,883</u></u>
<b>LIABILITIES, CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 348,595	\$ 389,369
Accrued expenses	707,185	735,199
Accrued Series B convertible preferred stock redemption and dividends	3,720,458	6,296,696
Total current liabilities	<u>4,776,238</u>	<u>7,421,264</u>
<b>Other liabilities:</b>		
Warrant liability	6,871,000	10,784,000
Derivative liability	–	2,184,000
Total other liabilities	<u>6,871,000</u>	<u>12,968,000</u>
<b>Total Liabilities</b>	<u>11,647,238</u>	<u>20,389,264</u>
<b>Commitments and Contingencies (Notes 6 and 8)</b>		
<b>Convertible Preferred Stock:</b>		
Series B convertible preferred stock: authorized 35,000 shares, \$0.0001 par value and \$1,000 face value, 0 and 14,646 shares issued and outstanding excluding 2,979 and 5,833 shares subject to redemption as of October 31, 2024 and April 30, 2024, respectively. Liquidation preference of \$0 and \$15,060,421, as of October 31, 2024 and April 30, 2024, respectively	–	11,867,016
<b>Stockholders' equity:</b>		
Preferred stock, authorized 10,000,000	–	–
Series A preferred stock: authorized 1 share, \$0.0001 par value and 0 shares issued and outstanding as of October 31, 2024 and April 30, 2024	–	–
Common stock: authorized 200,000,000 shares, \$0.0001 par value; shares issued 21,672,095, shares outstanding 7,034,259 as of October 31, 2024, and shares issued 21,672,078, shares outstanding 8,037,624 as of April 30, 2024	2,167	2,167
Additional paid-in capital	181,352,842	185,334,173
Accumulated deficit	(93,673,215)	(115,625,010)
Treasury stock, at cost, 14,637,836 and 13,634,454 shares as of October 31, 2024, and April 30, 2024, respectively	(44,207,381)	(42,040,216)
Accumulated other comprehensive loss	(23,267)	(23,511)
Total stockholders' equity	<u>43,451,146</u>	<u>27,647,603</u>
<b>Total Liabilities, Convertible Preferred Stock and Stockholders' Equity</b>	<u><u>\$ 55,098,384</u></u>	<u><u>\$ 59,903,883</u></u>

See accompanying Notes to Condensed Consolidated Financial Statements.

**PHARMACYTE BIOTECH, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(UNAUDITED)**

	Three Months Ended October 31,		Six Months Ended October 31,	
	2024	2023	2024	2023
Revenue	\$ —	\$ —	\$ —	\$ —
Operating expenses:				
Research and development costs	97,470	82,033	193,486	186,516
Compensation expense	283,333	229,159	672,817	469,157
Director fees	138,000	306,738	276,000	356,953
Legal and professional	469,685	519,073	980,241	844,301
General and administrative	117,572	272,517	252,403	1,627,919
Total operating expenses	<u>1,106,060</u>	<u>1,409,520</u>	<u>2,374,947</u>	<u>3,484,846</u>
Loss from operations	<u>(1,106,060)</u>	<u>(1,409,520)</u>	<u>(2,374,947)</u>	<u>(3,484,846)</u>
Other income (expenses):				
Interest income	382,562	894,181	929,994	1,770,059
Change in fair value of warrant liability	1,829,000	4,075,000	3,913,000	2,623,000
Change in fair value of derivative liability	980,000	(769,000)	2,184,000	(1,299,000)
Change in fair value of convertible note receivable	435,000	—	680,000	—
Change in fair value of warrant asset - Femasys	276,000	—	(1,234,000)	—
Change in fair value of investment - TNF	(4,265,000)	—	(3,540,734)	—
Gain on related party investment - TNF	—	—	21,395,734	—
Other expense	(1,062)	(765)	(1,252)	(2,614)
Total other income, net	<u>(363,500)</u>	<u>4,199,416</u>	<u>24,326,742</u>	<u>3,091,445</u>
Net income (loss)	<u>(1,469,560)</u>	<u>2,789,896</u>	<u>21,951,795</u>	<u>(393,401)</u>
Preferred stock dividends	(443,958)	(586,886)	(1,129,759)	(906,735)
Preferred stock accretion	<u>(1,045,357)</u>	<u>(4,461,097)</u>	<u>(3,193,404)</u>	<u>(7,733,130)</u>
Net income (loss) attributable to common stockholders	<u>\$ (2,958,875)</u>	<u>\$ (2,258,087)</u>	<u>\$ 17,628,632</u>	<u>\$ (9,033,266)</u>
Basic and diluted income (loss) per share attributable to common stockholders	<u>\$ (0.39)</u>	<u>\$ (0.26)</u>	<u>\$ 1.83</u>	<u>\$ (0.85)</u>
Weighted average shares outstanding basic and diluted	<u>7,637,034</u>	<u>8,765,134</u>	<u>7,751,708</u>	<u>10,683,514</u>

See accompanying Notes to Condensed Consolidated Financial Statements.

**PHARMACYTE BIOTECH, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
**(UNAUDITED)**

	<b>Three Months Ended October 31,</b>		<b>Six Months Ended October 31,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Net income (loss)	\$ (1,469,560)	\$ 2,789,896	\$ 21,951,795	\$ (393,401)
Other comprehensive income (loss):				
Foreign currency translation	61	(1,591)	244	(1,140)
Other comprehensive income (loss)	61	(1,591)	244	(1,140)
Comprehensive income (loss)	<u>\$ (1,469,499)</u>	<u>\$ 2,788,305</u>	<u>\$ 21,952,039</u>	<u>\$ (394,541)</u>

See accompanying Notes to Condensed Consolidated Financial Statements.

**PHARMACYTE BIOTECH, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY**  
**THREE AND SIX MONTHS ENDED OCTOBER 31, 2024 AND 2023**  
**(UNAUDITED)**

	Preferred Stock		Common Stock		Additional	Treasury Stock		Accumulated	Accumulated	Total
	Shares	Amount	Shares	Amount	Paid-in Capital	Shares	Amount	Deficit	Other Comprehensive Loss	Stockholders' Equity
<b>Balance, April 30, 2023</b>	—	\$ —	21,602,078	\$ 2,160	\$ 202,230,583	(4,808,098)	\$ (13,560,623)	\$ (115,958,773)	\$ (23,003)	\$ 72,690,344
Stock issued for warrant exercise	—	—	70,000	7	63	—	—	—	—	70
Accrued preferred stock dividends	—	—	—	—	(319,849)	—	—	—	—	(319,849)
Preferred stock accretion	—	3,272,033	—	—	(3,272,033)	—	—	—	—	(3,272,033)
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	451	451
Net loss	—	—	—	—	—	—	—	(3,183,297)	—	(3,183,297)
Repurchase of common stock	—	—	—	—	—	(8,085,879)	(26,721,897)	—	—	(26,721,897)
Issuance of Series B Preferred Stock, net of discounts and issuance costs of \$18,246,925	35,000	16,753,075	—	—	—	—	—	—	—	—
<b>Balance, July 31, 2023</b>	35,000	20,025,108	21,672,078	2,167	198,638,764	(12,893,977)	(40,282,520)	(119,142,070)	(22,552)	39,193,789
Series B preferred stock subject to redemption	(3,520)	(3,188,536)	—	—	—	—	—	—	—	—
Series B preferred stock dividends	—	—	—	—	(586,886)	—	—	—	—	(586,886)
Preferred stock accretion	—	4,461,097	—	—	(4,461,097)	—	—	—	—	(4,461,097)
Repurchase of common stock	—	—	—	—	—	(78,109)	(166,603)	—	—	(166,603)
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	(1,591)	(1,591)
Net income	—	—	—	—	—	—	—	2,789,896	—	2,789,896
<b>Balance, October 31, 2023</b>	<u>31,480</u>	<u>\$ 21,297,669</u>	<u>21,672,078</u>	<u>\$ 2,167</u>	<u>\$ 193,590,781</u>	<u>(12,972,086)</u>	<u>\$ (40,449,123)</u>	<u>\$ (116,352,174)</u>	<u>\$ (24,143)</u>	<u>\$ 36,767,508</u>

(continued)

	Preferred Stock		Common Stock		Additional	Treasury Stock		Accumulated	Accumulated	Total
	Shares	Amount	Shares	Amount	Paid-in	Shares	Amount	Deficit	Other Comprehensive	Stockholders'
					Capital				Loss	Equity
<b>Balance, April 30, 2024</b>	14,646	\$ 11,867,016	21,672,078	\$ 2,167	\$ 185,334,173	(13,634,454)	\$ (42,040,216)	\$ (115,625,010)	\$ (23,511)	\$ 27,647,603
Stock-based compensation options	—	—	—	—	222,677	—	—	—	—	222,677
Preferred stock accretion	—	2,148,047	—	—	(2,148,047)	—	—	—	—	(2,148,047)
Series B preferred stock redemption	(2,917)	(2,893,144)	—	—	—	—	—	—	—	—
Series B preferred stock subject to redemption	(5,833)	(5,788,805)	—	—	—	—	—	—	—	—
Preferred stock dividends	—	—	—	—	(685,801)	—	—	—	—	(685,801)
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	183	183
Net income	—	—	—	—	—	—	—	23,421,355	—	23,421,355
Repurchase of common stock	—	—	—	—	—	(320,346)	(749,600)	—	—	(749,600)
<b>Balance, July 31, 2024</b>	5,896	5,333,114	21,672,078	2,167	182,723,002	(13,954,800)	(42,789,816)	(92,203,655)	(23,328)	47,708,370
Fractional shares adjustment	—	—	17	—	—	—	—	—	—	—
Stock-based compensation options	—	—	—	—	119,155	—	—	—	—	119,155
Preferred stock accretion	—	1,045,357	—	—	(1,045,357)	—	—	—	—	(1,045,357)
Series B preferred stock redemption	(2,917)	(2,868,607)	—	—	—	—	—	—	—	—
Series B preferred stock subject to redemption	(2,979)	(3,509,864)	—	—	—	—	—	—	—	—
Preferred stock dividends	—	—	—	—	(443,958)	—	—	—	—	(443,958)
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	61	61
Net loss	—	—	—	—	—	—	—	(1,469,560)	—	(1,469,560)
Repurchase of common stock	—	—	—	—	—	(683,036)	(1,417,565)	—	—	(1,417,565)
<b>Balance, October 31, 2024</b>	<u>—</u>	<u>\$ —</u>	<u>21,672,095</u>	<u>\$ 2,167</u>	<u>\$ 181,352,842</u>	<u>(14,637,836)</u>	<u>\$ (44,207,381)</u>	<u>\$ (93,673,215)</u>	<u>\$ (23,267)</u>	<u>\$ 43,451,146</u>

See accompanying Notes to Condensed Consolidated Financial Statements.

**PHARMACYTE BIOTECH, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**

	<b>Six Months Ended October 31,</b>	
	<b>2024</b>	<b>2023</b>
Cash flows from operating activities:		
Net income (loss)	\$ 21,951,795	\$ (393,401)
Adjustments to reconcile net loss to net cash used in operating activities:		
Gain on related party investment – TNF	(21,395,734)	–
Stock-based compensation	341,832	–
Change in fair value of warrant liability	(3,913,000)	(2,623,000)
Change in fair value of derivative liability	(2,184,000)	1,299,000
Change in fair value of convertible note receivable	(680,000)	–
Change in fair value of warrant asset – Femasys	1,234,000	–
Change in fair value of investment – TNF	3,540,734	–
Change in assets and liabilities:		
Decrease in prepaid expenses and other current assets	(233,413)	(215,508)
Increase (decrease) in accounts payable	(40,775)	(2,118)
Increase (decrease) in accrued expenses	(49,471)	293,632
Net cash provided by (used in) operating activities	<u>(1,428,032)</u>	<u>(1,641,395)</u>
Cash flows from investing activities:		
Investment in preferred stock and warrants	(7,000,000)	–
Net cash used in investing activities	<u>(7,000,000)</u>	<u>–</u>
Cash flows from financing activities:		
Repurchase of common stock	(2,145,708)	(26,622,277)
Proceeds from issuance of preferred stock	–	33,650,075
Redemption of preferred stock	(18,766,416)	–
Proceeds from warrant exercise	–	70
Net cash provided by (used in) financing activities	<u>(20,912,124)</u>	<u>7,027,868</u>
Effect of currency rate exchange on cash and cash equivalents	244	(1,140)
Net increase (decrease) in cash and cash equivalents	(29,339,912)	5,385,333
Cash and cash equivalents at beginning of the period	50,179,968	68,039,936
Cash and cash equivalents at end of the period	<u>\$ 20,840,056</u>	<u>\$ 73,425,269</u>
<b>Supplemental disclosure of cash flows information:</b>		
Cash paid during the periods for income taxes	<u>\$ –</u>	<u>\$ 1,600</u>
<b>Supplemental disclosure of cash flows information:</b>		
Non-cash derivative liability at initial fair value	\$ –	\$ 2,770,000
Non-cash warrant liability at initial fair value	\$ –	\$ 14,127,000
Reclassification of Series B Convertible Preferred Stock and dividends to current liability	\$ 16,190,179	\$ 4,095,271
Accretion of discounts to redemption value of Series B Preferred Stock	\$ 3,193,404	\$ 7,733,130
Excise tax accrued on repurchase of common stock	<u>\$ 21,457</u>	<u>\$ 266,223</u>

See accompanying Notes to Condensed Consolidated Financial Statements.



**PHARMACYTE BIOTECH, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED)**

**NOTE 1 – NATURE OF BUSINESS**

PharmaCyt Biotech, Inc. (“Company”) is a biotechnology company focused on developing cellular therapies for cancer based upon a proprietary cellulose-based live cell encapsulation technology known as “Cell-in-a-Box®.” The Cell-in-a-Box® technology is intended to be used as a platform upon which therapies for several types of cancer, including locally advanced, inoperable pancreatic cancer (“LAPC”) will be developed. The current generation of the Company’s product candidate is referred to as “CypCaps™.”

The Company is a Nevada corporation incorporated in 1996. In 2013, the Company restructured its operations to focus on biotechnology. The Company acquired licenses from SG Austria Pte. Ltd., a Singapore corporation (“SG Austria”) to treat cancer and Austrianova Singapore Pte. Ltd., a Singapore corporation (“Austrianova Singapore”) using the Cell-in-the-Box technology. The restructuring resulted in the Company focusing all its efforts upon the development of a novel, effective and safe way to treat cancer. In January 2015, the Company changed its name from Nuvilex, Inc. to PharmaCyt Biotech, Inc. to reflect the nature of its current business. In October 2021, the Company moved its headquarters from Laguna Hills, California to Las Vegas, Nevada.

On September 1, 2020, the Company submitted an Investigational New Drug Application (“IND”) to the U.S. Food and Drug Administration (“FDA”) for a planned clinical trial in LAPC. On October 1, 2020, the Company received notice from the FDA that it had placed the IND on clinical hold. On October 30, 2020, the FDA sent a letter to the Company setting forth the reasons for the clinical hold and specific guidance on what the Company must do to have the clinical hold lifted.

To lift the clinical hold, the FDA informed the Company that it needs to conduct several additional preclinical studies. The FDA also requested additional information regarding several topics, including DNA sequencing data, manufacturing information and product release specifications. The Company has been in the process of conducting these studies and gathering additional information to submit to the FDA. See “Investigational New Drug Application and Clinical Hold” below.

On August 15, 2022, the Company entered into a Cooperation Agreement (“Cooperation Agreement”) with Iroquois Master Fund Ltd. and its affiliates, pursuant to which the Company elected a reconstituted Board of Directors (“Board”). The Board has formed a Business Review Committee to evaluate, investigate and review the Company’s business, affairs, strategy, management and operations and in its sole discretion to make recommendations to the Company’s management and Board with respect thereto. The Business Review Committee is also reviewing many of the risks relative to the Company’s business. In addition, the Board is reviewing the Company’s development programs and its relationship with SG Austria, including that all licensed patents have expired, that know-how relating to the Company’s Cell-in-a-Box® technology solely resides with SG Austria, and that the incentives of SG Austria and its management may not be currently aligned with those of the Company. The Board has curtailed spending on the Company’s programs, including pre-clinical and clinical activities, until the review by the Business Review Committee and the Board is complete and the Board has determined the actions and plans to be implemented. The Business Review Committee’s recommendations will include potentially seeking a new framework for the Company’s relationship with SG Austria and its subsidiaries. In the event the Company is unsuccessful in seeking an acceptable new framework, the Company will reevaluate whether it should continue those programs which are dependent on SG Austria, including its development programs for LAPC. The issues involving SG Austria have delayed the Company’s timeline for addressing the FDA clinical hold for its planned clinical trial in LAPC and could result in other delays or termination of the development activities. In addition, the curtailment of spending on the Company’s programs pending the review by the Business Review Committee and the Board may cause additional delays.

The Cell-in-a-Box® encapsulation technology potentially enables genetically engineered live human cells to be used as a means to produce various biologically active molecules. The technology is intended to result in the formation of pinhead sized cellulose-based porous capsules in which genetically modified live human cells can be encapsulated and maintained. In a laboratory setting, this proprietary live cell encapsulation technology has been shown to create a micro-environment in which encapsulated cells survive and flourish. They are protected from environmental challenges, such as the sheer forces associated with bioreactors and passage through catheters and needles, which the Company believes enables greater cell growth and production of the active molecules. The capsules are largely composed of cellulose (cotton) and are bioinert.

The Company has been developing therapies for pancreatic and other solid cancerous tumors by using genetically engineered live human cells that it believes are capable of converting a cancer prodrug into its cancer-killing form. The Company encapsulates those cells using the Cell-in-a-Box<sup>®</sup> technology and places those capsules in the body as close as possible to the tumor. In this way, the Company believes that when a cancer prodrug is administered to a patient with a particular type of cancer that may be affected by the prodrug, the killing of the patient's cancerous tumor may be optimized.

Until the review by the Business Review Committee and the Board is complete and the Board has determined the actions and plans to be implemented, spending on the Company's programs has been curtailed.

#### **Investigational New Drug Application and Clinical Hold**

On September 1, 2020, the Company submitted an IND to the FDA for a planned clinical trial in LAPC. On October 1, 2020, the Company received notice from the FDA that it had placed the Company's IND on clinical hold. On October 30, 2020, the FDA sent the Company a letter setting forth the reasons for the clinical hold and providing specific guidance on what the Company must do to have the clinical hold lifted.

In order to address the clinical hold, the FDA requested that the Company:

- Provide additional sequencing data and genetic stability studies;
- Conduct a stability study on the Company's final formulated product candidate as well as the cells from the Company's Master Cell Bank;
- Evaluate the compatibility of the delivery devices (the prefilled syringe and the microcatheter used to implant the CypCaps<sup>™</sup>) with the Company's product candidate for pancreatic cancer;
- Provide additional detailed description of the manufacturing process of the Company's product candidate for pancreatic cancer;
- Provide additional product release specifications for the Company's encapsulated cells;
- Demonstrate comparability between the 1<sup>st</sup> and 2<sup>nd</sup> generation of the Company's product candidate for pancreatic cancer and ensure adequate and consistent product performance and safety between the two generations;
- Conduct a biocompatibility assessment using the Company's capsules material;
- Address specified insufficiencies in the Chemistry, Manufacturing and Controls information in the cross-referenced Drug Master File;
- Conduct an additional nonclinical study in a large animal (such as a pig) to assess the safety, activity, and distribution of the product candidate for pancreatic cancer; and
- Revise the Investigators Brochure to include any additional preclinical studies conducted in response to the clinical hold and remove any statements not supported by the data the Company generated.

The FDA also requested that the Company address the following issues as an amendment to the Company's IND:

- Provide a Certificate of Analysis for pc3/2B1 plasmid that includes tests for assessing purity, safety, and potency;
- Perform qualification studies for the drug filling step to ensure that the Company's product candidate for pancreatic cancer remains sterile and stable during the filling process;
- Submit an updated batch analysis for the Company's product candidate for the specific lot that will be used for manufacturing all future product candidates;
- Provide additional details for the methodology for the Resorufin (CYP2B1) potency and the PrestoBlue cell metabolic assays;
- Provide a few examples of common microcatheters that fit the specifications in the Company's Angiography Procedure Manual;
- Clarify the language in our Pharmacy Manual regarding proper use of the syringe fill with the Company's product candidate for pancreatic cancer; and
- Provide a discussion with data for trial of the potential for cellular and humoral immune reactivity against the heterologous rat CYP2B1 protein and potential for induction of autoimmune-mediated toxicities in our study population.

The Company assembled a scientific and regulatory team of experts to address the FDA requests. That team has been working diligently to complete the items requested by the FDA.

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Basis of Presentation**

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. GAAP for interim financial information. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, such statements include all adjustments (consisting only of normal recurring items) which are considered necessary for a fair presentation of the unaudited condensed consolidated financial statements of the Company as of October 31, 2024 and for the three and six months then ended. The results of operations for the three and six months ended October 31, 2024 are not necessarily indicative of the operating results for the year or any other period. These unaudited condensed consolidated financial statements should be read in conjunction with the audited financial statements and related disclosures as of April 30, 2024 and for the year then ended which are included in the Company's Annual Report on Form 10-K, filed with the SEC on August 13, 2024.

### **Liquidity Uncertainties**

As of October 31, 2024, the Company had approximately \$20.8 million in cash and cash equivalents as compared to approximately \$50.2 million at April 30, 2024. The Company expects that its current cash and cash equivalents of approximately \$16 million as of the filing of this Quarterly Report on Form 10-Q, will be sufficient to support its projected operating requirements and financial commitments for at least the next twelve months from the date of this Quarterly Report.

The Company may need to raise additional capital in order to initiate and pursue potential additional projects, including the continuing development beyond the ongoing pancreatic cancer research. Any additional equity financing, if available, may not be on favorable terms and would likely be significantly dilutive to the Company's current stockholders, and debt financing, if available, may have restrictive covenants. If the Company is able to find funds through collaborative or licensing arrangements, it may be required to relinquish rights to some of its product candidates that the Company would otherwise seek to develop on its own, on terms that may not be favorable to the Company. The Company's ability to access capital when needed is not assured and, if not achieved on a timely basis, will likely have a materially adverse effect on the business, financial condition and results of operations.

## Basic and Diluted Income (Loss) Per Share

Basic earnings per share excludes dilution for common stock equivalents and is computed by dividing net income or loss attributable to common stockholders by the weighted average number of shares of common stock outstanding for the period. Diluted EPS is calculated based on the weighted average number of shares of common stock plus the effect of dilutive potential common shares outstanding during the period. Potentially dilutive securities consist of common stock options, warrants, and convertible preferred securities. The dilutive effect of stock options and warrants is reflected in diluted EPS by application of the treasury stock method. The dilutive effect of convertible preferred securities is reflected in the diluted EPS by application of the “if-converted” method. The “if-converted” method is only assumed in periods where such application would be dilutive. Basic and diluted net income (loss) per share is determined by dividing income (loss) by the weighted average ordinary shares outstanding during the period. For periods presented with a net loss, the shares underlying the ordinary share options, warrants and preferred stock have been excluded from the calculation because their effect would be anti-dilutive. Therefore, the weighted-average shares outstanding used to calculate both basic and diluted loss per share is the same for periods with a net loss.

## Investment in TNF Pharmaceuticals, Inc.

In accordance with ASC 810, *Consolidation*, the Company assessed whether it has a variable interest in legal entities in which it has a financial relationship and, if so, whether or not those entities are variable interest entities (“VIEs”). For those entities that qualify as VIEs, ASC 810 requires the Company to determine if it is the primary beneficiary of the VIE, and if so, to consolidate the VIE. The investment in TNF did not meet the primary beneficiary requirements for consolidation, therefore no consolidation of this VIE was required.

If an entity is determined to be a VIE, the Company evaluates whether it is the primary beneficiary. The primary beneficiary analysis is a qualitative analysis based on power and economics. PharmaCyte consolidates a VIE if it has both power and benefits that is, PharmaCyte (i) has the power to direct the activities of a VIE that most significantly influence the VIE’s economic performance (power), and (ii) has the obligation to absorb losses of, or the right to receive benefits from, the VIE that could potentially be significant to the VIE (benefits). PharmaCyte consolidates VIEs whenever it is determined that PharmaCyte is the primary beneficiary. Any intercompany transactions are eliminated in consolidation.

The Company applies ASC 321 *Investments—Equity Securities* to investments in equity securities for which the Company has no significant influence or equity investments that are not in substance common stock. Under this guidance, equity securities with and without readily determinable fair values are accounted for at fair value based on quoted market prices or utilizing an appropriate valuation methodology to estimate the fair value. All gains and losses on investments in equity securities are recognized in the Condensed Consolidated Statements of Operations.

## New Accounting Pronouncements Effective in Future Periods

In November 2023, FASB issued ASU 2023-07 - Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which requires public entities with a single reportable segment to provide all the disclosures required by this standard and all existing segment disclosures in Topic 280 on an interim and annual basis, including new requirements to disclose significant segment expenses that are regularly provided to the chief operating decision maker (“CODM”) and included within the reported measure(s) of a segment's profit or loss, the amount and composition of any other segment items, the title and position of the CODM, and how the CODM uses the reported measure(s) of a segment's profit or loss to assess performance and decide how to allocate resources. The guidance is effective for our annual period beginning May 1, 2025, and interim periods, thereafter, applied retrospectively with early adoption permitted. The Company is evaluating the impact of adoption of this standard on its financial statements and disclosures.

In December 2023, the FASB issued ASU 2023-09 - Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which requires public entities to provide greater disaggregation within their annual rate reconciliation, including new requirements to present reconciling items on a gross basis in specified categories, disclose both percentages and dollar amounts, and disaggregate individual reconciling items by jurisdiction and nature when the effect of the items meet a quantitative threshold. The guidance also requires disaggregating the annual disclosure of income taxes paid, net of refunds received, by federal (national), state, and foreign taxes, with separate presentation of individual jurisdictions that meet a quantitative threshold. The guidance is effective for the Company's annual periods beginning May 1, 2025 on a prospective basis, with a retrospective option, and early adoption is permitted. The Company is evaluating the impact of adoption of this standard on its financial statements and disclosures.

### NOTE 3 – INVESTMENT IN FEMASYS SECURITIES

On November 14, 2023, the Company entered into a Securities Purchase Agreement (the “Femasys Purchase Agreement”) with Femasys Inc. (“Femasys”), pursuant to which it agreed to purchase from Femasys for a sum of \$5,000,000, (i) senior unsecured convertible notes (the “Femasys Notes”) in an aggregate principal amount of \$5,000,000, convertible into shares of Femasys common stock, par value \$0.001 per share (the “Femasys Shares”) at a conversion price of \$1.18 per share, (ii) Series A Warrants (the “Series A Warrants”) to purchase up to an aggregate of 4,237,288 Femasys Shares at an exercise price of \$1.18 per share, and (iii) Series B Warrants (the “Series B Warrants”, together with the Series A Warrants, the “Femasys Warrants,” and, together with the Notes, the “Femasys Securities”) to purchase up to an aggregate of 4,237,288 Femasys Shares at an exercise price of \$1.475 per share (collectively, the “Investment”). The Femasys Notes accrue interest at 6.0% per annum, payable annually, and mature two years after the date of issuance. The Femasys Warrants expire five years from the date of issuance.

Pursuant to the terms of the Femasys Purchase Agreement, the Company’s Interim Chief Executive Officer was appointed to the Femasys board of directors.

The convertible note receivable is not traded in active markets and the fair value was determined using a Monte Carlo simulation. The convertible note receivable is accounted for as available-for-sale debt securities based on “Level 3” inputs, which consist of unobservable inputs and reflect management’s estimates of assumptions that market participants would use in pricing the asset. The Company elected the fair value option for the Femasys Notes, therefore, holding gains and losses are included within change in fair value of the notes in the condensed consolidated statement of operations. The Femasys Warrants are accounted for as an equity security and are valued using a Monte Carlo simulation based on “Level 3” inputs, which consist of unobservable inputs and reflect management’s estimates of assumptions that market participants would use in pricing the asset, recorded at fair value with subsequent changes included within change in fair value of the warrants in the condensed consolidated statement of operations.

The Company recognized the Femasys Note and Femasys Warrants based on their respective fair values on the issuance date of \$1,666,000 and \$3,334,000, respectively. Subsequent changes in the fair value of the Femasys Note and Femasys Warrants will be recognized in earnings, at each reporting date. During the three and six months ended October 31, 2024, the Company recognized a gain for change in fair value of the convertible note receivable of \$435,000 and \$680,000, respectively, and a gain for change in fair value of the warrant asset of \$276,000 and a loss of \$1,234,000, respectively, for the three and six months ended October 31, 2024. See Note 12 – Fair value Measurements for further information.

Below is a summary of activity for the Note and Warrants as of October 31, 2024:

Balance of Notes as of May 1, 2024	\$	2,755,000
Purchased		–
Change in fair value		680,000
Balance of Notes as of October 31, 2024	\$	<u>3,435,000</u>
Balance of Warrants as of May 1, 2024	\$	5,152,000
Purchased		–
Change in fair value		(1,234,000)
Balance of Warrants as of October 31, 2024	\$	<u>3,918,000</u>

#### NOTE 4 – ACCRUED EXPENSES

Accrued expenses at October 31, 2024 and April 30, 2024, are summarized below:

	October 31, 2024	April 30, 2024
Payroll related costs	\$ 185,846	\$ 167,817
Director fees	67,500	135,000
R&D costs	92,310	92,310
Excise tax on stock repurchases	361,529	340,072
Total	<u>\$ 707,185</u>	<u>\$ 735,199</u>

#### NOTE 5 – STOCK OPTIONS AND WARRANTS

##### 2022 Equity Incentive Plan

Effective December 28, 2022, the Company implemented the 2022 Equity Incentive Plan (“2022 Equity Plan”) as approved by the Company’s stockholders. The 2022 Equity Plan is administered by the Compensation Committee of the Board and has 2,750,000 shares available under this plan. The 2022 Equity Plan can issue various types of awards, as follows: stock options, stock appreciation rights, restricted stock, restricted stock units, and cash or other stock-based awards. The 2022 Equity Plan is available to be issued to employees, directors, consultants, and other individuals who provide services to the Company. An incentive stock options (“ISOs”) can only be granted to employees and shall not exceed 10-years (5-years in the case of ISOs granted to any 10% shareholder).

##### Stock Options

As of October 31, 2024, the Company had 923,698 outstanding stock options to its directors and officers (collectively, “Employee Options”) and consultants (“Non-Employee Options”).

During the six months ended October 31, 2024, and 2023, the Company granted no Employee Options.

During the six months ended October 31, 2024 and 2023, the Company granted no Non-Employee Options.

A summary of the Company’s stock option activity and related information for the six months ended October 31, 2024, are shown below:

Options	Number of Options	Weighted Average Exercise Price per Share
Outstanding, April 30, 2024	925,164	\$ 2.97
Issued	–	–
Expired	(1,466)	55.30
Outstanding, October 31, 2024	<u>923,698</u>	<u>\$ 2.89</u>
Exercisable, October 31, 2024	<u>644,161</u>	<u>\$ 3.21</u>
Vested and expected to vest	<u>923,698</u>	<u>\$ 2.89</u>

A summary of the activity for unvested stock options during the six months ended October 31, 2024 is as follows:

	<b>Options</b>	<b>Weighted Average Grant Date Fair Value Per Share</b>
Unvested, April 30, 2024	279,536	1.70
Granted	—	—
Vested	—	—
Forfeited	—	—
Unvested, October 31, 2024	<u>279,536</u>	<u>\$ 1.70</u>

The Company recorded \$119,155 and \$341,833 of stock-based compensation related to the issuance of Employee Options to certain officers and directors in exchange for services during the three and six months ended October 31, 2024, respectively, and \$0 and \$0 for the three and six months ended October 31, 2023, respectively. At October 31, 2024, there remained \$132,859 of unrecognized compensation expense related to unvested Employee Options granted to officers and directors.

The aggregate intrinsic value of outstanding options as of October 31, 2024 was \$0. This represents options with exercise prices less than the \$1.81 per share closing price of the Company's common stock on October 31, 2024.

## Warrants

Pursuant to the Private Placement (as defined below), the Company issued investors Warrants (as defined below) to purchase 8,750,000 shares of Common Stock, with an exercise price of \$4.00 per share (subject to adjustment), for a period of five years from the date of issuance. For more information on the Private Placement, see "Note 12 – Preferred Stock".

The Warrants were determined to be within the scope of ASC 480-10 as they are puttable to the Company at Holders' election upon the occurrence of a Fundamental Transaction (as defined in the agreements). As such, the Company recorded the Warrants as a liability at fair value with subsequent changes in fair value recognized in earnings. The Company utilized the Black-Scholes-Merton Model to calculate the value of the Warrants issued on May 10, 2023. The fair value of the Warrants of approximately \$14,127,000 was estimated at the date of issuance using the fair value of our common stock of \$2.74 on the issuance date and was based on the following weighted average assumptions: dividend yield 0%; expected term of 5.0 years; equity volatility of 80.0%; and a risk-free interest rate of 3.37%.

Transaction costs incurred attributable to the issuance of the Warrants of approximately \$913,640 were immediately expensed in accordance with ASC 480 and is included in general and administrative expense in the accompanying Condensed Consolidated Statements of Operations.

During the three and six months ended October 31, 2024, the Company recorded a gain of approximately \$1,829,000 and \$3,913,000, respectively, related to the change in fair value of the warrant liability which is recorded in other income (expense) on the Condensed Consolidated Statements of Operations. The fair value of the Warrants of \$6,871,000 was estimated at October 31, 2024, utilizing the Black-Scholes-Merton Model using the fair value of our common stock of \$1.81 and the following weighted average assumptions: dividend yield 0%; remaining term of 3.53 years; equity volatility of 85.0%; and a risk-free interest rate of 4.05%.

A summary of the Company's warrant activity and related information for the six months ended October 31, 2024, are shown below:

	<b>Warrants</b>	<b>Weighted Average Exercise Price Per Share</b>
Outstanding, April 30, 2024	18,570,847	\$ 4.54
Issued	—	—
Exercised	—	—
Expired	—	—
Outstanding, October 31, 2024	18,570,847	4.54
Exercisable, October 31, 2024	18,570,847	\$ 4.54

#### **NOTE 6 – LEGAL PROCEEDINGS**

From time to time, the Company is subject to legal proceedings and claims, either asserted or unasserted, that arise in the ordinary course of business. While the outcome of pending claims cannot be predicted with certainty, the Company does not believe that the outcome of any pending claims will have a material adverse effect on our financial condition or operating results.

On December 4, 2023, H.C. Wainwright & Co., LLC ("Wainwright") filed a complaint against the Company in the Supreme Court of the State of New York, County of New York, asserting a single cause of action for breach of contract and alleging that the Company breached an April 2021 engagement agreement with Wainwright by failing to pay a purported "tail fee" allegedly due in connection with a private placement transaction that closed in 2023. Wainwright seeks damages of not less than \$1,950,000, warrants to purchase an aggregate of 656,250 shares of our common stock at an exercise price of \$5.00 per share, and attorney's fees. On February 28, 2024, the Company responded to the complaint with an answer and affirmative defenses. The parties have commenced documentary discovery. The Company intends to vigorously defend against Wainwright's complaint and does not believe that any potential loss is reasonably probable at this time.

To our knowledge there are no other legal proceedings pending to which any property of the Company is subject.

#### **NOTE 7 – OTHER RELATED PARTY TRANSACTIONS**

The Company had the following related party transactions during the three and six months ended October 31, 2024 and 2023, respectively.

The Company owns 13.9% of the equity in SG Austria which is presented using the alternative allowed under *ASC 321 - Investments Equity Securities* with no readily determinable values. SG Austria has two subsidiaries: (i) Austrianova; and (ii) Austrianova Thailand. The Company purchased products and services from these subsidiaries in the approximate amounts of \$0 in the three and six months ended October 31, 2024, and 2023, respectively. The investment in SG Austria was fully impaired as of April 30, 2024.



In April 2014, the Company entered the Vin-de-Bona Consulting Agreement pursuant to which it agreed to provide professional consulting services to the Company. Vin-de-Bona is owned by Prof. Günzburg and Dr. Salmons, both of whom are involved in numerous aspects of the Company's scientific endeavors relating to cancer (Prof. Günzburg is the Chairman of Austrianova, and Dr. Salmons is the Chief Executive Officer and President of Austrianova). The term of the agreement is for 12 months and is automatically renewable for successive 12-month terms. After the initial term, either party can terminate the agreement by giving the other party 30 days' written notice before the effective date of termination. To date, the agreement has been automatically renewed annually. The amounts incurred for the three and six months ended October 31, 2024, were approximately \$2,670 and \$5,280 and \$2,590, respectively, and \$2,700 for the three and six months ended October 31, 2023, respectively.

The Company's Interim Chief Executive Officer was appointed to the Femasys board of directors, see Note 3.

The Company's Interim Chief Executive Officer serves on the board of directors of TNF, see Note 13.

## **NOTE 8 – COMMITMENTS AND CONTINGENCIES**

The Company acquires assets still in development and enters research and development ("R&D") arrangements with third parties that often require milestone and royalty payments to the third-party contingent upon the occurrence of certain future events linked to the success of the asset in development. Milestone payments may be required, contingent upon the successful achievement of an important point in the development lifecycle of the pharmaceutical product (e.g., approval of the product for marketing by a regulatory agency). If required by the license agreements, the Company may have to make royalty payments based upon a percentage of the sales of the pharmaceutical products if regulatory approval for marketing is obtained.

### **Office Lease**

In January 2023, the Company entered into a month-to-month agreement of the Las Vegas office space, commencing on May 1, 2023. Additionally, the Company rents storage space pursuant to a month-to-month agreement in Laguna Hills, California.

Rent expenses for these offices for the three and six months ended October 31, 2024 were \$7,071 and \$14,281, respectively and for the three and six months ended October 31, 2023 were \$6,631 and \$15,598, respectively.

With the month-to-month office rental agreements there are no aggregate future minimum lease payments required to be made.

### **Service Agreements**

The Company has entered into several service agreements with independent and related parties pursuant to which services will be provided over a specified period-of-time related to the IND which the FDA has placed on clinical hold. The services include regulatory affairs strategy, advice and follow up work on the IND and services related to having the clinical hold lifted. The total cost is estimated to be approximately \$212,000, of which the related party (SG Austria and its subsidiaries) portion will be approximately \$157,000. These amounts take into account some of the costs associated with the work and preclinical studies required to lift the clinical hold.

## NOTE 9 – EARNINGS PER SHARE

The Company computes earnings per share using the two-class method. The two-class method of computing earnings per share is an earnings allocation formula that determines earnings per share for common stock and any participating securities according to dividends declared (whether paid or unpaid) and participation rights in undistributed earnings. The Series B Preferred Shares are considered participating securities as preferred shareholders are entitled to participate with common stockholders on an as-converted basis in any distributions of assets by the Company under the terms of the Certificate of Designations. Under the two-class method, there is no change in the weighted average shares outstanding used between the basic and diluted earnings per share calculations as the Series B Preferred Shares represent the only dilutive share equivalents during the three and six months ended October 31, 2024 and 2023. During the three months ended October 31, 2024 and 2023, and the six months ended October 31, 2023, the Company incurred losses attributable to common shareholders. Accordingly, the effects of any common stock equivalent would be anti-dilutive during the period and thus are not included in the calculation of diluted weighted average number of shares outstanding.

The following table illustrates the computation of basic and diluted earnings (loss) per share:

	<b>Three Months Ended October 31,</b>	
	<b>2024</b>	<b>2023</b>
Earnings per share		
Net income (loss)	\$ (1,469,560)	\$ 2,789,896
Less: Accretion of discounts to redemption of Series B convertible preferred stock	(443,958)	(586,886)
Less: Series B convertible preferred stock dividends	(1,045,357)	(4,461,097)
Less: Allocation of undistributed income to Series B convertible preferred stock	–	–
Net loss attributable to common stockholders	<u>\$ (2,958,875)</u>	<u>\$ (2,258,087)</u>
Weighted average shares outstanding used in basic and diluted earnings per share	<u>7,637,034</u>	<u>8,765,134</u>
Net loss per share basic and diluted	<u>\$ (0.39)</u>	<u>\$ (0.26)</u>
	<b>Six Months Ended October 31,</b>	
	<b>2024</b>	<b>2023</b>
Earnings per share		
Net income (loss)	\$ 21,951,795	\$ (393,401)
Less: Accretion of discounts to redemption of Series B convertible preferred stock	(3,193,404)	(7,733,130)
Less: Series B convertible preferred stock dividends	(1,129,759)	(906,735)
Less: Allocation of undistributed income to Series B convertible preferred stock	(3,409,913)	–
Undistributed income (loss) available to common stockholders	<u>\$ 14,218,719</u>	<u>\$ (9,033,266)</u>
Weighted average shares outstanding used in basic earnings per share	<u>7,751,708</u>	<u>10,683,514</u>
Net income (loss) per share basic and diluted	<u>\$ 1.83</u>	<u>\$ (0.85)</u>

The table below sets forth the potentially dilutive securities excluded from the computation of diluted weighted average shares outstanding as they would be anti-dilutive:

	Three and Six Months Ended October 31,	
	2024	2023
Excluded options	923,696	279,802
Excluded warrants	18,570,847	18,570,847
Total excluded options and warrants	19,494,543	18,850,649

#### NOTE 10 – PREFERRED STOCK

The Company has authorized 10,000,000 shares of preferred stock, with a par value of \$0.0001, of which 35,000 shares have been designated as “Series B Convertible Preferred Stock.” As of October 31, 2024 and April 30, 2024, there were 0 and 14,646 shares of Series B Preferred Stock issued and outstanding, respectively. As of October 31, 2024 and April 30, 2024, there were \$0 and \$11,867,016 amounts subject to redemption, respectively.

On May 10, 2023, the Company entered into a Securities Purchase Agreement (the “Purchase Agreement”) with certain accredited investors (the “Investors”), pursuant to which it agreed to sell to the Investors (i) an aggregate of 35,000 shares of the Company’s newly-designated Series B convertible preferred stock with a stated value of \$1,000 per share, initially convertible into up to 8,750,000 shares of the Company’s common stock, par value \$0.0001 per share at a conversion price of \$4.00 per share (the “Preferred Shares”), and (ii) warrants to acquire up to an aggregate of 8,750,000 shares of common stock (the “Warrants”) (collectively, the “Private Placement”).

The terms of the Preferred Shares are as set forth in a Certificate of Designations (the “Certificate of Designations”), which was filed with the Secretary of the State of Nevada on May 10, 2023. The Preferred Shares are convertible into common stock (the “Conversion Shares”) at the election of the holder at any time at an initial conversion price of \$4.00 (the “Conversion Price”). The Conversion Price is subject to customary adjustments for stock dividends, stock splits, reclassifications and the like, and subject to price-based adjustment in the event of any issuances of common stock, or securities convertible, exercisable or exchangeable for common stock, at a price below the then-applicable Conversion Price (subject to certain exceptions). The Company is required to settle the Preferred Shares in equal monthly installments, commencing on November 9, 2023. The amortization payments due upon such redemption are payable, at the Company’s election, in cash, or subject to certain limitations, in shares of common stock valued at the lower of (i) the Conversion Price then in effect and (ii) the greater of (A) a 20% discount to the average of the three lowest closing prices of the Company’s common stock during the thirty trading day period immediately prior to the date the amortization payment is due or (B) the lower of \$0.556 and 20% of the Minimum Price (as defined in Rule 5635 of the Rule of the Nasdaq Stock Market) on the date of receipt of Nasdaq Stockholder Approval (as defined below); provided that if the amount set forth in clause B is the lowest effective price, the Company will be required to pay the amortization payment in cash. The Company may require holders to convert their Preferred Shares into Conversion Shares if the closing price of the common stock exceeds \$6.00 per share for 20 consecutive trading days and the daily trading volume of the common stock exceeds 1,000,000 shares per day during the same period and certain equity conditions described in the Certificate of Designations are satisfied.

The holders of the Preferred Shares are entitled to dividends of 4% per annum, compounded monthly, which are payable in cash or shares of common stock at the Company’s option, in accordance with the terms of the Certificate of Designations. Upon the occurrence and during the continuance of a Triggering Event (as defined in the Certificate of Designations), the Preferred Shares will accrue dividends at the rate of 15% per annum. The holders of Preferred Shares have no voting rights on account of the Preferred Shares, other than with respect to certain matters affecting the rights of the Preferred Shares.

Notwithstanding the foregoing, the Company's ability to settle conversions and make amortization payments using shares of common stock is subject to certain limitations set forth in the Certificate of Designations, including a limit on the number of shares that may be issued until the time, if any, that the Company's stockholders have approved the issuance of more than 19.9% of the Company's outstanding shares of common stock in accordance with Nasdaq listing standards (the "Nasdaq Stockholder Approval"). The Company received Nasdaq Stockholder Approval at its special meeting of stockholders held on August 31, 2023. Further, the Certificate of Designations contains a certain beneficial ownership limitation after giving effect to the issuance of shares of common stock issuable upon conversion of, or as part of any amortization payment under, the Certificate of Designations or Warrants.

The Certificate of Designations includes certain Triggering Events (as defined in the Certificate of Designations), including, among other things, the failure to file and maintain an effective registration statement covering the sale of the holder's securities registrable pursuant to a registration rights agreement entered into by the Company and the Investors simultaneously with the Purchase Agreement and the Company's failure to pay any amounts due to the holders of the Preferred Shares when due. In connection with a Triggering Event, each holder of Preferred Shares will be able to require the Company to redeem in cash any or all of the holder's Preferred Shares at a premium set forth in the Certificate of Designations.

The Preferred Shares were determined to be more akin to a debt-like host than an equity-like host. The Company identified the following embedded features that are not clearly and closely related to the debt host instrument: 1) an installment redemption upon an Equity Conditions Failure (as defined in the Certificate of Designation), and 2) variable share-settled installment conversion. These features were bundled together, assigned probabilities of being affected and measured at fair value. Subsequent changes in the fair value of these features are recognized in the Condensed Consolidated Statements of Operations. The Company estimated the \$2,770,000 fair value of the bifurcated embedded derivative at issuance using a Monte Carlo simulation model, with the following inputs: the fair value of the Company's common stock of \$2.74 on the issuance date, estimated equity volatility of 55.0%, estimated traded volume volatility of 355.0%, the time to maturity of 1.50 years, a discounted market interest rate of 15.9%, a risk free rate of 4.3%, dividend rate of 4.0%, a penalty dividend rate of 15.0%, and probability of default of 27.0%. The fair value of the bifurcated derivative liability was estimated utilizing the with and without method which uses the probability weighted difference between the scenarios with the derivative and the plain vanilla maturity scenario without a derivative.

During the three and six months ended October 31, 2024, the Company recorded a gain of approximately \$980,000 and \$2,184,000, respectively, related to the change in fair value of the derivative liability, which is recorded in other income, net on the Condensed Consolidated Statements of Operations. The Company estimated \$0 fair value of the bifurcated embedded derivative at October 31, 2024 as there were no outstanding Preferred Shares at October 31, 2024.

During the three and six months ended October 31, 2024, the Company made all installment payments in cash pursuant to installment redemptions. The installment redemptions were paid in cash in the amounts of \$9,336,833 and \$18,766,416, respectively, which includes \$8,750,000 and \$17,500,000 of the Preferred Shares, respectively, \$58,333 and \$204,166 of accrued dividends, respectively, and \$528,500 and \$1,062,250 of additional 6% cash premium, respectively, pursuant to the terms of the Series B Preferred stock. During the three and six months ended October 31, 2024, the Company made all installment payments in cash pursuant to installment redemptions and accreted \$1,045,357 and \$3,193,404, respectively, of discount related to the Preferred Shares. During the three and six months ended October 31, 2024, the Company recognized a deemed dividend of \$528,500 and \$1,062,250, respectively, related to the amounts owed in addition to dividends if installments are paid in cash which is included in Preferred stock dividends on the condensed consolidated statement of operations.

As of October 31, 2024, the Company has reclassified a portion of the Preferred Shares to an accrued liability for the final (thirteenth) installment redemptions owed to investors in cash of \$3,720,458 which includes \$2,979,167 of the stated value of the Preferred Shares, \$530,698 of dividends payable, and \$210,593 of additional 6% cash premium pursuant to the terms of the Series B Preferred stock.

The Company has one share of preferred stock designated as "Series A Preferred Stock" as of October 31, 2024 and April 30, 2024, there were no shares of Series A Preferred Stock issued and outstanding.

The description of the Series A Preferred Stock below is qualified in its entirety by reference to the Company's Articles of Incorporation, as amended.

The Series A Preferred Stock has the following features:

- There is one share of preferred stock designated as Series A Preferred Stock;
- The Series A Preferred Stock has a number of votes at any time equal to the number of votes then held by all other shareholders of the Company having a right to vote on any matter plus one. The Certificate of Designations that designated the terms of the Series A Preferred Stock cannot be amended without the consent of the holder of the Series A Preferred Stock;
- The Company may redeem the Series A Preferred Stock at any time for a redemption price of \$1.00 paid to the holder of the share of Series A Preferred Stock; and
- The Series A Preferred Stock has no rights of transfer, conversion, dividends, preferences upon liquidation or participation in any distributions to shareholders.

#### **NOTE 11 – TREASURY STOCK**

In May 2022, the Board authorized a share repurchase program to acquire its outstanding common stock for up to \$10 million. In January 2023, the Board authorized an additional share repurchase program to acquire up to an additional \$10 million of the Company's outstanding common stock. In conjunction with the share repurchase programs, the Company selected a broker to repurchase shares on behalf of the Company. The amount of common stock repurchased on any given trading day is determined by a formula, which is based on the market price of the common stock and average daily volumes. Shares repurchased are held in treasury for general corporate purposes. The shares are treated as Treasury Stock using the cost method. During the three and six months ended October 31, 2024, the Company repurchased 683,036 and 1,003,382 additional shares, respectively, under the repurchase program at a total cost, including commissions and excise taxes of \$1,417,565 and \$2,167,165, respectively. As of October 31, 2024, the total number of shares repurchased pursuant to the repurchase programs was 6,551,957 shares at a total cost, including commissions and excise taxes of \$17,485,484. Repurchased shares are included in Treasury Stock in the accompanying Condensed Consolidated Balance Sheets. At October 31, 2024, \$2,514,516 remains available to repurchase the Company's common stock pursuant to the share repurchase programs.

#### **Tender Offer**

On May 11, 2023, the Company commenced a tender offer, in accordance with Rule 13e-4 promulgated under the Securities Exchange Act of 1934, as amended, to purchase up to 7,750,000 shares of its common stock, par value \$0.0001 per share, at a price of \$3.25 per share. The tender offer expired one minute after 11:59 p.m. on June 9, 2023, and following such expiration the Company accepted for purchase a total of 8,085,879 shares at \$3.25 per share, including 335,879 shares that the Company elected to purchase pursuant to its right to purchase up to an additional 2% of its outstanding shares. The resultant aggregate purchase price was \$26,721,897, including excise tax, fees and expenses relating to the tender offer. These shares are treated as Treasury Stock using the cost method and are included as Treasury Stock in the accompanying Condensed Consolidated Statements of Convertible Preferred Stock and Stockholders' Equity.

As of October 31, 2024, the total number of shares held in Treasury Stock is 14,637,836 shares at a total cost of \$44,207,381.

## NOTE 12 – FAIR VALUE MEASUREMENTS

Fair value measurements discussed herein are based upon certain market assumptions and pertinent information available to management as of and during the six months ended October 31, 2024. The carrying amounts of cash equivalents, other current assets, accounts payable and accrued expenses approximate their face values at October 31, 2024 due to their short-term nature. The fair value of the bifurcated embedded derivative related to the convertible preferred stock was estimated using a Monte Carlo simulation model, which uses as inputs the fair value of the Company's common stock and estimates for the equity volatility and traded volume volatility of the Company's common stock, the time maturity of the convertible preferred stock, the risk-free interest rate for a period of time that approximates the time to maturity, dividend rate, a penalty dividend rate and the probability of default. The fair value of the warrant liability was estimated using the Black Scholes Merton Model which uses as inputs the following weighted average assumptions, as noted above: dividend yield, expected terms in years, equity volatility and risk-free rate.

### Fair Value on a Recurring Basis

The Company follows the guidance in ASC 820 for its financial assets and liabilities that are re-measured and reported and reported at fair at each reporting period, and non-financial assets and liabilities that are re-measured and reported at fair value at least annually. The estimated fair value of the warrant liability and bifurcated embedded derivative represent Level 3 measurements. The bifurcated embedded derivative was extinguished as a result of the redemption of the Series B convertible notes. The following table presents information about the Company's liabilities that are measured at fair value on a recurring basis at October 31, 2024, and indicates the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value:

Description	Level	October 31, 2024	April 30, 2024
Liabilities:			
Warrant liability	3	\$ 6,871,000	\$ 10,784,000
Bifurcated embedded derivative	3	\$ –	\$ 2,184,000

The following table sets forth a summary of the change in the fair value of the warrant liability that is measured at fair value on a recurring basis.

	Three Months Ended October 31, 2024
Balance on July 31, 2024	\$ 8,700,000
Issuance of warrants	–
Change in fair value of warrant liability	(1,829,000)
Balance on October 31, 2024	<u>\$ 6,871,000</u>
	Six Months Ended October 31, 2024
Balance on April 30, 2024	\$ 10,784,000
Issuance of warrants	–
Change in fair value of warrant liability	(3,913,000)
Balance on October 31, 2024	<u>\$ 6,871,000</u>

The following table sets forth a summary of the change in the fair value of the bifurcated embedded derivative liability that is measured on a recurring basis:

	Three Months Ended October 31, 2024
Balance on July 31, 2024	\$ 980,000
Issuance of convertible preferred stock with bifurcated embedded derivative liability	—
Change in fair value of bifurcated embedded derivative	(980,000)
Balance on October 31, 2024	<u>\$ —</u>
	Six Months Ended October 31, 2024
Balance on April 30, 2024	\$ 2,184,000
Issuance of convertible preferred stock with bifurcated embedded derivative liability	—
Change in fair value of bifurcated embedded derivative	(2,184,000)
Balance on October 31, 2024	<u>\$ —</u>

The fair value of the convertible note receivable using the income approach, which uses as inputs the fair value of debtor's common stock and estimates for the equity volatility and volume volatility of debtor's common stock, the time to expiration of the convertible note, the discount rate, the stated interest rate compared to the current market rate, the risk-free interest rate for a period that approximates the time to expiration, and probability of default. Therefore, the estimate of expected future volatility is based on the actual volatility of debtor's common stock and historical volatility of debtor's common stock utilizing a lookback period consistent with the time to expiration. The time to expiration is based on the contractual maturity date. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of measurement for time periods approximately equal to the time to expiration. Probability of default is estimated using the S&P Global default rate for companies with a similar credit rating to debtor's.

The fair values of financial instruments by class as of October 31, 2024 are as follows:

	Level	October 31, 2024	April 30, 2024
<b>Financial Assets</b>			
Convertible note receivable – investment in debt security	3	\$ 3,435,000	\$ 2,755,000
Warrant asset – Femasys	3	\$ 3,918,000	\$ 5,152,000
Investment in preferred stock - TNF	3	\$ 18,799,000	\$ —
Warrant asset – TNF	3	\$ 6,056,000	\$ —

Assumptions used in the valuation of the Level 3 assets include time to expiration, discount rate, risk-free rate, volatility and probability of default.

#### NOTE 13 – INVESTMENT IN TNF PHARMACEUTICALS, INC.

On May 20, 2024, the Company entered into a Securities Purchase Agreement (the “SPA”) with a public company operating in the medical industry, MyMD Pharmaceuticals, Inc. which subsequently changed its name to TNF Pharmaceuticals, Inc., (“TNF”). Pursuant to the SPA, the Company purchased (i) 7,000 shares of TNF’s Series G Convertible Preferred Stock (the “Preferred Shares” or “Series G Preferred Stock”), representing approximately 33% of TNF’s issued and outstanding share capital on an as-converted basis (and approximately 78% of all shares of Series G Preferred Stock outstanding), at a price of \$1.816 per Preferred Share, which are convertible into 3,854,626 shares of Common Stock (as defined below); (ii) warrants to purchase up to 3,854,626 shares of TNF’s Common Stock with a five-year term (“Long-Term Warrant”); and (iii) warrants to purchase up to 3,854,626 shares of TNF’s Common Stock with a 18-month term (“Short-Term Warrant”) (collectively, the “TNF warrants”), for an aggregate purchase price of \$7,000,000.

Pursuant to the SPA, the Company has the right to participate in future sales of TNF’s equity and equity-linked securities until the second anniversary of the Closing or the date on which no TNF Preferred Shares remain outstanding, whichever is earlier. Additionally, the Company has the right to nominate one individual to serve on TNF’s board of directors until PharmaCte no longer beneficially owns at least 20% of TNF’s common stock on an as-converted basis. The Company’s Interim Chief Executive Officer serves on the board of directors of TNF.

The Company has determined that TNF is a VIE, since TNF does not have sufficient equity at risk to finance its own operations without additional subordinated financial support. However, the Company has determined that it is not the primary beneficiary of TNF. Furthermore, TNF’s Series G Preferred Stock is not considered in substance common stock, and as such, equity method accounting does not apply. The Company recorded its investment in TNF Series G Preferred Stock at its fair value of approximately \$17,410,000 on May 23, 2024 as the Company did not elect the measurement alternative to account for the investment at cost less impairment. Subsequent changes in fair value of the TNF Series G Preferred Stock are recognized in earnings at each reporting period. The initial fair value of the TNF Series G Preferred Stock was estimated utilizing a Monte Carlo simulation with the following assumptions: TNF stock price of \$2.00, price floor of \$0.40, expected time to settlement of 5.00 years, dividend rate of 10%, discounted market interest rate of 9.8%, risk free rate of 4.52%, equity volatility of 115.0% and probability of default of 18.3%.

The Warrants were determined to meet the definition of a derivative and were required to be recorded at fair value in accordance with ASC 815. Subsequent changes in the fair value of the Warrants are recognized in earnings, at each reporting date. The approximately \$10,986,000 issuance date fair value of the Warrants was determined utilizing the Black Scholes Merton Method with the following assumptions: TNF stock price of \$2.00, exercise price of \$1.82, risk free rate of 4.52%-5.05%, equity volatility of 115.0%-125.0% and remaining term of 1.5-5.0 years. As the fair value of the TNF Series G Preferred Stock and Warrants exceeded the Company’s total investment in TNF, the Company recognized an approximately \$21,396,000 gain on investment on the condensed consolidated statements of operations for the excess of the fair value of the Warrants over the investment amount. As both the Series G Preferred Stock and Warrants are required to be initially measured and subsequently remeasured at fair value, they are presented as a single line item on the condensed consolidated balance sheets as Investment – TNF.

During the three and six months ending October 31, 2024, the Company recognized a loss for the change in fair value of the Investment – TNF of approximately \$4,265,000 and \$3,541,000, respectively. The approximately \$18,799,000 fair value of the TNF Series G Preferred Stock was estimated utilizing a Monte Carlo simulation with the following assumptions on October 31, 2024: TNF stock price of \$1.42, price floor of \$0.36, expected time to settlement of 5.00 years, dividend rate of 10%, discount market interest rate of 7.0%, risk free rate of 4.15%, equity volatility of 120.0% and probability of default of 18.0%. The approximately \$6,056,000 fair value of the Warrants was determined utilizing the Black Scholes Merton Method with the following assumptions on October 31, 2024: TNF stock price of \$1.42, exercise price of \$1.82, risk free rate of 4.14%-4.26%, equity volatility of 105.0%-110.0% and remaining term of 1.06-4.56 years.



Below is a summary of activity for the Preferred Stock as of October 31, 2024:

Balance of Preferred Stock as of April 30, 2024	\$	—
Purchased		17,410,050
Change in fair value		1,388,950
Balance of Warrant assets as of October 31, 2024	\$	<u>18,799,000</u>

Below is a summary of activity for the Preferred Stock Warrants as of October 31, 2024:

Balance of Warrant assets as of April 30, 2024	\$	—
Purchased		10,985,684
Change in fair value		(4,929,684)
Balance of Warrant assets as of October 31, 2024	\$	<u>6,056,000</u>

**NOTE 14 – SUBSEQUENT EVENTS**

**Stock Repurchase**

From November 1, 2024 to December 9, 2024, the Company repurchased 66,125 shares of common stock through the stock repurchase program for \$121,015, including commissions and accrued excise taxes.

On November 21, 2024, the Company received 315,790 shares of Femasys common stock in settlement on interest income on the Femasys Notes of \$300,000.

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

### Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q ("Report") includes "forward-looking statements" within the meaning of the federal securities laws. Forward-looking statements are inherently subject to risks, uncertainties and assumptions. Generally, statements other than statements of historical fact are "forward-looking statements" for purposes of this Report, including any projections of earnings, revenue or other financial items, any statements regarding the plans and objectives of management for future operations, any statements concerning proposed new products or services, any statements regarding future economic conditions or performance, any statements regarding expected benefits from any transactions and any statements of assumptions underlying any of the foregoing. In some cases, forward-looking statements can be identified by use of terminology such as "may," "will," "should," "believes," "intends," "expects," "plans," "anticipates," "estimates," "goal," "aim," "potential" or "continue," or the negative thereof or other comparable terminology. Although we believe that the expectations reflected in the forward-looking statements contained in this Report are reasonable, there can be no assurance that such expectations or any of the forward-looking statements will prove to be correct, and actual results could differ materially from those projected or assumed in the forward-looking statements. Thus, investors should refer to and carefully review information in future documents we file with the U.S. Securities and Exchange Commission ("Commission"). Our future financial condition and results of operations, as well as any forward-looking statements, are subject to inherent risk and uncertainties, including, those set forth in this Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and in our unaudited condensed consolidated financial statements and notes thereto included in this Quarterly Report, those set forth from time to time in our other filings with the Commission, including our Annual Report on Form 10-K for the fiscal year ended April 30, 2024 and the following factors and risks:

Among others, these include:

- our estimates regarding expenses, future revenues, capital requirements and needs for additional financing;
- whether the United States ("U.S.") Food and Drug Administration ("FDA") approves our Investigational New Drug Application ("IND") after we complete the FDA's requested studies and submit a response to the FDA's clinical hold, so that we can commence our planned clinical trial involving locally advanced, inoperable, non-metastatic pancreatic cancer ("LAPC");
- the success and timing of our preclinical studies and clinical trials;
- the potential that results of preclinical studies and clinical trials may indicate that any of our technologies and product candidates are unsafe or ineffective;
- our dependence on third parties in the conduct of our preclinical studies and clinical trials;
- the difficulties and expenses associated with obtaining and maintaining regulatory approval of our product candidates;
- the material adverse impact that the coronavirus pandemic may have on our business, including our planned clinical trial involving LAPC, which could materially affect our operations as well as the business or operations of third parties with whom we conduct business; and
- whether the FDA will approve our product candidates after our clinical trials are completed, assuming the FDA allows our clinical trials

All forward- looking statements and reasons why results may differ included in this Report are made as of the date hereof, and we do not intend to update any forward-looking statements except as required by law or applicable regulations. New risk factors emerge from time to time, and it is not possible to predict all such risk factors, nor can we assess the impact of all such risk factors on our business or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statements. Forward-looking statements are not guarantees of performance. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the foregoing cautionary statements.

Except where the context otherwise requires, in this Report, the “Company,” “we,” “us” and “our” refer to PharmaCyte Biotech, Inc., a Nevada corporation, and, where appropriate, its subsidiaries.

## Overview of Business

We are a biotechnology company focused on developing cellular therapies for cancer based upon a proprietary cellulose-based live cell encapsulation technology known as “Cell-in-a-Box®.” The Cell-in-a-Box® technology is intended to be used as a platform upon which therapies for several types of cancer, including LAPC, will be developed. The current generation of our product candidate is referred to as “CypCaps™.”

During the year ended April 30, 2024, we determined that research and development in the treatment of diabetes would no longer be pursued.

On August 15, 2022, we entered into a Cooperation Agreement (the “Cooperation Agreement”) with Iroquois Master Fund Ltd. and its affiliates, pursuant to which we elected a reconstituted board of directors (the “Board”). On November 17, 2023, the Board formed the Strategic Scientific Committee (the “Scientific Committee”), chaired by Dr. Michael Abecassis. The Scientific Committee and our independent consultants are reviewing many of the risks relative to our business. In addition, the Board is reviewing risks associated with our development programs and our relationship with SG Austria Pte. Ltd (“SG Austria”), including that all licensed patents have expired and that know-how relating to our Cell-in-a-Box® technology solely resides with SG Austria. The Board has reduced spending on our programs, including pre-clinical and clinical activities, until the review by the Scientific Committee and the Board is complete and the Board has determined the actions and plans to be implemented. The Scientific Committee’s recommendations will include potentially seeking a new framework for our relationship with SG Austria and its subsidiaries. We are reevaluating those programs which are dependent on SG Austria and the U.S. Food and Drug Administration’s (the “FDA”) acceptance of its technologies, including our development programs for locally advanced, inoperable, non-metastatic pancreatic cancer (“LAPC”). Our reevaluation for addressing the FDA concerns has resulted in delays stemming from the review of the non-clinical package provided by SG Austria and changes to the FDA review process.

The Cell-in-a-Box® encapsulation technology is designed to present genetically engineered live human cells to targeted tissues. The technology is intended to result in the formation of pinhead-sized cellulose-based porous capsules in which genetically modified live human cells can be encapsulated, grown to confluence and maintained in a cryopreserved (frozen) state until shortly before they are injected into an appropriate patient. In a laboratory setting, this proprietary live cell encapsulation technology has been shown to create a micro-environment in which encapsulated cells survive and flourish. Encapsulated cells are protected from environmental challenges, such as the shear forces associated with bioreactors and passage through catheters and needles, which we believe enables greater cell growth and production of the active molecules. The capsules are largely composed of cellulose (cotton) and are bioinert. During the past year, SG Austria has generated data and reports to support submission to the FDA concerning the safety of the microcapsules.

We have been developing therapies for pancreatic tumors by using genetically engineered live human cells that we believe are capable of converting a cancer prodrug into its cancer-killing form. We encapsulate those cells using the Cell-in-a-Box® technology and place those capsules in the body as close as possible to the tumor. In this way, we believe that when a cancer prodrug is administered to a patient with a particular type of cancer that may be affected by the resulting active drug, the killing of the patient’s cancerous tumor may be optimized both by enhanced potency and limited exposure away from the target tumor. We believe that the prodrug/activator technology is well suited to address the shift from cure/enhanced survival to creating a zone of clearance around blood vessels adjacent to tumor. This zone of clearance improves the probability of successful surgical resection of LAPC, which has been shown to improve survival.

In addition to reengaging SG Austria, we are also identifying alternative approaches to expand the prodrug/activator technology for cancer treatment. These discussions may expand our prodrug/activation options to use highly toxic cancer-killing drugs in tightly controlled perivascular spaces.

Until the Strategic Scientific Committee completes its evaluation of our programs and we enter into a new framework for its relationship with SG Austria, spending on our development programs has been curtailed.

#### Investigational New Drug Application and Clinical Hold

On September 1, 2020, we submitted an IND to the FDA for a planned clinical trial in LAPC. On October 1, 2020, we received notice from the FDA that it had placed our IND on clinical hold. On October 30, 2020, the FDA sent us a letter setting forth the reasons for the clinical hold and providing specific guidance on what we must do to have the clinical hold lifted.

In order to address the clinical hold, the FDA has requested that we:

- Provide additional sequencing data and genetic stability studies;
- Conduct a stability study on our final formulated product candidate as well as the cells from our Master Cell Bank (“MCB”);
- Evaluate the compatibility of the delivery devices (the prefilled syringe and the microcatheter used to implant the CypCaps™) with our product candidate for pancreatic cancer;
- Provide additional detailed description of the manufacturing process of our product candidate for pancreatic cancer;
- Provide additional product release specifications for our encapsulated cells;
- Demonstrate comparability between the 1st and 2nd generation of our product candidate for pancreatic cancer and ensure adequate and consistent product performance and safety between the two generations;
- Conduct a biocompatibility assessment using the capsules material;
- Address specified insufficiencies in the Chemistry, Manufacturing and Controls information in the cross-referenced Drug Master File;
- Conduct an additional nonclinical study in animals to assess the safety, activity, and distribution of the product candidate for pancreatic cancer; and
- Revise the Investigators Brochure to include any additional preclinical studies conducted in response to the clinical hold and remove any statements not supported by the data we generated.

The FDA also requested that we address the following issues as an amendment to our IND:

- Provide a Certificate of Analysis for pc3/2B1 plasmid that includes tests for assessing purity, safety, and potency;
- Perform qualification studies for the drug substance filling step to ensure that the product candidate for pancreatic cancer remains sterile and stable during the filling process;
- Submit an updated batch analysis for the product candidate for the specific lot that will be used for manufacturing all future product candidates;
- Provide additional details for the methodology for the Resorufin (CYP2B1) potency and the PrestoBlue cell metabolic assays;
- Provide a few examples of common microcatheters that fit the specifications in our Angiography Procedure Manual;
- Clarify the language in our Pharmacy Manual regarding proper use of the syringe fill with the product candidate for pancreatic cancer; and
- Provide a discussion with data for trial of the potential for cellular and humoral immune reactivity against the heterologous rat CYP2B1 protein and potential for induction of autoimmune-mediated toxicities in our study population.

The following provides a detailed summary of our activities to have the clinical hold lifted:

- Stability Studies on Our Clinical Trial Product Candidate for Pancreatic Cancer. We have successfully completed the required product stability studies. The timepoints were 3, 6, 9, 12, 18 and 24 months of our product candidate for pancreatic cancer being stored frozen at -80C. These studies included container closure integrity testing for certain timepoints.
- Additional Studies Requested by the FDA. We have successfully completed various additional studies requested by the FDA, including a stability study on the cells from our MCB used to make our CypCaps™.
- Determination of the Exact Sequence of the Cytochrome P450 2B1 Gene. We have completed the determination of the exact sequence of the cytochrome P450 2B1 gene inserted at the site previously identified on chromosome 9 using state-of-the-art nanopore sequencing. This is a cutting edge, unique and scalable technology that permits real-time analysis of long DNA fragments. The result of this analysis of the sequence data confirmed that the genes are intact.
- Confirmation of the Exact Sequence of the Cytochrome P450 2B1 Gene Insert. An additional, more detailed analysis of the integration site of the cytochrome P450 2B1 gene from the augmented HEK293 cell clone that is used in our CypCaps™ was found to be intact. In this new study, we were able to confirm the previously determined structure of the integrated transgene sequence using more data points. These studies also set the stage for a next step analysis to determine the genetic stability of the cytochrome P450 2B1 gene at the DNA level after multiple rounds of cell growth. This new study has been completed in which our original Research Cell Bank (“RCB”) cells were compared with cells from the MCB. The analysis confirmed that the cytochrome P450 2B1 and the surrounding sequence has remained stable with no changes detected at the DNA level.
- Biocompatibility Studies. We have been involved with 10 biocompatibility studies requested by the FDA, eight of which have been completed successfully. To enable the biocompatibility studies to be performed, we had Austrianova Singapore Pte. Ltd. (“Austrianova”) manufacture an additional 400 syringes of empty capsules.

- Systemic Toxicity Testing. We evaluated the potential toxicity of the capsule component of our product candidate for pancreatic cancer and determined there is no evidence of toxicity in any of the parameters examined. The study also confirmed previous data that shows our capsule material is bioinert.
- Micro-Compression and Swelling Testing. This testing is underway. We are developing and optimizing two reproducible methods for testing and confirming the physical stability and integrity of our CypCaps™ under extreme pressure. These studies required the acquisition of new equipment by Austrianova as well as validation and integration into Austrianova's Quality Control laboratory.
- Break Force and Glide Testing. We are in the process of developing a protocol to measure whether the syringe, attached to the catheter when used to expel the capsules, will still have a break and glide force that is within the specifications we have established. We are setting the specifications based on the syringe/plunger manufacturer's measured break and glide forces, or alternatively, accepted ranges for glide forces routinely used in the clinic.
- Capsules Compatibility with the Syringe and Other Components of the Microcatheter Delivery System. We are in the process of showing that CypCaps™ are not in any way adversely affected by the catheters used by interventional radiologists to deliver them into a patient. Compatibility data is being generated to demonstrate that the quality of the CypCaps™ is maintained after passage through the planned microcatheter systems.
- CypCaps Capsules and Cell Viability after Exposure to Contrast Medium. We have commenced testing to show that exposure of CypCaps™ to the contrast medium interventional radiologists used to implant the CypCaps™ in a patient has no adverse effect on CypCaps™. Contrast medium is used to visualize the blood vessels during implantation.
- Master Drug File Information. Austrianova is providing additional detailed confidential information on the manufacturing process, including information on the improvements and advancements made to our product candidate for pancreatic cancer since the last clinical trials were conducted with respect to reproducibility and safety. However, Austrianova has not changed the overall physical characteristics of CypCaps™ between the 1st and 2nd generations.
- Submission of Data to FDA. We are in the process of providing these data to the FDA. The clinical hold did not reflect any deficiencies of the clinical trial proposed. We seek to resolve these non-clinical issues to enable FDA review of a new clinical protocol that reflects the standard of care for LAPC.

#### **Performance Indicators**

Non-financial performance indicators used by management to manage and assess how the business is progressing will include, but are not limited to, the ability to: (i) acquire appropriate funding for all aspects of our operations; (ii) acquire and complete necessary contracts; (iii) complete activities for producing genetically modified human cells and having them encapsulated for our preclinical studies and the planned clinical trial in LAPC; (iv) have regulatory work completed to enable studies and trials to be submitted to regulatory agencies; (v) complete all required tests and studies on the cells and capsules we plan to use in our clinical trial in patients with LAPC; (vi) ensure completion of the production of encapsulated cells according to cGMP regulations to use in our planned clinical trial; (vii) complete all of the tasks the FDA requires of us in order to have the clinical hold lifted; and (viii) obtain approval from the FDA to lift the clinical hold on our IND that we may commence our planned clinical trial in LAPC.

There are numerous items required to be completed successfully to ensure our final product candidate is ready for use in our planned clinical trial in LAPC. The effects of material transactions with related parties, and certain other parties to the extent necessary for such an undertaking, may have substantial effects on both the timeliness and success of our current and prospective financial position and operating results. Nonetheless, we are actively working to ensure strong ties and interactions to minimize the inherent risks regarding success. We do not believe there are factors which will cause materially different amounts to be reported than those presented in this Report. We aim to assess this regularly to provide accurate information to our shareholders.

## Results of Operations

*Three and six months ended October 31, 2024, compared to three and six months ended October 31, 2023*

### Revenue

We had no revenues for the three and six months ended October 31, 2024, and 2023.

### Operating Expenses and Loss from Operations

The total operating expenses and loss from operations during the three months ended October 31, 2024, were \$1,106,060, a decrease of \$303,460 compared to the three months ended October 31, 2023. The decrease is mainly attributable to decreases in director fees of \$168,738, legal and professional fees of \$49,388, and general and administrative costs of \$154,945, and net of increases in R&D cost of \$15,437 and compensation expense of \$54,174.

	Three Months Ended October 31, 2024	Change- Increase (Decrease) and Percent	Three Months Ended October 31, 2023
Operating expenses:			
R&D	\$ 97,470	\$ 15,437 19%	\$ 82,033
Compensation expense	\$ 283,333	\$ 54,174 24%	\$ 229,159
Director fees	\$ 138,000	\$ (168,738) (55%)	\$ 306,738
General and administrative, legal and professional	\$ 587,257	\$ (204,333) (26%)	\$ 791,590

The total operating expenses and loss from operations during the six months ended October 31, 2024, were \$2,374,947, a decrease of \$1,109,899 compared to the six months ended October 31, 2023. The decrease is mainly attributable to decreases in director fees of \$80,953 and general and administrative costs of \$1,375,516 relating primarily to warrant issuance costs of \$913,640, and net of increases in R&D cost of \$6,970, compensation expense of \$203,660 and legal and professional expense costs of \$135,940.

	Six Months Ended October 31, 2024	Change- Increase (Decrease) and Percent	Six Months Ended October 31, 2023
Operating expenses:			
R&D	\$ 193,486	\$ 6,970 4%	\$ 186,516
Compensation expense	\$ 672,817	\$ 203,660 43%	\$ 469,157
Director fees	\$ 276,000	\$ (80,953) (23%)	\$ 356,953
General and administrative, legal and professional	\$ 1,232,644	\$ (1,239,576) (50%)	\$ 2,472,220

#### Other Income (Expenses), Net

Other income (expenses), net, for the three months ended October 31, 2024 was \$(363,500) as compared to other income (expense), net of \$4,199,416 for the three months ended October 31, 2023. Other income (expenses), net, for the three months ended October 31, 2024 is attributable to interest income of \$382,562, net of changes in fair value of warrant liability of \$1,829,000, a change in fair value of derivative liability of \$980,000, a change in fair value of convertible note receivable of \$435,000, a change in fair value warrant assets of \$276,000, a change in fair value of the TNF warrant assets of \$(4,265,000), and other expenses of \$(1,062). Other income (expense), net, for the three months ended October 31, 2023, is attributable to interest income of \$894,181, changes in fair value of warrant liability of \$4,075,000 and derivative liability of \$(769,000), net of other expenses of \$(765).

Other income (expenses), net, for the six months ended October 31, 2024 was \$24,326,742 as compared to other income (expense), net of \$3,091,445 for the six months ended October 31, 2023. Other income (expenses), net, for the six months ended October 31, 2024 is attributable to interest income of \$929,994, net of changes in fair value of warrant liability of \$3,913,000, a change in fair value of derivative liability of \$2,184,000, a change in fair value of convertible note receivable of \$680,000, a change in fair value warrant assets of \$(1,234,000), a gain on related party investment of \$21,395,734, a change in fair value of the TNF warrant assets of \$(3,540,734), and other expenses of \$(1,252). Other income (expense), net, for the six months ended October 31, 2023, is attributable to interest income of \$1,770,059, changes in fair value of warrant liability of \$2,623,000 and derivative liability of \$(1,299,000), net of other expenses of \$(2,614).



## Discussion of Operating, Investing and Financing Activities

The following table presents a summary of our sources and uses of cash for the six months ended October 31, 2024, and 2023.

	Six Months Ended October 31, 2024	Six Months Ended October 31, 2023
Net cash used in operating activities:	\$ (1,428,032)	\$ (1,641,395)
Net cash used in investing activities:	\$ (7,000,000)	\$ –
Net cash provided by (used in) financing activities:	\$ (20,912,124)	\$ 7,027,868
Effect of currency rate exchange	\$ 244	\$ (1,140)
Net increase (decrease) in cash and cash equivalents	\$ (29,339,912)	\$ 5,385,333

### Operating Activities:

The cash and cash equivalents used in operating activities for the six months ended October 31, 2024 is a result of our net income of \$21,951,795, change in fair value of warrant asset note receivable of \$1,234,000, investment in TNF of \$3,540,734, stock based compensation of \$341,832 offset by the gain on related party investment of \$(21,395,734) the changes in fair value of warrant liability of \$(3,913,000), derivative liability of \$(2,184,000), convertible note receivable of \$(680,000), and changes to prepaid expenses, accounts payable, accrued expenses, and accrued dividends totaling approximately \$(324,000). The cash and cash equivalents provided by operating activities for the six months ended October 31, 2023 is a result of our net losses of \$(393,401), changes in fair value of warrant liability of \$(2,623,000) offset by changes in derivative liability of \$1,299,000, and changes to prepaid expenses, accounts payable and accrued expenses of approximately \$76,000.

### Investing Activities:

On May 20, 2024, we entered into a Securities Purchase Agreement (the “TNF Purchase Agreement”) with a public company operating in the medical industry, MyMD Pharmaceuticals, Inc., which subsequently changed its name to TNF Pharmaceuticals, Inc. (“TNF”). Pursuant to the TNF Purchase Agreement, we purchased (i) 7,000 shares of TNF’s Series G Convertible Preferred Stock (the “Preferred Shares” or “Series G Preferred Stock”), representing approximately 33% of TNF’s issued and outstanding share capital on an as-converted basis (and approximately 78% of all shares of Series G Preferred Stock outstanding), at a price of \$1.816 per Preferred Share, which are convertible into 3,854,626 shares of Common Stock (as defined below); (ii) warrants to purchase up to 3,854,626 shares of TNF’s Common Stock with a five-year term; and (iii) warrants to purchase up to 3,854,626 shares of TNF’s Common Stock with a 18-month, for an aggregate purchase price of \$7,000,000.

See Note 14 – Investment in Series G Preferred Stock of TNF Pharmaceuticals, Inc.

### Financing Activities:

The cash and cash equivalents used in financing activities for the six months ended October 31, 2024 is mainly attributable to the repurchase of common stock of approximately \$2,146,000 and redemption of preferred stock of approximately 18,766,000. For the six months ended October 31, 2023, the cash provided by the proceeds from the issuance of preferred stock of approximately \$33,650,000, net of issuance costs and the repurchase of common stock of approximately \$26,622,000.

## **Liquidity and Capital Resources**

As of October 31, 2024, our cash and cash equivalents totaled approximately \$20.1 million, compared to approximately \$50 million as of April 30, 2024. Working capital was approximately \$17 million as of October 31, 2024, compared to approximately \$43 million as of April 30, 2024. The decrease in cash is attributable to an increase in the redemption of preferred stock of approximately \$18.8 million, the repurchase of our common stock of approximately \$2.1 million, and in the investment in TNF of \$7 million, operating expenses of approximately \$2.4 million.

On May 10, 2023, we entered into the Purchase Agreement, pursuant to which we sold to the Investors 35,000 Preferred Shares and Warrants to acquire up to an aggregate of 8,750,000 shares of common stock. The gross proceeds of the Private Placement were \$35 million, before offering expenses. If all of the Warrants were exercised for cash, we would receive additional gross proceeds of approximately \$35 million.

To meet our short and long-term liquidity needs, we expect to use existing cash balances and a variety of other means. Other sources of liquidity could include additional potential issuances of debt or equity securities in public or private financings, partnerships, collaborations and sale of assets. Our history of operating losses and liquidity challenges may make it difficult for us to raise capital on acceptable terms or at all. The demand for the equity and debt of pharmaceutical companies like ours is dependent upon many factors, including the general state of the financial markets. During times of extreme market volatility, capital may not be available on favorable terms, if at all. Our inability to obtain such additional capital could materially and adversely affect our business operations. Our future capital requirements are difficult to forecast and will depend on many factors, but we believe that our cash on hand will enable us to fund operating expenses for at least the next 12 months following the issuance of our financial statements.

## **Service Agreements**

We entered into several service agreements, with both independent and related parties, pursuant to which services will be provided over the next twelve months related to the clinical hold on our IND submission involving LAPC. The services include developing studies and strategies relating to clearing the clinical hold. The total cost is estimated to be approximately \$212,000, of which the related party portion will be approximately \$157,000. These agreements are under review by our Business Review Committee and reconstituted Board which has curtailed spending on this program until their review is complete and recommendations are made.

## **Critical Accounting Estimates**

Our Condensed Consolidated Financial Statements are prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). We are required to make assumptions and estimates about future events and apply judgments that affect the reported amounts of assets, liabilities, revenue and expenses and the related disclosures. We base our assumptions, estimates and judgments on historical experience, current trends and other factors that management believes to be relevant at the time our Condensed Consolidated Financial Statements are prepared. On a regular basis, management reviews the accounting policies, assumptions, estimates and judgments to ensure that our Condensed Consolidated Financial Statements are presented fairly and in accordance with U.S. GAAP. However, because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates, and such differences could be material.

Our significant accounting policies are discussed in Note 2 of the Notes to our Condensed Consolidated Financial Statements included in Item 8, "Financial Statements and Supplementary Data" of this Report. Management believes that the following accounting estimates are the most critical to aid in fully understanding and evaluating our reported financial results and require management's most difficult, subjective or complex judgments resulting from the need to make estimates about the effects of matters that are inherently uncertain. Management has reviewed these critical accounting estimates and related disclosures with our Board.

## **Fair Value of Financial Instruments**

Fair value measurements are based upon certain market assumptions and pertinent information available as of and during the six months ended October 31, 2024. The fair value of the bifurcated embedded derivative related to the convertible preferred stock was estimated using a Monte Carlo simulation model, which uses as inputs the fair value of our common stock and estimates for the equity volatility and traded volume volatility of our common stock, the time to maturity of the convertible preferred stock, the risk-free interest rate for a period that approximates the time to maturity, dividend rate, a penalty dividend rate, and our probability of default. The fair value of the warrant liability was estimated using the Black Scholes Model which uses as inputs the following weighted average assumptions: dividend yield, expected term in years; equity volatility; and risk-free interest rate.

In addition, the Company elects to account for its convertible note receivable, which meets the required criteria, at fair value at inception and at each subsequent reporting date. Subsequent changes in fair value, including interest, are recorded as a component of non-operating income (loss) in the condensed consolidated statements of operations. The Company estimates the fair value of the convertible note receivable using the income approach, which uses as inputs the fair value of debtor's common stock and estimates for the equity volatility and volume volatility of debtor's common stock, the time to expiration of the convertible note, the discount rate, the stated interest rate compared to the current market rate, the risk-free interest rate for a period that approximates the time to expiration, and probability of default. Therefore, the estimate of expected future volatility is based on the actual volatility of debtor's common stock and historical volatility of debtor's common stock utilizing a lookback period consistent with the time to expiration. The time to expiration is based on the contractual maturity date. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of measurement for time periods approximately equal to the time to expiration. The probability of default is estimated using the S&P Global default rate for companies with a similar credit rating to debtors. The fair value in our warrant asset investment is estimated using a Monte Carlo simulation model, which uses as inputs the fair value of the underlying common stock and estimates for the equity volatility and traded volume volatility of the investee's common stock, the risk-free interest rate for a period that approximates the expected life of the warrants, and the expected life of the warrants.

Additionally, the Company has determined that the investment in preferred stock is a VIE, since it does not have sufficient equity at risk to finance its own operations without additional subordinated financial support. However, the Company determined that it is not the primary beneficiary. Furthermore, preferred stock is not considered in substance common stock, and as such, equity method accounting does not apply. The Company recorded its investment at its fair value and the Company did not elect the measurement alternative to account for the investment at cost less impairment. Subsequent changes in fair value of the preferred stock are recognized in earnings at each reporting period. The initial fair value of the preferred stock was estimated utilizing a Monte Carlo simulation with the following assumptions: stock price, price floor, expected time to settlement, dividend rate, discounted market interest rate, risk free rate of, equity volatility of and probability of default.

The warrants were determined to meet the definition of a derivative and were required to be recorded at fair value in accordance with ASC 815. Subsequent changes in the fair value of the Warrants are recognized in earnings, at each reporting date. The issuance date fair value of the Warrants was determined utilizing the Black Scholes Merton Method with the following assumptions: stock price, exercise price, risk free rate, equity volatility and remaining terms. As the fair value of the preferred stock and warrants exceeded the Company's total investment, the Company recognized a gain on investment for the excess of the fair value of the warrants over the investment amount. As both the preferred stock and warrants are required to be initially measured and subsequently remeasured at fair value, they are presented as a single line item.

## **Realizable Value of Intangible Assets**

We test the carrying amount of our indefinite-lived intangible assets for impairment prior to testing long-lived assets for impairment. As prescribed under ASC 350, we first assess qualitative factors to determine whether events and circumstances indicate that it is more likely than not (that is, a likelihood of more than 50%) that our indefinite-lived intangible asset is impaired. If it is more likely than not that the asset is impaired, we would calculate the fair value of the asset and record an impairment charge if the carrying amount exceeds fair value. If we determine that it is not more likely than not that the asset is impaired, no further action is required.

## **New Accounting Pronouncements**

For a discussion of all recently adopted and recently issued but not yet adopted accounting pronouncements, see Note 2 "Summary of Significant Accounting Policies" of the Notes to our Condensed Consolidated Financial Statements contained in this Quarterly Report.

## **Available Information**

Our website is located at [www.PharmaCyte.com](http://www.PharmaCyte.com). In addition, all our filings submitted to the Commission, including our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and all our other reports and statements filed with the Commission are available on the Commission's web site at [www.sec.gov](http://www.sec.gov). Such filings are also available for download free of charge on our website. The contents of the website are not, and are not intended to be, incorporated by reference into this Quarterly Report or any other report or document filed with the Commission or furnished by us, and any reference to the websites are intended to be inactive textual references only.

## **Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

The information called for by Item 3 is not required for a smaller reporting company.

## **Item 4. Controls and Procedures**

### ***Evaluation of Disclosure Controls and Procedures***

Our Interim Chairman, Interim Chief Executive Officer, and Interim President, as our principal executive officer ("Chief Executive Officer"), and our Chief Financial Officer, as our principal financial officer ("Chief Financial Officer"), evaluated the effectiveness of our "disclosure controls and procedures," as such term is defined in Rule 13a-15(e) promulgated under the Exchange Act. Disclosure controls and procedures are designed to ensure that the information required to be disclosed in the reports that we file or submit to the Commission pursuant to the Exchange Act are recorded, processed, summarized and reported within the period specified by the Commission's rules and forms and are accumulated and communicated to our management, including our Chief Executive Officer, as appropriate to allow timely decisions regarding required disclosures. Based upon this evaluation, our Chief Executive Officer and our Chief Financial Officer have concluded that, as of October 31, 2024, certain of our disclosure controls and procedures were not effective due to the material weaknesses in internal control over financial reporting.

Reference should be made to our Form 10-K filed with the Commission on August 13, 2024, for additional information regarding discussion of the effectiveness of the Company's control and procedures.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Also, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events. There can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

### ***Changes in Internal Controls over Financial Reporting***

There were no changes to our internal control over financial reporting during the six months ended October 31, 2024, that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

In connection with the October 31, 2024 reporting process, management identified two material weaknesses related to the Company's internal controls: insufficient segregation of duties of our Chief Financial Officer and insufficient management review controls.

The Certifications of our Chief Executive Officer and Chief Financial Officer required in accordance with Rule 13a-14(a) under the Exchange Act and Section 302 of the Sarbanes-Oxley Act of 2002 ("Certifications") are attached to this Quarterly Report. The disclosures set forth in this Item 4 contain information concerning: (i) the evaluation of our disclosure controls and procedures, and changes in internal control over financial reporting, referred to in paragraph 4 of the Certifications; and (ii) material weaknesses in the design or operation of our internal control over financial reporting, referred to in paragraph 5 of the Certifications. The Certifications should be read in conjunction with this Item 4 for a more complete understanding of the matters covered by the Certifications.

## PART II – OTHER INFORMATION

### Item 1. Legal Proceedings.

From time to time, we are subject to legal proceedings and claims, either asserted or unasserted, that arise in the ordinary course of business. While the outcome of pending claims cannot be predicted with certainty, we do not believe that the outcome of any pending claims will have a material adverse effect on our financial condition or operating results.

On December 4, 2023, H.C. Wainwright & Co., LLC (“Wainwright”) filed a complaint against us in the Supreme Court of the State of New York, County of New York, asserting a single cause of action for breach of contract and alleging that we breached an April 2021 engagement agreement with Wainwright by failing to pay a purported “tail fee” allegedly due in connection with a private placement transaction that closed in 2023. Wainwright seeks damages of not less than \$1,950,000, warrants to purchase an aggregate of 656,250 shares of our common stock at an exercise price of \$5.00 per share, and attorney’s fees. On February 28, 2024, we responded to the complaint with an answer and affirmative defenses. The parties have commenced documentary discovery. We intend to vigorously defend against Wainwright’s complaint and do not believe that any potential loss is reasonably estimable at this time.

To our knowledge, there is no other material litigation against any of our officers or directors in their capacity as such, and no such litigation is contemplated by any governmental authorities.

### Item 1A. Risk Factors.

The information called for by Item 1A is not required for a smaller reporting company. In addition to the other information set forth in this Quarterly Report, you should carefully consider the factors discussed in Part I, Item 1A, “Risk Factors” in our Annual Report on Form 10-K of the Company filed with the Commission on August 13, 2024.

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

During the three-months ended October 31, 2024, there were no shares issued.

#### *Issuer Purchases of Equity Securities*

The table below summarizes information about the Company’s purchases of its equity securities during the quarterly period ended October 31, 2024.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares That May Yet Be Purchased Under the Plans or Programs
August 1, 2024 – August 31, 2024	29,795	\$ 1.8429	29,795	\$ 3,877,171
September 1, 2024 – September 30, 2024	56,663	\$ 1.9103	56,663	\$ 3,768,929
October 1, 2024 - October 31, 2024	596,578	\$ 2.1027	596,578	\$ 2,514,516
<b>Total</b>	<u>683,036</u>	<u>\$ 2.0754</u>	<u>683,036</u>	<u>\$ 2,514,516</u>

On June 2, 2022, the Company announced that the Board had authorized a share repurchase program to acquire up to \$10 million of the Company's outstanding common stock (the "Original Program"). The number of shares of common stock repurchased on any given trading day is determined by a formula, which is based on the market price of the common stock and average daily volumes. The Repurchase Program expires on May 30, 2024. On January 31, 2023, the Board authorized a share repurchase program to repurchase up to an additional \$10 million of the Company's outstanding common stock (the "New Program" and together with the Original Program, the "Repurchase Programs"). Under the New Program, the shares may be repurchased from time to time in open market transactions, privately negotiated block transactions or other means in accordance with applicable securities laws. During the three months ended October 31, 2024, the Company repurchased 683,036 shares pursuant to the Repurchase Programs. For more information on the Repurchase Programs, see "Note 12 – Treasury Stock."

**Item 3. Defaults Upon Senior Securities.**

None.

**Item 4. Mine Safety Disclosure.**

Not applicable.

**Item 5. Other Information.**

During the quarter ended October 31, 2024, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

**Item 6. Exhibits.**

<b>Exhibit No.</b>	<b>Description</b>	<b>Location</b>
3.1	<a href="#"><u>Certificate of Designations of Preferences and Rights of Series B Convertible Preferred Stock</u></a>	Incorporated by reference from Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on May 11, 2023.
31.1	<a href="#"><u>Principal Executive Officer Certification required by Rules 13a-14 and 15d-14 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u></a>	Filed herewith
31.2	<a href="#"><u>Principal Financial Officer Certification required by Rules 13a-14 and 15d-14 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u></a>	Filed herewith
32.1	<a href="#"><u>Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of Sarbanes Oxley Act of 2002</u></a>	Furnished herewith
32.2	<a href="#"><u>Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of Sarbanes Oxley Act of 2002</u></a>	Furnished herewith
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)	
101.SCH	Inline XBRL Taxonomy Extension Schema Document	
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	
104	Cover Page Interactive Data File (formatted in Inline XBRL and included in exhibit 101).	

## SIGNATURES

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

**PharmaCyte Biotech, Inc.**

December 13, 2024

By: /s/ Joshua N. Silverman  
Joshua N. Silverman  
Interim Chief Executive Officer  
(Principal Executive Officer)

December 13, 2024

By: /s/ Carlos A. Trujillo  
Carlos A. Trujillo  
Chief Financial Officer  
(Principal Financial Officer and Principal Accounting Officer)



**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER  
PURSUANT TO RULES 13A-14(A) AND 15D-15(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934  
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Joshua N. Silverman, certify that:

1. I have reviewed the Quarterly Report on Form 10-Q of PharmaCyte Biotech, Inc. ("Report") and its subsidiaries for the period ended October 31, 2024;
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 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 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.

Dated: December 13, 2024

By: /s/ Joshua N. Silverman  
Name: Joshua N. Silverman  
Title: Interim Chief Executive Officer  
(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER  
PURSUANT TO RULES 13A-14(A) AND 15D-15(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934  
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Carlos A. Trujillo, certify that:

1. I have reviewed the Quarterly Report on Form 10-Q of PharmaCyte Biotech, Inc. ("Report") and its subsidiaries for the period ended October 31, 2024;
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 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 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.

Dated: December 13, 2024

By: /s/ Carlos A. Trujillo  
Name: Carlos A. Trujillo  
Title: Chief Financial Officer  
(Principal Financial and Principal Accounting Officer)

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of PharmaCyte Biotech, Inc. and its subsidiaries ("Company") on Form 10-Q for the period ended October 31, 2024 as filed with the United States Securities and Exchange Commission ("Commission") on the date hereof ("Report"), the undersigned, Joshua N. Silverman, the Chief Executive Officer of the Company, certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to my knowledge that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented.

Dated: December 13, 2024

By: /s/ Joshua N. Silverman  
Name: Joshua N. Silverman  
Title: Interim Chief Executive Officer  
(Principal Executive Officer)

This exhibit shall not be deemed "filed" with the Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Report), irrespective of any general incorporation language contained in such filing; however, it is instead furnished as provided by applicable rules of the Commission.

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of PharmaCyte Biotech, Inc. and its subsidiaries ("Company") on Form 10-Q for the period ended October 31, 2024 as filed with the United States Securities and Exchange Commission ("Commission") on the date hereof ("Report"), the undersigned, Carlos A. Trujillo, the Chief Financial Officer of the Company, certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to my knowledge that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented.

Dated: December 13, 2024

By: /s/ Carlos A. Trujillo  
Name: Carlos A. Trujillo  
Title: Chief Financial Officer  
(Principal Financial and Principal Accounting Officer)

This exhibit shall not be deemed "filed" with the Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Report), irrespective of any general incorporation language contained in such filing; however, it is instead furnished as provided by applicable rules of the Commission.