UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended **September 30, 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: 001-39336

Aditxt, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**82-3204328**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
2569 Wyandotte Street, Suite 101 Mountain View, CA	**94043**
(Address of principal executive offices)	(Zip Code)

(650) 870-1200
(Registrant's telephone number, including area code)

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.001 per share	ADTX	The Nasdaq Stock Market LLC

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 and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post 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 emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☒

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

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

As of November 13, 2024, the registrant had 14,234,212 and 14,234,210 shares of common stock, $0.001 par value per share, issued and outstanding, respectively.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS AND INDUSTRY DATA

This Quarterly Report on Form 10-Q contains forward-looking statements which are made pursuant to the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These statements may be identified by such forward-looking terminology as "may," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continue" or the negative of these terms or other comparable terminology. Our forward-looking statements are based on a series of expectations, assumptions, estimates and projections about our company, are not guarantees of future results or performance and involve substantial risks and uncertainty. We may not actually achieve the plans, intentions or expectations disclosed in these forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in these forward-looking statements. Our business and our forward-looking statements involve substantial known and unknown risks and uncertainties, including the risks and uncertainties inherent in our statements regarding:

- we have generated no significant revenue from commercial sales to date and our future profitability is uncertain;
- if we fail to obtain the capital necessary to fund our operations, we will be unable to continue or complete our product development and you will likely lose your entire investment;

- our financial situation creates doubt whether we will continue as a going concern;
- we may need to raise additional funding, which may not be available on acceptable terms, or at all;
- even if we can raise additional funding, we may be required to do so on terms that are dilutive to you.;
- the regulatory approval process is expensive, time-consuming and uncertain and may prevent us from obtaining approvals for the commercialization of our future product candidates, if any;
- we may encounter substantial delays in completing our clinical studies which in turn will require additional costs, or we may fail to demonstrate adequate safety and efficacy to the satisfaction of applicable regulatory authorities;
- if our future pre-clinical development and future clinical Phase I/II studies are unsuccessful, we may be unable to obtain regulatory approval of, or commercialize, our product candidates on a timely basis or at all;
- even if we receive regulatory approval for any of our product candidates, we may not be able to successfully commercialize the product and the revenue that we generate from their sales, if any, may be limited;
- adverse events involving our products may lead the FDA or applicable foreign regulatory agency to delay or deny clearance for our products or result in product recalls that could harm our reputation, business and financial results;

- certain technologies are subject to licenses from LLU and Stanford (as defined below), each of which are revocable in certain circumstances, including in the event we do not achieve certain payments and milestone deadlines. Without these licenses, we may not be able to continue to develop our product candidates;
- if we were to lose our CLIA certification or state laboratory licenses, whether as a result of a revocation, suspension or limitation, we would no longer be able to offer our assays (including our AditxtScore™ platform), which would limit our revenues and harm our business. If we were to lose, or fail to obtain, a license in any other state where we are required to hold a license, we would not be able to test specimens from those states;
- our results of operations will be affected by the level of royalty and milestone payments that we are required to pay to third parties;
- we face substantial competition, which may result in others discovering, developing or commercializing products before or more successfully than we do;
- our technologies and products under development, and our business, may fail if we are not able to successfully commercialize them and ultimately generate significant revenues as a result;
- customers may not adopt our products quickly, or at all;
- the failure to obtain or maintain patents, licensing agreements and other intellectual property could materially impact our ability to compete effectively;
- some of our intellectual property may be subject to “march-in” rights by the U.S. federal government;
- we do not expect to pay dividends in the foreseeable future;
- we have issued a significant number of shares of convertible preferred stock and warrants and may continue to do so in the future. The conversion and/or exercise of these securities and the sale of the shares of common stock issuable thereunder may dilute your percentage ownership interest and may also result in downward pressure on the price of our common stock;
- we have issued a significant number of restricted stock awards, restricted stock units, options and warrants and may continue to do so in the future. The vesting and, if applicable, exercise of these securities and the sale of the shares of common stock issuable thereunder may dilute your percentage ownership interest and may also result in downward pressure on the price of our common stock;
- we have entered into a Common Stock Purchase Agreement with an equity line investor pursuant to which we may issue and sell up to $150 million of our common stock, which could result in significant dilution;
- we have entered into an At The Market Offering Agreement with H.C. Wainwright & Co., LLC pursuant to which we may issue and sell up to $35 million of our common stock, which could result in significant dilution;
- while we have entered into a Share Exchange Agreement with Cellvera Global, a Merger Agreement with Evofem Biosciences, Inc. and an Arrangement Agreement with Appili Therapeutics, Inc., we cannot assure you that such transactions will be consummated or, that if one or more of such transactions are consummated, that they will be accretive to stockholder value;

- we may engage in future acquisitions or strategic transactions, including the transactions with Cellvera Global, Evofem Biosciences and Appili Therapeutics, which will require us to seek additional financing or financial commitments, increase our expenses and/or present significant distractions to our management;
- future sales or issuances of substantial amounts of our common stock, including, potentially as a result of future acquisitions or strategic transactions, including the transactions with Evofem Biosciences, Appili Therapeutics, and Cellvera Global, could result in significant dilution;
- On December 29, 2023, we received the determination from Nasdaq that we regained compliance with the Nasdaq continued listing requirements, however, we remain subject to a panel monitor of our ongoing compliance until December 29, 2024 and if we fail to comply with such requirements during the panel monitor, it could result in the delisting of our securities by Nasdaq; and
- exclusive forum provisions in our amended and restated certificate of incorporation and amended and restated bylaws.

All of our forward-looking statements are as of the date of this Quarterly Report on Form 10-Q only. In each case, actual results may differ materially from such forward-looking information. We can give no assurance that such expectations or forward-looking statements will prove to be correct. An occurrence of, or any material adverse change in, one or more of the risk factors or risks and uncertainties referred to in this Quarterly Report on Form 10-Q or included in our other public disclosures or our other periodic reports or other documents or filings filed with or furnished to the U.S. Securities and Exchange Commission (the “SEC”) could materially and adversely affect our business, prospects, financial condition, and results of operations. Except as required by law, we do not undertake or plan to update or revise any such forward-looking statements to reflect actual results, changes in plans, assumptions, estimates or projections or other circumstances affecting such forward-looking statements occurring after the date of this Quarterly Report on Form 10-Q, even if such results, changes, or circumstances make it clear that any forward-looking information will not be realized. Any public statements or disclosures by us following this Quarterly Report on Form 10-Q that modify or impact any of the forward-looking statements contained in this Quarterly Report on Form 10-Q will be deemed to modify or supersede such statements in this Quarterly Report on Form 10-Q.

This Quarterly Report on Form 10-Q may include market data and certain industry data and forecasts, which we may obtain from internal company surveys, market research, consultant surveys, publicly available information, reports of governmental agencies and industry publications, articles, and surveys. Industry surveys, publications, consultant surveys, and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. While we believe that such studies and publications are reliable, we have not independently verified market and industry data from third-party sources.

References to Aditxt, Inc.

Throughout this Quarterly Report on Form 10-Q, the “Company,” “Aditxt,” “we,” “us,” and “our” refers to Aditxt, Inc. and “our board of directors” refers to the board of directors of Aditxt, Inc.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

ADITXT, INC.
CONSOLIDATED BALANCE SHEETS
(unaudited)

	September 30, 2024	December 31, 2023
ASSETS		
CURRENT ASSETS:		
Cash	$ 328,596	$ 97,102
Accounts receivable, net	351,707	408,326

Inventory	88,994	745,502
Prepaid expenses	444,355	217,390
Subscription receivable	874,665	5,444,628
TOTAL CURRENT ASSETS	2,088,317	6,912,948
Fixed assets, net	1,716,307	1,898,243
Intangible assets, net	6,944	9,444
Deposits	102,042	106,410
Right of use asset - long term	1,388,460	2,200,299
Investment in Evofem	24,537,211	22,277,211
Deposit on acquisition	-	11,173,772
TOTAL ASSETS	$ 29,839,281	$ 44,578,327
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$ 14,585,212	$ 8,554,959
Notes payable - related party	467,000	375,000
Notes payable, net of discount	8,372,685	15,653,477
Financing on fixed assets	147,823	147,823
Deferred rent	117,850	158,612
Lease liability - current	678,332	999,943
TOTAL CURRENT LIABILITIES	24,368,902	25,889,814
Settlement liability	-	1,600,000
Lease liability - long term	592,278	1,041,744
Derivative liability	429,018	-
TOTAL LIABILITIES	25,390,198	28,531,558
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Preferred stock, $0.001 par value, 3,000,000 shares authorized, zero shares issued and outstanding, respectively	-	-
Series A-1 Convertible Preferred stock, $0.001 par value, 22,280 shares authorized, 22,071 and 22,280 shares issued and outstanding, respectively	22	22
Series B Preferred stock, $0.001 par value, 1 share authorized, zero and zero shares issued and outstanding, respectively	-	-
Series B-1 Convertible Preferred stock, $0.001 par value, 6,000 shares authorized, 4,232 and zero shares issued and outstanding, respectively	5	-
Series B-2 Convertible Preferred stock, $0.001 par value, 2,625 shares authorized, 2,625 and 2,625 shares issued and outstanding, respectively	3	3
Series C Preferred stock, $0.001 par value, 1 share authorized, zero and zero shares issued and outstanding, respectively	-	-
Series C-1 Convertible Preferred Stock, $0.001 par value, 10,853 shares authorized, 10,853 and zero shares issued and outstanding, respectively	11	-
Series D-1 Preferred stock, $0.001 par value, 4,186 shares authorized, 4,186 and zero shares issued and outstanding, respectively	4	-
Common stock, $0.001 par value, 1,000,000,000 and 100,000,000 shares authorized, 531,353 and 32,998 shares issued and 531,351 and 32,996 shares outstanding, respectively	532	35
Treasury stock, 2 and 2 shares, respectively	(201,605)	(201,605)
Additional paid-in capital	167,780,688	143,998,994
Accumulated deficit	(162,867,941)	(127,741,072)
TOTAL ADITXT, INC. STOCKHOLDERS' EQUITY	4,711,719	16,056,377
NON-CONTROLLING INTEREST	(262,636)	(9,608)
TOTAL STOCKHOLDERS' EQUITY	4,449,083	16,046,769
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 29,839,281	$ 44,578,327

See accompanying notes to the consolidated financial statements.

ADITXT, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
REVENUE				
Sales	$ 6,854	$ 124,486	$ 130,810	$ 563,879
Cost of goods sold	467,536	106,922	556,469	470,969
Gross profit (loss)	(460,682)	17,564	(425,659)	92,910
OPERATING EXPENSES				
General and administrative expenses $32, $103,031, $28,670, and $484,502 in stock-based compensation, respectively	3,718,804	7,169,863	11,502,097	15,209,789
Research and development $0, $49,209, $6,712,663, and $165,382 in stock-based compensation, respectively	491,552	898,724	10,190,178	2,771,100
Sales and marketing $0, $1,752, $0 and $6,787 in stock-based compensation, respectively	30,000	44,186	94,731	223,562
Total operating expenses	4,240,356	8,112,773	21,787,006	18,204,451
NET LOSS FROM OPERATIONS	(4,701,038)	(8,095,209)	(22,212,665)	(18,111,541)
OTHER INCOME (EXPENSE)				
Interest expense	(570,114)	(906,104)	(4,150,727)	(2,389,627)
Interest income	376	367	1,131	9,784
Amortization of debt discount	(1,709,537)	(744,956)	(2,901,955)	(921,242)
Loss on note exchange agreement	-	-	(208,670)	-
Total other expense	(2,279,275)	(1,650,693)	(7,260,221)	(3,301,085)
Net loss before income taxes	(6,980,313)	(9,745,902)	(29,472,886)	(21,412,626)
Income tax provision	-	-	-	-
NET LOSS	$ (6,980,313)	$ (9,745,902)	$ (29,472,886)	$ (21,412,626)
Implied Dividends	(5,907,011)	(167,169)	(5,907,011)	(167,169)
NET LOSS ATTRIBUTABLE TO NON-CONTROLLING INTEREST	(39,801)	-	(253,028)	-
NET LOSS ATTRIBUTABLE TO ADITXT, INC. & SUBSIDIARIES	$ (12,847,523)	$ (9,913,071)	$ (35,126,869)	$ (21,579,795)
Net loss per share - basic and diluted	$ (111.07)	$ (1,950.94)	$ (522.86)	$ (5,477.66)
Weighted average number of shares outstanding during the period - basic and diluted	115,672	5,081	67,182	3,940

See accompanying notes to the consolidated financial statements.

ADITXT, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(unaudited)

	Preferred A-1 Shares	Preferred A-1 Shares Par	Preferred B-1 Shares	Preferred B-1 Shares Par	Preferred B-2 Shares	Preferred B-2 Shares Par	Preferred C-1 Shares	Preferred C-1 Shares Par	Preferred D-1 Shares	Preferred D-1 Shares Par	Common Shares Outstanding	Common Shares Par	Treasury Stock	Additional Paid-in Capital	Accumulated Deficit	Non-Controlling Interest	Total Stockholders' Equity
Balance December 31, 2023	22,280	$ 22	-	$ -	2625	$ 3	-	$ -	-	$ -	32,996	$ 35	$(201,605)	$143,998,994	$(127,741,072)	$ (9,608)	$ 16,046,769
Stock option compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	24,573	-	-	24,573
MDNA asset purchase	-	-	-	-	-	-	-	-	-	-	1,250	1	-	1,008,668	-	-	1,008,669
Brain asset purchase	-	-	6,000	6	-	-	-	-	-	-	-	-	-	5,970,437	-	-	5,970,443
Issuance of shares for settlement	-	-	-	-	-	-	-	-	-	-	7,408	7	-	1,599,993	-	-	1,600,000
Net loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(14,729,727)	(138,967)	(14,868,694)
Balance March 31, 2024	22,280	$ 22	6,000	$ 6	2,625	$ 3	-	$ -	-	$ -	41,654	$ 43	$(201,605)	$152,602,665	$(142,470,799)	$ (148,575)	$ 9,781,760
Stock option compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	4,095	-	-	4,095
Restricted stock unit compensation	-	-	-	-	-	-	-	-	-	-	1	-	-	2	-	-	2
Issuance of shares for offering, net of issuance costs	-	-	-	-	-	-	4,186	4	4,186	4	-	-	-	3,518,559	-	-	3,518,567
Issuance of shares for debt issuance costs	-	-	-	-	-	-	-	-	-	-	8,212	88	-	662,710	-	-	662,718
Modification of warrants	-	-	-	-	-	-	-	-	-	-	-	-	-	4,137	(4,137)	-	-
Net loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,549,619)	(74,260)	(7,623,879)
Balance June 30, 2024 (unaudited)	22,280	$ 22	6,000	$ 6	2,625	$ 3	4,186	$ 4	4,186	$ 4	49,867	$ 51	$(201,605)	$156,792,168	$(150,024,555)	$ (222,835)	$ 6,343,263
Restricted stock unit compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	32	-	-	32
Issuance of shares for registered direct offering, net of issuance costs	-	-	-	-	-	-	-	-	-	-	4,700	5	-	1,036,218	-	-	1,036,223
Issuance of shares under ELOC, net of issuance costs	-	-	-	-	-	-	-	-	-	-	250,000	250	-	1,274,542	-	-	1,274,792
Exchange of prefunded and common stock warrants for Series C-1 Convertible Preferred Stock	-	-	-	-	-	-	6,000	6	-	-	-	-	-	(6)	-	-	-
Liquidation damages	-	-	-	-	-	-	667	1	-	-	-	-	-	666,999	-	-	667,000
Conversion of Series A-1 Convertible Preferred stock	(209)	-	-	-	-	-	-	-	-	-	6,477	6	-	(6)	-	-	-
Conversion of Series B-1 Convertible Preferred stock	-	-	(1,768)	(1)	-	-	-	-	-	-	175,868	176	-	(175)	-	-	
Exercise of warrants	-	-	-	-	-	-	-	-	-	-	44,463	44	-	1,246,446	-	-	1,246,490
Issuance of warrants as debt issuance costs	-	-	-	-	-	-	-	-	-	-	-	-	-	913,713	-	-	913,713
Modifications of warrants as debt issuance costs	-	-	-	-	-	-	-	-	-	-	-	-	-	376,901	-	-	376,901
Modifications of warrants	-	-	-	-	-	-	-	-	-	-	-	-	-	5,902,874	(5,902,874)	-	-
Derivative liability from conversion feature on preferred stock	-	-	-	-	-	-	-	-	-	-	-	-	-	(429,018)	-	-	(429,018)
Rounding from reverse stock split	-	-	-	-	-	-	-	-	-	-	(24)	-	-	-	-	-	-
Net loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,940,512)	(39,801)	(6,980,313)
Balance September 30, 2024 (unaudited)	22,071	$ 22	4,232	$ 5	2,625	$ 3	10,853	$ 11	4,186	$ 4	531,351	$ 532	$(201,605)	$167,780,688	$(162,867,941)	$ (262,636)	$ 4,449,083

See accompanying notes to the consolidated financial statements.

ADITXT, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(unaudited)

	Preferred Shares Outstanding	Preferred Shares Par	Preferred B Shares Outstanding	Preferred B Shares Par	Preferred C Shares Par	Preferred B-2 Shares Par	Common Shares Outstanding	Common Shares Par	Treasury Stock	Additional Paid-in Capital	Accumulated Deficit	Non-Controlling Interest	Total Stockholders' Equity (Deficit)
Balance December 31, 2022	-	$ -	-	$ -	-	$ -	2,710	$ 4	$ (201,605)	$100,448,270	$ (95,040,362)	$ -	$ 5,206,307

Stock option and warrant compensation	-	-	-	-	-	-	-	-	-	59,964		-	59,964
Restricted stock unit compensation	-	-	-	-	-	-	-	-	-	111,187		-	111,187
Issuance of shares for vested restricted stock units	-	-	-	-	-	-	2	-	-	-		-	-
Sale of common stock	-	-	-	-	-	-	212	-	-	507,016		-	507,016
Issuance of shares for services	-	-	-	-	-	-	117	-	-	168,300		-	168,300
Net loss	-	-	-	-	-	-	-	-	-	-	(5,984,706)	-	(5,984,706)
Balance March 31, 2023	-	-	-	-	-	-	3,041	4	(201,605)	101,294,737	(101,025,068)	-	$ 68,068
Stock option and warrant compensation	-	-	-	-	-	-	-	-	-	59,964	-	-	59,964
Restricted stock unit compensation	-	-	-	-	-	-	-	-	-	103,264		-	103,264
Issuance of shares for vested restricted stock units	-	-	-	-	-	-	2	-	-	-	-	-	-
Warrants issued for cash, net of issuance costs	-	-	-	-	-	-	-	-	-	1,581,467	-	-	1,581,467
Exercise of warrants	-	-	-	-	-	-	1,205	1	-	(1)	-	-	-
Net loss	-	-	-	-	-	-	-	-	-	-	(5,682,018)	-	(5,682,018)
Balance June 30, 2023	-	-	-	-	-	-	4,248	5	(201,605)	103,039,431	(106,707,086)	-	(3,869,255)
Stock option compensation	-	-	-	-	-	-	-	-	-	59,964		-	59,964
Restricted stock unit compensation	-	-	-	-	-	-	-	-	-	94,028		-	94,028
Issuance of shares for vested restricted stock units	-	-	-	-	-	-	2	-	-	-		-	-
Sale of Series C Preferred shares to related party	-	-	-	1	-	-	-	-	-	1,000		-	1,000
Issuance of shares for debt issuance costs	-	-	-	-	-	-	530	1	-	272,005		-	272,006
Issuance of warrants for offering, net of issuance costs	-	-	-	-	-	-	-	-	-	8,966,400		-	8,966,400
Exercise of warrants	-	-	-	-	-	-	3,405	3	-	126		-	129
Rounding from reverse stock split	-	-	-	-	-	-	1,034	1	-	(1)	-	-	-
Modification of warrants	-	-	-	-	-	-	-	-	-	167,169	(167,169)	-	-
Redemption of Series C Preferred shares to related party	-	-	-	(1)	-	-	-	-	-	-	-	-	-
Net loss	-	-	-	-	-	-	-	-	-	-	(9,745,902)	-	(9,745,902)
Balance September 30, 2023	-	$ -	-	$ -	-	$ -	9,219	$ 10	$ (201,605)	$112,600,122	$(116,620,157)	$ -	$ (4,221,630)

See accompanying notes to the consolidated financial statements.

ADITXT, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (29,472,886)	$ (21,412,626)
Adjustments to reconcile net loss to net cash used in operating activities		
Stock-based compensation	28,702	656,671
Stock-based compensation from asset purchase	6,712,663	-
Depreciation expense	448,383	329,411
Amortization of intangible assets	2,500	80,250
Amortization of debt discount	2,901,955	921,242
Loss on note exchange agreement	208,670	-
Modifications of warrants as debt issuance costs	376,901	-
New principal from extension of notes, net of debt discount	451,974	-
Changes in operating assets and liabilities:		
Accounts receivable	56,619	165,253
Prepaid expenses	(226,965)	(58,762)
Deposits	4,368	43,101
Inventory	656,508	91,987
Accounts payable and accrued expenses	6,568,477	2,315,923
Settlement liability	667,000	1,600,000
Net cash used in operating activities	(10,615,131)	(15,267,550)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	-	(14,407)
Investment in Evofem	(2,260,000)	-
Net cash used in investing activities	(2,260,000)	(14,407)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from notes - related party	467,000	687,523
Proceeds from notes and convertible notes payable, net of offering costs	4,199,153	5,962,865
Repayments of note payable - related party	(375,000)	(687,523)
Repayments of note payable	(2,330,563)	(2,592,046)
Warrants issued for cash, net of issuance cost	-	10,547,867
Preferred stock, Common stock, and warrants issued for cash, net of issuance costs	6,204,247	507,016
Cash from subscription receivable	3,695,298	-
Sale of Series C Preferred shares to related party	-	1,000

Exercise of warrants, modification of warrants, and issuance of warrants	-	129
Payments on financing on fixed asset	-	(262,160)
Proceeds from exercises of warrants	1,246,490	-
Net cash provided by financing activities	13,106,625	14,164,671
NET INCREASE (DECREASE) IN CASH	231,494	(1,117,286)
CASH AT BEGINNING OF PERIOD	97,102	2,768,640
CASH AT END OF PERIOD	$ 328,596	$ 1,651,354
Supplemental cash flow information:		
Cash paid for income taxes	$ -	$ -
Cash paid for interest expense	$ 622,762	$ 1,190,332
NONCASH INVESTING AND FINANCING ACTIVITIES:		
Issuance of shares for the conversion of notes payable	$ 500,000	$ -
Debt discount from shares issued as inducement for note payable	$ 1,576,431	$ 272,006
Warrant modification	$ 5,907,011	$ 167,169
Issuance of shares in asset purchase	$ 266,448	$ -
Shares issued for settlement	$ 1,600,000	$ -
Return of notes payable from Evofem merger agreement	$ 11,174,426	$ -
Accrued interest rolled into notes payable	$ 538,223	$ -
Shares issued for Stock receivable	$ 600,000	$ -
Subscription receivable	$ 874,665	$ -
Exchange of warrants for Series C-1 Convertible Preferred Stock	$ 667,000	$ -
Derivative liability from conversion feature on preferred stock	$ 429,018	$ -

See accompanying notes to the consolidated financial statements.

ADITXT, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE 1 – ORGANIZATION AND NATURE OF BUSINESS

Company Background

Overview

Aditxt, Inc. ® is an innovation platform dedicated to discovering, developing, and deploying promising innovations. Aditxt's ecosystem of research institutions, industry partners, and shareholders collaboratively drives their mission to "Make Promising Innovations Possible Together." The innovation platform is the cornerstone of Aditxt's strategy, where multiple disciplines drive disruptive growth and address significant societal challenges. Aditxt operates a unique model that democratizes innovation, ensures every stakeholder's voice is heard and valued, and empowers collective progress.

On January 1, 2023, the Company formed Adimune, Inc., a Delaware wholly owned subsidiary.

On January 1, 2023, the Company formed Pearsanta, Inc., a Delaware majority owned subsidiary.

On April 13, 2023, the Company formed Adivir, Inc., a Delaware wholly owned subsidiary.

On August 24, 2023, the Company formed Adivue, Inc., a Delaware wholly owned subsidiary.

On October 16, 2023, the Company formed Adicure, Inc., which was renamed Adifem, Inc., a Delaware wholly owned subsidiary.

Reverse Stock Splits

On August 17, 2023, the Company effectuated a 1 for 40 reverse stock split (the "2023 Reverse Split"). The Company's stock began trading on a split-adjusted basis effective on the Nasdaq Stock Market on August 18, 2023. There was no change to the number of authorized shares of the Company's common stock. All share amounts referenced in this report are adjusted to reflect the 2023 Reverse Split.

On October 2, 2024, the Company effectuated a 1 for 40 reverse stock split (the "2024 Reverse Split"). The Company's stock began trading on a split-adjusted basis effective on the Nasdaq Stock Market on October 3, 2024. There was no change to the number of authorized shares of the Company's common stock. All share amounts referenced in this report are adjusted to reflect the 2024 Reverse Split.

Offerings

On August 31, 2021, the Company completed a registered direct offering ("August 2021 Offering"). In connection therewith, the Company issued 58 shares of common stock, at a purchase price of $192,000.00 per share, resulting in gross proceeds of approximately $ 11.0 million. In a concurrent private placement, the Company issued warrants to purchase up to 58 shares. The warrants have an exercise price of $202,400.00 per share and are exercisable for a five-year period commencing six months from the date of issuance. The warrants exercise price was subsequently repriced to $ 120,000.00. In addition, the Company issued a warrant to the placement agent to purchase up to 3 shares of common stock at an exercise price of $ 240,000.00 per share.

On October 18, 2021, the Company entered into an underwriting agreement with Revere Securities LLC, relating to the public offering (the "October 2021 Offering") of 36 shares of the Company's common stock (the "Shares") by the Company. The Shares were offered, issued, and sold at a price to the public of $120,000.00 per share under a prospectus supplement and accompanying prospectus filed with the SEC pursuant to an effective shelf registration statement filed with the SEC on Form S-3 (File No. 333-257645), which was declared effective by the SEC on July 13, 2021. The October 2021 Offering closed on October 20, 2021 for gross proceeds of $4.25 million. The Company utilized a portion of the proceeds, net of underwriting discounts of approximately $ 3.91 million from the October 2021 Offering to fund certain obligations of the Company.

On December 6, 2021, the Company completed a public offering for net proceeds of $ 16.0 million (the "December 2021 Offering"). As part of the December 2021 Offering, we issued 104 units consisting of shares of the Company's common stock and warrant to purchase shares of the Company's common stock and 105 prefunded warrants. The warrant issued as part of the units had an exercise price of $92,000.00 and the prefunded warrants had an exercise price of $ 1.60. On June 15, 2022, the Company entered an agreement with a holder of certain warrants in the December 2021 Offering. (See Note 10)

On September 20, 2022, the Company completed a public offering for net proceeds of $ 17.2 million (the "September 2022 Offering"). As part of the September 2022 Offering, we issued 766 of shares of the Company's common stock, pre-funded warrants to purchase 1,319 shares of common stock, and warrants to purchase 2,084 shares of the Company's common stock. The warrants had an exercise price of $9,600.00 and the pre-funded warrants had an exercise price of $ 1.60.

On April 20, 2023, the Company entered into a securities purchase agreement (the "April Purchase Agreement") with an institutional investor, pursuant to which the Company agreed to sell to such investor pre-funded warrants (the "April Pre-Funded Warrants") to purchase up to 991 shares of common stock of the Company (the "Common Stock") at a purchase price of $ 1,950.40 per April Pre-Funded Warrant. The April Pre-Funded Warrants (and shares of common stock underlying the April Pre-Funded Warrants) were offered by the Company pursuant to its shelf registration statement on Form S-3 (File No. 333-257645), which was declared effective by the Securities and Exchange Commission on July 13, 2021. Concurrently with the sale of the April Pre-Funded Warrants, pursuant to the Purchase Agreement in a concurrent private placement, for each April Pre-Funded Warrant purchased by the investor, such investor received from the Company an unregistered warrant (the "Warrant") to purchase two shares of Common Stock. The warrants have an exercise price of $1,376.00 per share, and are exercisable for a three year period. In addition, the Company issued a warrant to the placement agent to purchase up to 60 shares of common stock at an exercise price of $ 2,440.00 per share. The closing of the sales of these securities under the April Purchase Agreement took place on April 24, 2023. The gross proceeds from the offering were approximately $1.9 million, prior to deducting placement agent's fees and other offering expenses payable by the Company.

On August 31, 2023, the "Company entered into a securities purchase agreement (the "August Purchase Agreement") with an institutional investor for the issuance and sale in a private placement (the "August 2023 Private Placement") of (i) pre-funded warrants (the "August Pre-Funded Warrants") to purchase up to 25,000 shares of the Company's common stock at an exercise price of $ 0.04 per share, and (ii) warrants (the "Common Warrants") to purchase up to 25,000 shares of the Company's Common Stock at an exercise price of $ 400.00 per share. The August 2023 Private Placement closed on September 6, 2023. The net proceeds to the Company from the August 2023 Private Placement were approximately $9 million, after deducting placement agent fees and expenses and estimated offering expenses payable by the Company. The Company used the net proceeds received from the August 2023 Private Placement for (i) the payment of approximately $3.1 million in outstanding obligations, (ii) the repayment of approximately $0.4 million of outstanding debt, and (iii) the balance for continuing operating expenses and working capital.

On December 29, 2023, the Company entered into a securities purchase agreement (the "Purchase Agreement") with an institutional investor ("the "Purchaser") for the issuance and sale in a private

placement (the “December 2023 Private Placement”) of (i) pre-funded warrants (the “Pre-Funded Warrants”) to purchase up to 30,928 shares of the Company’s common stock, par value $ 0.001 (the “Common Stock”) at an exercise price of $0.04 per share, and (ii) warrants (the “Common Warrants”) to purchase up to 61,856 shares of the Company’s Common Stock, at a purchase price of $ 194.00 per share. The December 2023 Private Placement closed and the funds were received on January 4, 2024. The net proceeds to the Company from the December 2023 Private Placement were approximately $5.4 million, after deducting placement agent fees and expenses and estimated offering expenses payable by the Company. The Company used the net proceeds received from the December 2023 Private Placement for continuing operating expenses and working capital. (Note 10)

On May 2, 2024, the Company entered into a Securities Purchase Agreement (the “May PIPE Purchase Agreement”) with certain accredited investors, pursuant to which the Company agreed to issue and sell to such investors in a private placement (the “May 2024 Private Placement”) (i) an aggregate of 4,186 shares of the Company’s Series C-1 Convertible Preferred Stock (the “Series C-1 Convertible Preferred Stock”), (ii) an aggregate of 4,186 shares of the Company’s Series D-1 Preferred Stock (the “Series D-1 Preferred Stock”), and (iii) warrants (the “May PIPE Warrants”) to purchase up to an aggregate of 40,328 shares of the Company’s common stock. The May 2024 Private Placement closed on May 6, 2024. The gross proceeds from the May 2024 Private Placement were approximately $ 4.2 million, prior to deducting the placement agent’s fees and other offering expenses payable by the Company. The Company used $1.0 million of the net proceeds to fund certain obligations under its merger agreement with Evofem Biosciences, Inc. and the remainder of the net proceeds from the offering for working capital and other general corporate purposes. (Note 10)

On August 8, 2024, the Company entered into a securities purchase agreement (the “Registered Direct Purchase Agreement”) with certain institutional investors, pursuant to which the Company agreed to sell to such investors 4,700 shares (the “Registered Direct Shares”) of common stock of the Company (the “Common Stock”), pre-funded warrants (the “Registered Direct Pre-Funded Warrants”) to purchase up to 23,555 shares of Common Stock of the Company (the “Registered Direct Pre-Funded Warrant Shares”), having an exercise price of $ 0.04 per share, at a purchase price of $ 42.40 per share of Common Stock and a purchase price of $42.36 per Registered Direct Pre-Funded Warrant (the “Registered Direct Offering”). The shares of Common Stock and Registered Direct Pre-Funded Warrants (and shares of common stock underlying the Registered Direct Pre-Funded Warrants) were offered by the Company pursuant to its shelf registration statement on Form S-3 (File No. 333-280757), which was declared effective by the Securities and Exchange Commission on August 6, 2024.

The closing of the sales of these securities under the Registered Direct Purchase Agreement took place on August 9, 2024. The gross proceeds from the offering were approximately $ 1.2 million, prior to deducting placement agent’s fees and other offering expenses payable by the Company. The Company used $500,000 of the net proceeds from the offering to fund certain obligations under its Amended and Restated Merger Agreement with Evofem Biosciences, Inc and the remainder for working capital and other general corporate purposes.

Risks and Uncertainties

The Company has a limited operating history and is in the very early stages of generating revenue from intended operations. The Company’s business and operations are sensitive to general business and economic conditions in the U.S. and worldwide along with local, state, and federal governmental policy decisions. A host of factors beyond the Company’s control could cause fluctuations in these conditions. Adverse conditions may include: changes in the biotechnology regulatory environment, technological advances that render our technologies obsolete, availability of resources for clinical trials, acceptance of technologies into the medical community, and competition from larger, more well-funded companies. These adverse conditions could affect the Company’s financial condition and the results of its operations.

NOTE 2 – GOING CONCERN ANALYSIS

Management Plans

The Company was incorporated on September 28, 2017 and has not generated significant revenues to date. During the nine months ended September 30, 2024, the Company had a net loss of $ 29,472,886 and negative cash flow from operating activities of $10,615,131. As of September 30, 2024, the Company’s cash balance was $ 328,596.

As of September 30, 2024, the Company was subject to the offering limits in General Instruction I.B.6 of Form S-3 (the “Baby Shelf Limitation”). Thus, the maximum amount of securities that the Company could offer and sell under its shelf registration statement on Form S-3 as of September 30, 2024 was approximately $1.8 million. Upon the filing of the Company’s annual report on Form 10-K on April 16, 2024, the Company’s aggregate market value of the voting and non-voting equity held by non-affiliates was below $3.0 million. As a result, the maximum amount that the Company can sell under its shelf registration statement on Form S-3 during any 12 month period is equal to one-third of the aggregate market value of the voting and non-voting equity held by non-affiliates of the Company.

On November 21, 2023, the Company received written notice from Nasdaq that it had regained compliance with the Public Float Rule. On December 29, 2023, the Company received written notice from Nasdaq that it had regained compliance with the Stockholders’ Equity Rule but will be subject to a Mandatory Panel Monitor for a period of one year. See Risk Factors and Note 12 for additional details regarding Nasdaq compliance.

If we are delisted from Nasdaq, but obtain a substitute listing for our common stock, it will likely be on a market with less liquidity, and therefore experience potentially more price volatility than experienced on Nasdaq. Stockholders may not be able to sell their shares of common stock on any such substitute market in the quantities, at the times, or at the prices that could potentially be available on a more liquid trading market. As a result of these factors, if our common stock is delisted from Nasdaq, the value and liquidity of our common stock, warrants and pre-funded warrants would likely be significantly adversely affected. A delisting of our common stock from Nasdaq could also adversely affect our ability to obtain financing for our operations and/or result in a loss of confidence by investors, employees and/or business partners.

The Company continues to actively pursue numerous capital raising transactions with the objective of obtaining sufficient bridge funding to meet the Company’s existing capital needs as well as more substantial capital raises to meet the Company’s longer-term needs.

In addition, factors such as stock price, volatility, trading volume, market conditions, demand and regulatory requirements may adversely affect the Company’s ability to raise capital in an efficient manner. Because of these factors, the Company believes that this creates substantial doubt with the Company’s ability to continue as a going concern.

In addition to the shelf registration, the Company has the ability to raise capital from equity or debt through private placements or public offerings pursuant to a registration statement on Form S-1. We may also secure loans from related parties.

The financial statements included in this report do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the matters discussed herein. The Company’s ability to continue as a going concern is dependent upon the ability to complete clinical studies and implement the business plan, generate sufficient revenues and to control operating expenses. In addition, the Company is consistently focused on raising capital, strategic acquisitions and alliances, and other initiatives to strengthen the Company.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) for interim financial information and the rules and regulations of the Securities and Exchange Commission (“SEC”). In the opinion of the Company's management, the accompanying condensed consolidated financial statements reflect all adjustments, consisting of normal, recurring adjustments, considered necessary for a fair presentation of the results for the interim periods ended September 30, 2024 and September 30, 2023. Although management believes that the disclosures in these unaudited condensed consolidated financial statements are adequate to make the information presented not misleading, certain information and footnote disclosures normally included in condensed consolidated financial statements that have been prepared in accordance U.S. GAAP have been omitted pursuant to the rules and regulations of the SEC.

The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the Company’s financial statements and notes related thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC on April 16, 2024. The interim results for the nine months ended September 30, 2024 are not necessarily indicative of the results to be expected for the year ending December 31, 2024 or for any future interim periods.

Principles of Consolidation

The consolidated financial statements include the accounts of Aditxt, Inc., its wholly owned subsidiaries and, one majority owned subsidiary. All significant intercompany balances and transactions have been eliminated in the consolidated financial statements.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates. Significant estimates underlying the financial statements include the reserve on insurance billing, value of preferred shares issued, our investments in preferred shares, estimation of discounts on non-interest bearing borrowings, and the fair value of stock options and warrants.

Fair Value Measurements and Fair Value of Financial Instruments

The Company adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 820, Fair Value Measurements. ASC Topic 820 clarifies the definition of fair value, prescribes methods for measuring fair value, and establishes a fair value hierarchy to classify the inputs used in measuring fair value as follows:

Level 1 - Inputs are unadjusted quoted prices in active markets for identical assets or liabilities available at the measurement date.

Level 2 - Inputs are unadjusted quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs derived from or corroborated by observable market data.

Level 3 - Inputs are unobservable inputs which reflect the reporting entity's own assumptions on what assumptions the market participants would use in pricing the asset or liability based on the best available information.

Due to the short-term nature of all financial assets and liabilities, their carrying value approximates their fair value as of the balance sheet dates. (See Note 9)

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable.

The Company maintains its cash accounts at financial institutions which are insured by the Federal Deposit Insurance Corporation. At times, the Company may have deposits in excess of federally insured limits.

Substantially all the Company's accounts receivable are with companies in the healthcare industry, individuals, and the U.S. government. However, concentration of credit risk is mitigated due to the Company's number of customers. In addition, for receivables due from U.S. government agencies, the Company does not believe the receivables represent a credit risk as these are related to healthcare programs funded by the U.S. government and payment is primarily dependent upon submitting the appropriate documentation.

Cash and Cash Equivalents

Cash and cash equivalents include short-term, liquid investments.

Inventory

Inventory consists of laboratory materials and supplies used in laboratory analysis. We capitalize inventory when purchased. Inventory is valued at the lower of cost or net realizable value on a first-in, first-out basis. We periodically perform obsolescence assessments and write off any inventory that is no longer usable.

Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Cost includes expenditures for furniture, office equipment, laboratory equipment, and other assets. Maintenance and repairs are charged to expense as incurred. When assets are sold, retired, or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in operations. The costs of fixed assets are depreciated using the straight-line method over the estimated useful lives or lease life of the related assets.

Useful lives assigned to fixed assets are as follows:

Computers	Three years to five years
Lab Equipment	Seven to ten years
Office Furniture	Five to ten years
Other fixed assets	Five to ten years
Leasehold Improvements	Shorter of estimated useful life or remaining lease term

Intangible Assets

Intangible assets are stated at cost less accumulated amortization. For intangible assets that have finite lives, the assets are amortized using the straight-line method over the estimated useful lives of the related assets. For intangible assets with indefinite lives, the assets are tested periodically for impairment.

Investments

The following table sets forth a summary of the changes in equity investments. This investment has been recorded at cost in accordance with ASC 321.

	For the nine months ended September 30, 2024
As of December 31, 2023	$ 22,277,211
Deposit on acquisition	2,260,000
Unrealized gains	-
As of September 30, 2024	$ 24,537,211

Securities Purchase Agreement – Evofem Series F-1 Convertible Preferred Stock

On July 12, 2024 (the "Closing Date"), the Company completed the Initial Parent Equity Investment (as defined under the Merger Agreement) and entered into a Securities Purchase (the "Series F-1 Securities Purchase Agreement") with Evofem, pursuant to which the Company purchased 500 shares of Evofem's Series F-1 Convertible Preferred Stock par value $ 0.0001 per share ("Evofem F-1 Preferred Stock") for an aggregate purchase price of $500,000. In connection with the Series F-1 Securities Purchase Agreement, the Company and Evofem entered into a Registration Rights Agreement (the "EvoFem F-1 Registration Rights Agreement"), pursuant to which Evofem agreed to file with the SEC a registration statement covering the resale of the shares of its common stock issuable upon conversion of the Evofem Series F-1 Preferred Stock within 300 days of the Closing Date and to have such registration statement declared effective by the SEC the earlier of the (i) 90th calendar day after the Closing Date and (ii) 2nd Business Day after the date Evofem is notified (orally or in writing, whichever is earlier) by the SEC that such registration statement will not be reviewed or will not be subject to further review. Pursuant to the Merger Agreement, the Company is also obligated to purchase: (i) an additional 500 shares of Evofem Series F-1 Preferred Stock for an additional aggregate purchase price of $500,000 on or prior to August 9, 2024; (ii) an additional 2,000 shares of Evofem Series F-1 Preferred Stock for an additional purchase price of $2 million on the earlier of August 30, 2024 or 5 business days of the closing of a public offering by the Company resulting in aggregate net proceeds to the Company of no less than $20 million; and (iii) an additional 1,000 shares of Evofem Series F-1 Preferred Stock for an additional purchase price of $1 million on or prior to September 30, 2024. (See Note 12 for subsequent amendment)

This investment is included in its own line item on the Company's consolidated balance sheets.

Non-marketable equity investments (for which we do not have significant influence or control) are investments without readily determinable fair values that are recorded based on initial cost minus impairment, if any, plus or minus adjustments resulting from observable price changes in orderly transactions for identical or similar securities, if any. All gains and losses on investments in non-marketable equity securities, realized and unrealized, are recognized in investment and other income (expense), net.

We monitor equity method and non-marketable equity investments for events or circumstances that could indicate the investments are impaired, such as a deterioration in the investee's financial condition and business forecasts and lower valuations in recently completed or anticipated financings, and recognize a charge to investment and other income (expense), net for the difference between the estimated fair value and the carrying value. For equity method investments, we record impairment losses in earnings only when impairments are considered other-than-temporary.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are stated at the amount management expects to collect from outstanding balances. The Company generally does not require collateral to support customer receivables. The Company determines if receivables are past due based on days outstanding, and amounts are written off when determined to be uncollectible by management. As of September 30, 2024 and December 31, 2023, there was an allowance for doubtful accounts of $49,964 and zero, respectively. Accounts receivable is made up of billed and unbilled of $ 298,062 and $103,609 as of September 30, 2024 and $ 236,605 and $171,721 as of December 31, 2023, respectively.

Derivative Liability

The Company evaluates its options, warrants, other equity instruments, and other contracts, if any, to determine if those contracts or embedded components of those contracts qualify as derivatives to be separately accounted for in accordance with ASC 815-10-05-4 and 815-40-25. The result of this accounting treatment is that the fair value of the embedded derivative is marked-to-market each balance sheet date and recorded as either an asset or a liability. In the event that the fair value is recorded as a liability, the change in fair value is recorded in the condensed consolidated statements of operations as other income or expense. Upon conversion, exercise or cancellation of a derivative instrument, the instrument is marked to fair value at the date of conversion, exercise or cancellation and then the related fair value is reclassified to equity.

The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is re-assessed at the end of each reporting period. Equity instruments that are initially classified as equity that become subject to reclassification are reclassified to liability at the fair value of the instrument on the reclassification date. Derivative instrument liabilities will be classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument is expected within 12 months of the balance sheet date.

The Company has determined that a derivative feature exists on its shares of Series A-1 Convertible Preferred Stock, Series B-1 Convertible Preferred Stock, and Series B-2 Convertible Preferred Stock. This derivative arose from a conversion feature of these classes of preferred stock that allows for 50% additional shares to be issues under certain circumstances. (See Note 10)

The following table sets forth a summary of the changes in derivative liability.

	For the nine months ended September 30, 2024
As of December 31, 2023	$ -
Change in fair value of derivative liability of Series A-1 Convertible Preferred Stock	1,101
Change in fair value of derivative liability of Series B-1 Convertible Preferred Stock	278,833
Change in fair value of derivative liability of Series B-2 Convertible Preferred Stock	149,084
As of September 30, 2024	$ 429,018

Income Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. At September 30, 2024 and December 31, 2023, the Company had a full valuation allowance against its deferred tax assets.

Offering Costs

Offering costs incurred in connection with equity are recorded as a reduction of equity and offering costs incurred in connection with debt are recorded as a reduction of debt as a debt discount. Equity instruments issued as offering costs have zero net effect on the Company's equity.

Revenue Recognition

In accordance with ASC 606 (Revenue From Contracts with Customers), revenue is recognized when a customer obtains control of promised services. The amount of revenue recognized reflects the consideration to which the Company expects to be entitled to receive in exchange for these services. To achieve this core principle, the Company applies the following five steps:

1) *Identify the contract with a customer*

2) *Identify the performance obligations in the contract*

3) *Determine the transaction price*

4) *Allocate the transaction price to performance obligations in the contract*

5) *Recognize revenue when or as the Company satisfies a performance obligation*

Revenues reported from services relating to the AditxtScore™ are recognized when the AditxtScore ^{TM} report is delivered to the customer. The services performed include the analysis of specimens received in the Company's CLIA laboratory and the generation of results which are then delivered upon completion.

The Company recognizes revenue in the following manner for the following types of customers:

Client Payers:

Client payers include physicians or other entities for which services are billed based on negotiated fee schedules. The Company principally estimates the allowance for credit losses for client payers based on historical collection experience and the period of time the receivable has been outstanding.

Cash Pay:

Customers are billed based on established patient fee schedules or fees negotiated with physicians on behalf of their patients. Collection of billings is subject to credit risk and the ability of the patients to pay.

Insurance:

Reimbursements from healthcare insurers are based on fee for service schedules. Net revenues recognized consist of amounts billed net of contractual allowances for differences between amounts billed and the estimated consideration the Company expects to receive from such payers, collection experience, and the terms of the Company's contractual arrangements.

Leases

Under Topic 842 (Leases), operating lease expense is generally recognized evenly over the term of the lease. The Company has operating leases consisting of office space, laboratory space, and lab equipment.

Leases with an initial term of twelve months or less are not recorded on the balance sheet. We combine the lease and non-lease components in determining the lease liabilities and right of use ("ROU") assets.

Stock-Based Compensation

The Company accounts for stock-based compensation costs under the provisions of ASC 718, Compensation—Stock Compensation, which requires the measurement and recognition of compensation expense related to the fair value of stock-based compensation awards that are ultimately expected to vest. Stock-based compensation expense recognized includes the compensation cost for all stock-based payments granted to employees, officers, and directors based on the grant date fair value estimated in accordance with the provisions of ASC 718. ASC 718 is also applied to awards modified, repurchased, or cancelled during the periods reported. Stock-based compensation is recognized as expense over the employee's requisite vesting period and over the nonemployee's period of providing goods or services.

Patents

The Company incurs fees from patent licenses, which are reflected in research and development expenses, and are expensed as incurred. During the nine months ended September 30, 2024 and 2023, the Company incurred patent licensing fees of $61,913 and $117,291, respectively.

Research and Development

We incur research and development costs during the process of researching and developing our technologies and future offerings. We expense these costs as incurred unless such costs qualify for capitalization under applicable guidance. During the nine months ended September 30, 2024 and 2023, the Company incurred research and development costs of $10,190,178 and $2,771,100, respectively.

Non-controlling Interest in Subsidiary

Non-controlling interests represent the Company's subsidiary's cumulative results of operations and changes in deficit attributable to non-controlling shareholders. During the nine months ended September 30, 2024 and 2023, the Company recognized $253,028 and $0 in net loss attributable to non-controlling interest in Pearsanta. The Company owns approximately 90.2% of Pearsanta, Inc., as of September 30, 2024.

Basic and Diluted Net Loss per Common Share

Basic loss per common share is computed by dividing the net loss by the weighted average number of shares of common stock outstanding for each period. Diluted loss per share is computed by dividing the net loss attributable of common stockholders by the weighted average number of shares of common stock outstanding plus the dilutive effect of shares issuable through the common stock equivalents. The weighted-average number of common shares outstanding excludes common stock equivalents because their inclusion would be anti-dilutive.

Instrument	Quantity Issued and Outstanding as of September 30, 2024	Standard Conversion Common Stock Equivalent	Liquidation Amount
Series A Preferred Stock	-	-	$
Series A-1 Convertible Preferred Stock	22,071	621,357	27,588,230
Series B Preferred Stock	-	-	
Series B-1 Convertible Preferred Stock	4,232	74,877	3,040,000
Series B-2 Convertible Preferred Stock	2,625	69,666	3,281,250
Series C Preferred Stock	-	-	
Series C-1 Convertible Preferred Stock	10,853	104,557	13,566,250
Series D-1 Preferred Stock	4,186	-	
Warrants	659,009	659,009	
Options	1,172	1,172	
Total Common Stock Equivalent	704,148	1,530,638	$ 47,475,730

Recent Accounting Pronouncements

The FASB issues ASUs to amend the authoritative literature in ASC. There have been several ASUs to date, including those above, that amend the original text of ASC. Management believes that those issued to date either (i) provide supplemental guidance, (ii) are technical corrections, (iii) are not applicable to us or (iv) are not expected to have a significant impact on our financial statements.

NOTE 4 – FIXED ASSETS

The Company's fixed assets include the following on September 30, 2024:

	Cost Basis	Accumulated Depreciation	Net
Computers	$ 378,480	$ (369,096)	$ 9,384
Lab Equipment	2,711,525	(1,142,140)	1,569,385
Office Furniture	56,656	(18,115)	38,541
Other Fixed Assets	148,605	(96,063)	52,542
Leasehold Improvements	120,440	(73,985)	46,455
Total Fixed Assets	$ 3,415,706	$ (1,699,399)	$ 1,716,307

The Company's fixed assets include the following on December 31, 2023

	Cost Basis	Accumulated Depreciation	Net
Computers	$ 378,480	$ (320,473)	$ 58,007
Lab Equipment	2,585,077	(859,612)	1,725,465
Office Furniture	56,656	(13,866)	42,790
Other Fixed Assets	8,605	(2,084)	6,521
Leasehold Improvements	120,440	(54,980)	65,460
Total Fixed Assets	$ 3,149,258	$ (1,251,015)	$ 1,898,243

Depreciation expense was $148,256 and $109,611 for the three months ended September 30, 2024 and 2023, respectively. Depreciation expense was $ 448,383 and $329,411 for the nine months ended September 30, 2024 and 2023, respectively. As of September 30, 2024 and December 31, 2023, the fixed assets that serve as collateral subject to the financed asset liability have a carrying value of $1,063,268 and $1,316,830, respectively.

Fixed asset activity for the nine months ended September 30, 2024 consisted of the following:

	For the nine months ended September 30, 2024
As of December 31, 2023	3,149,258
Brain Scientific Asset Purchase	266,448
Additions	-
As of September 30, 2024	$ 3,415,706

Financed Assets:

In October 2020, the Company purchased two pieces of lab equipment and financed them for a period of twenty-four months with a monthly payment of $ 19,487, with an interest rate of 8%. As of September 30, 2024, the Company has four payments in arrears.

In January of 2021, the Company purchased one piece of lab equipment and financed it for a period of twenty-four months with a monthly payment of $ 9,733, with an interest rate of 8%. As of September 30, 2024, the Company has four payments in arrears.

In March of 2021, the Company purchased five pieces of lab equipment and financed them for a period of twenty-four months with a monthly payment of $ 37,171, with an interest rate of 8%. As of September 30, 2024, the Company has seven payments in arrears.

As of September 30, 2024, all lab equipment financing agreements have matured and are in default status.

NOTE 5 – INTANGIBLE ASSETS

The Company's intangible assets include the following on September 30, 2024:

	Cost Basis	Accumulated Amortization	Net
Proprietary Technology	$ 321,000	$ (321,000)	$ -
Intellectual property	10,000	(3,056)	6,944
Total Intangible Assets	$ 331,000	$ (324,056)	$ 6,944

The Company's intangible assets include the following on December 31, 2023:

	Cost Basis	Accumulated Amortization	Net
Proprietary Technology	$ 321,000	$ (321,000)	$ -
Intellectual property	10,000	(556)	9,444
Total Intangible Assets	$ 331,000	$ (321,556)	$ 9,444

Amortization expense was $833 and $26,750 for the three months ended September 30, 2024 and 2023, respectively. Amortization expense was $ 2,500 and $80,250 for the nine months ended September 30, 2024 and 2023, respectively. The Company's proprietary technology is being amortized over its estimated useful life of three years.

	For the nine months ended September 30, 2024
As of December 31, 2023	321,000
Additions	-
As of September 30, 2024	$ 321,000

NOTE 6 – RELATED PARTY TRANSACTIONS

On November 30, 2023, Amro Albanna, the Chief Executive Officer of the Company, loaned $ 10,000 to the Company. The loan was evidenced by an unsecured promissory note (the "November Note"). Pursuant to the terms of the November Note, it will accrue interest at a rate of eight and a half percent (8.50%) per annum, the Prime rate on the date of signing, and is due on the earlier of May 30, 2024 or an event of default, as defined therein. As of September 30, 2024, the note was fully paid off.

On December 6, 2023, Amro Albanna, the Chief Executive Officer of the Company, loaned $ 200,000 to the Company. The loan was evidenced by an unsecured promissory note (the "First December Note"). Pursuant to the terms of the First December Note, it will accrue interest at a rate of eight and a half percent (8.50%) per annum, the Prime rate on the date of signing, and is due on the earlier of June 6, 2024 or an event of default, as defined therein. As of September 30, 2024, the note was fully paid off.

On December 20, 2023, Amro Albanna, the Chief Executive Officer of the Company, loaned $ 165,000 to the Company. The loan was evidenced by an unsecured promissory note (the "Second December Note"). Pursuant to the terms of the Second December Note, it will accrue interest at a rate of eight and a half percent (8.50%) per annum, the Prime rate on the date of signing, and is due on the earlier of June 20, 2024 or an event of default, as defined therein. As of September 30, 2024, the note was fully paid off.

On February 7, 2024, Amro Albanna, the Chief Executive Officer of the Company loaned $ 30,000 to the Company. The loan was evidenced by an unsecured promissory note (the "February 7th Note"). Pursuant to the terms of the February 7th Note, it will accrue interest at the Prime rate of eight and one-half percent (8.5%) per annum and is due on the earlier of August 7, 2024 or an event of default, as defined therein. On September 9, 2024 the Company and Amro Albanna entered into the first amendment to the unsecured promissory notes (the "Albanna Amendment"), which extended the maturity date of the February 7th Note, February 15th Note (as defined below), and the February 29 th Note (as defined below) to January 31, 2025 for each of the respective unsecured promissory notes. As of September 30, 2024 the note has an outstanding principal balance of $30,000 and accrued interest of $ 1,649.

On February 15, 2024, Amro Albanna, the Chief Executive Officer of the Company loaned $ 205,000 to the Company. The loan was evidenced by an unsecured promissory note (the "February 15th Note"). Pursuant to the terms of the February 15th Note, it will accrue interest at the Prime rate of eight and one-half percent (8.5%) per annum and is due on the earlier of August 15, 2024 or an event of default, as defined therein. As of September 30, 2024 the note has an outstanding principal balance of $205,000 and accrued interest of $ 10,885. The Albanna Amendment extended the maturity date of the February 15th Note to January 31, 2025.

On February 29, 2024, Amro Albanna, the Chief Executive Officer of the Company, and Shahrokh Shabahang, the Chief Innovation Officer of the Company, loaned $ 117,000 and $115,000, respectively, to the Company. The loans were evidenced by an unsecured promissory note (the "February 29th Notes"). Pursuant to the terms of the February 29th Notes, it will accrue interest at the Prime rate of eight and one-half percent (8.5%) per annum and is due on the earlier of August 29, 2024 or an event of default, as defined therein. As of September 30, 2024 these notes have an outstanding principal balance of $232,000 and accrued interest of $ 11,562. On September 9, 2024 the Company and Shahrokh Shabahang entered into the first amendment to the unsecured promissory note which extended the maturity date of the February 29th Notes to January 31, 2025. The Albanna Amendment extended the maturity date of the February 29 th Notes to January 31, 2025.

See Note 12 for additional loans incurred or paid subsequent to September 30, 2024.

NOTE 7 – NOTES PAYABLE

On October 5, 2023, the Company entered into an Agreement for the Purchase and Sale of Future Receipts (the "October MCA Agreement") pursuant to which the existing funder (the "Funder") increased the existing outstanding amount to $4,470,000 (the "October MCA Purchased Amount") for gross proceeds to the Company of $ 3,000,000, less origination fees of $ 240,000 and the outstanding balance under the existing agreement of $1,234,461, resulting in net proceeds to the Company of $ 1,525,539. Pursuant to the October MCA Agreement, the Company granted the Funder a security interest in all of the Company's present and future accounts receivable in an amount not to exceed the October MCA Purchased Amount. The October MCA Purchased Amount shall be repaid by the Company in 30 weekly installments of $149,000. The October Purchased Amount may be prepaid by the Company via a payment of $ 3,870,000 if repaid within 30 days, $4,110,000 if repaid within 60 days and $ 4,230,000 if repaid within 90 days. On January 24, 2024, the October MCA Agreement was restructured in connection with the January Loan Agreement, as defined below. During the nine months ended September 30, 2024, the Company recorded an amortization of debt discount of $144,000.

On November 7, 2023, the Company entered into a Business Loan and Security Agreement (the "November Loan Agreement") with the lender (the "Lender"), pursuant to which the Company obtained a loan from the Lender in the principal amount of $2,100,000, which satisfied the outstanding balance on the August Loan of $ 1,089,000 and includes origination fees of $ 140,000 (the "November Loan"). Pursuant to the November Loan Agreement, the Company granted the Lender a continuing secondary security interest in certain collateral (as defined in the November Loan Agreement). The total amount of interest and fees payable by us to the Lender under the November Loan will be $3,129,000, which will be repaid in 34 weekly installments ranging from $ 69,000 - $99,000. During the nine months ended September 30, 2024, the Company recorded an amortization of debt discount of $111,177. As of September 30, 2024, the November Loan has an outstanding principal balance of $ 1,717,225, an unamortized debt discount of $0, and accrued interest of $ 802,148. The November Loan Agreement is currently in default status.

On November 24, 2023, the Company entered into a loan with a principal of $ 53,099. The loan was evidenced by an unsecured promissory note (the "Second November Note"). Pursuant to the terms of the Second November Note, it will accrue interest at a rate of eight and a half percent (8.50%) per annum, the Prime rate on the date of signing, and is due on the earlier of May 24, 2024 or an event of default, as defined therein. As of September 30, 2024, the Second November Note was fully paid off.

On January 24, 2024, the Company entered into a Business Loan and Security Agreement (the "January Loan Agreement") with a commercial funding source (the "Lender"), pursuant to which the Company obtained a loan from the Lender in the principal amount of $3,600,000, which includes origination fees of $ 252,000 (the "January Loan"). Pursuant to the January Loan Agreement, the Company granted the Lender a continuing secondary security interest in certain collateral (as defined in the January Loan Agreement). The total amount of interest and fees payable by the Company to the Lender under the January Loan will be $5,364,000, which will be repayable by the Company in 30 weekly installments of $ 178,800. The Company received net proceeds from the January Loan of $ 814,900 following repayment of the outstanding balance on the October Purchased Amount of $2,533,100. During the nine months ended September 30, 2024, the Company recorded an amortization of debt discount of $252,000. As of September 30, 2024, there was a remaining principal balance of $ 3,516,143, an unamortized debt discount of $0, and accrued interest of $ 1,656,558. The January Loan Agreement is currently in default status.

On March 7, 2024, Sixth Borough Capital Fund, LP loaned $ 300,000 to the Company. The loan was evidenced by an unsecured promissory note (the "Sixth Borough Note"). Pursuant to the terms of the Sixth Borough Note, it will accrue interest at the Prime rate of eight and one-half percent (8.5%) per annum and is due on the earlier of September 30, 2024 or an event of default, as defined therein. The Sixth Borough Note was converted into Series C-1 Convertible Preferred Stock in connection with the Private Placement (as defined below).

On April 10, 2024, Sixth Borough Capital Fund, LP ("Sixth Borough") loaned $ 230,000 to Aditxt. The loan was evidenced by an unsecured promissory note (the "April Sixth Borough Note"). Pursuant to the terms of the April Sixth Borough Note, it accrued interest at the Prime rate of eight and one-half percent (8.5%) per annum and was due on the earlier of April 19, 2024 or an event of default, as defined therein. $200,000 of the April Sixth Borough Note was converted as part of the May PIPE Purchase Agreement (as defined below) (note 10).

On May 9, 2024, at which point the balance of the April Sixth Borough Note was $ 35,256, Sixth Borough loaned an additional $ 20,000 to the Company bringing the balance of the loan to $ 55,256. The loan was evidenced by an unsecured promissory note (the "Sixth Borough Upsize Note"). Pursuant to the terms of the Sixth Borough Upsize Note, it accrued interest at the fifteen percent (15.0%) per annum and was due on the earlier of June 9, 2024 (the "Maturity Date") or an event of default, as defined therein. As previously reported in a Current Report on Form 8-K filed by the Company on June 12, 2024, as a result of the Company's failure to repay the balance on the Maturity Date, the Company was in default on the Upsize Note.

On June 20, 2024, at which point the balance of the Sixth Borough Upsize Note was $ 56,187, Sixth Borough loaned an additional $ 50,000 to the Company and the Company issued a new note (the "Sixth Borough New Note") to Sixth Borough in the principal amount of $116,806, which includes an original issue discount of 10%. The Sixth Borough New Note is subordinate and junior, in all respects, to those Second May Senior Notes (as defined below). The Sixth Borough New Note bears interest at a rate of eight percent (8.0%) per annum and is due on the earlier of (i) November 21, 2024. During the nine months ended September 30, 2024, the Company recorded an amortization of debt discount of $6,895. As of September 30, the principal balance of the outstanding Sixth Borough New Note was $ 116,806 and accrued interest of $4,896.

On May 20, 2024, the Company issued and sold a senior note (the "First May Senior Note") to an accredited investor (the "First May Senior Note Holder") in the original principal amount of $ 93,919 for a purchase price of $75,135, reflecting an original issue discount of $ 18,784. Unless earlier redeemed, the First May Senior Note will mature on August 18, 2024 (the "First May Senior Note Maturity Date"), subject to extension at the option of the First May Senior Holder in certain circumstances as provided in the First May Senior Note. The First May Senior Note bears interest at a rate of 8.5% per annum, which is compounded each calendar month and is payable in arrears on the First May Senior Maturity Date. The First May Senior Note contains certain standard events of default, as defined in the First May Senior Note.

On May 24, 2024, the Company entered into a Securities Purchase Agreement (the "Second May Senior Note Securities Purchase Agreement") with certain accredited investors pursuant to which the Company issued and sold senior notes in the aggregate principal amount of $986,380 (the "Second May Senior Notes") maturing on August 22, 2024, which included the exchange of the First May Senior Note in the principal amount of $93,919. The Company received cash proceeds of $ 775,000 from the sale of the Second May Senior Notes.

Upon an Event of Default (as defined in the Second May Senior Notes), the Second May Senior Notes will bear interest at a rate of 14% per annum and the holder shall have the right to require the Company to redeem the Note at a redemption premium of 125%. In connection with the issuance of the Second May Senior Notes, the Company issued an aggregate of 8,212 shares of its common stock as a commitment fee to the investors and recorded a debt discount of $662,720 from the issuance of these shares. During the nine months ended September 30, 2024, the Company recorded an amortization of debt discount on the Second May Senior Notes of $874,102. As of September 30, 2024, there was a remaining debt discount on the Second May Senior Notes of $ 0.

On August 28, 2024, the Company entered into a Waiver to Senior Note (the "Senior Note Waiver") with each of the holders of the Second May Senior Notes (the "Second May Senior Note Holders"), pursuant to which effective as of August 21, 2024, each holder waived, in part, the definition of Maturity Date in the Second May Senior Note, such that the August 22, 2024 shall be deemed to be replaced with September 30, 2024. As of September 30, 2024 the Second May Senior Notes had an outstanding principal balance of $819,716 and accrued interest of $ 14,755.

In connection with the Senior Note Waiver, the Company also entered into a letter agreement (the "2024 Letter Agreement") with each of the Second May Senior Note Holders, pursuant to which the company agreed that it would apply 40% of the net proceeds from: (i) any sales of securities utilizing its currently effective Registration Statement on Form S-3 (a "Shelf Takedown"), (ii) sales of its common stock under its Common Stock Purchase Agreement dated May 2, 2023 with its equity line investor (the "ELOC"), or (iii) any public offering of securities registered in a Registration Statement on Form S-1 (a "Public Offering"), to make payments on the Second May Senior Notes and those certain July Note (as defined below) in the aggregate principal amount of $1.5 million issued by the Company on July 12, 2024 (the "July Note" and together with the Second May Senior Notes, the "Senior Notes"). In addition, pursuant to the 2024 Letter Agreement, commencing on the date that the Senior Notes have been repaid in full, the Company shall redeem all holders (each, a "Series C-1 Holder") of the Company's then outstanding Series C-1 Convertible Preferred Stock (ratably based on the amount of Preferred Stock then held by each Series C-1 Holder) in an amount equal to, in the aggregate among all Series C-1 Holders, 40% of the net proceeds raised from any Shelf Takedowns, any sales of common stock under the ELOC or any Public Offering ("Non-Participation Redemption"). In addition to the foregoing Non-Participation Redemption, in connection with any Shelf Takedown or Public Offering, in the event that a Series C-1 Holder participates in such Shelf Takedown or a Public Offering, the Company shall, in addition to the amounts paid to such Series C-1 Holder in the foregoing sentence) use 50% of the gross proceeds received in such Shelf Takedown or Public Offering from such Series C-1 Holder to redeem such Series C-1 Holder's shares of Series C-1 Convertible Preferred Stock. See Note 12 for redemptions of Series C-1 Convertible Preferred Stock and payoff of the Second May Senior Notes.

On January 24, 2024, 2024, the company entered into $ 54,870 to the Company. Pursuant to the terms of the note, it will accrue interest at a rate of eight and a half percent (8.50%) per annum, and is due on the earlier of July 25,2024, 2024 or an event of default, as defined therein. As of September 30, 2024 the note had an outstanding principal balance of $54,870 and accrued interest of $ 3,195.

On February 2, 2024, the company entered into $ 42,345 to the Company. Pursuant to the terms of the note, it will accrue interest at a rate of eight and a half percent (8.50%) per annum, and is due on the earlier of August 2, 2024 or an event of default, as defined therein. As of September 30, 2024 the note had an outstanding principal balance of $42,345 and accrued interest of $ 1,795.

On March 5, 2024, the company entered into $ 57,735 to the Company. Pursuant to the terms of the note, it will accrue interest at a rate of eight and a half percent (8.50%) per annum, and is due on the earlier of September 8, 2024 or an event of default, as defined therein. As of September 30, 2024 the note had an outstanding principal balance of $57,735 and accrued interest of $ 3,240.

On June 25, 2024, the company entered into $ 42,676 to the Company. Pursuant to the terms of the note, it will accrue interest at a rate of eight and a half percent (8.50%) per annum, and is due on the earlier of December 26, 2024 or an event of default, as defined therein. As of September 30, 2024 the note had an outstanding principal balance of $42,676 and accrued interest of $ 974.

On September 8, 2024, the company entered into $ 5,341 to the Company. Pursuant to the terms of the note, it will accrue interest at a rate of eight and a half percent (8.50%) per annum, and is due on the earlier of March 9, 2025 or an event of default, as defined therein. As of September 30, 2024 the note had an outstanding principal balance of $5,341 and accrued interest of $ 27.

Evofem Merger

In connection with the Agreement and Plan of Merger (the "Merger Agreement") with Adicure, Inc., a Delaware corporation and wholly owned subsidiary of the Company ("Merger Sub") and Evofem Biosciences, Inc., a Delaware corporation ("Evofem"), the Company, Evofem and the holders (the "Holders") of certain senior indebtedness (the "Notes") entered into an Assignment Agreement dated December 11, 2023 (the "Assignment Agreement"), pursuant to which the Holders assigned the Notes to the Company in consideration for the issuance by the Company of (i) an aggregate principal amount of $5 million in secured notes of the Company due on January 2, 2024 (the "January 2024 Secured Notes"), (ii) an aggregate principal amount of $ 8 million in secured notes of the Company due on September 30, 2024 (the "September 2024 Secured Notes"), (iii) an aggregate principal amount of $5 million in ten-year unsecured notes (the "Unsecured Notes"), and (iv) payment of $ 154,480 in respect of net sales of Phexxi in respect of the calendar quarter ended September 30, 2023, which amount is due and payable on December 14, 2023. The January 2024 Secured Notes are secured by certain intellectual property assets of the Company and its subsidiaries pursuant to an Intellectual Property Security Agreement (the "IP Security Agreement") entered into in connection with the Assignment Agreement. The September 2024 Secured Notes are secured by the Notes and certain associated security documents pursuant to a Security Agreement (the "Security Agreement") entered into in connection with the Assignment Agreement. Due to the assignment (See: *Secured Notes Amendments and Assignment* below), as of September 30, 2024, there was a remaining principal balance of the notes to the Company was $ 0. (Note 9)

Subject to the terms and conditions set forth in the Merger Agreement, at the effective time of the Merger (the "Effective Time"), (i) all issued and outstanding shares of common stock, par value $ 0.0001 per share of Evofem ("Evofem Common Stock"), other than any shares of Evofem Common Stock held by the Company or Merger Sub immediately prior to the Effective Time, will be converted into the right to receive an aggregate of 15,250 shares of the Company's common stock, par value $ 0.001 per share ("Company Common Stock"); and (ii) all issued and outstanding shares of Series E-1 Preferred Stock, par value $0.0001 of Evofem (the "Evofem Unconverted Preferred Stock"), other than any shares of Evofem Unconverted Preferred Stock held by the Company or Merger Sub immediately prior to the Effective Time, will be converted into the right to receive an aggregate of 2,327 shares of Series A-1 Convertible Preferred Stock, par value $ 0.001 of the Company (the "Company Preferred Stock"), having such rights, powers, and preferences set forth in the form of Certificate of Designation of Series A-1 Convertible Preferred Stock, the form of which is attached as Exhibit C to the Merger Agreement.

The respective obligations of each of the Company, Merger Sub and Evofem to consummate the closing of the Merger (the "Closing") are subject to the satisfaction or waiver, at or prior to the closing of certain conditions, including but not limited to, the following:

(i) approval by the Company's shareholders and Evofem shareholders;

(ii) the registration statement on Form S-4 pursuant to which the shares of the Company Common Stock issuable in the Merger being declared effective by the U.S. Securities and Exchange Commission;

(iii) the entry into a voting agreement by the Company and certain members of Evofem management;

(iv) all preferred stock of Evofem other than the Evofem Unconverted Preferred Stock shall have been converted to Evofem Common Stock;

(v) Evofem shall have received agreements (the "Evofem Warrant Holder Agreements") from all holders of Evofem warrants which provide:

  a. waivers with respect to any fundamental transaction, change in control or other similar rights that such warrant holder may have under any such Evofem warrants, and (b) an agreement to such Evofem warrants to exchange such warrants for not more than an aggregate (for all holders of Evofem warrants) of 551 shares of Company Preferred Stock;

(vi) Evofem shall have cashed out any other holder of Evofem warrants who has not provided an Evofem Warrant Holder Agreement; and

(vii) Evofem shall have obtained waivers from the holders of the convertible notes of Evofem (the "Evofem Convertible Notes") with respect to any fundamental transaction rights that such holder may have under the Evofem Convertible Notes, including any right to vote, consent, or otherwise approve or veto any of the transactions contemplated under the Merger Agreement.

The obligations of the Company and Merger Sub to consummate the Closing are subject to the satisfaction or waiver, at or prior to the Closing of certain conditions, including but not limited to, the following:

(i) the Company shall have obtained agreements from the holders of Evofem Convertible Notes and purchase rights they hold to exchange such Convertible Notes and purchase rights for not more than an aggregate (for all holders of Evofem Convertible Notes) of 86,153 shares of Company Preferred Stock;

(ii) the Company shall have received waivers form the holders of certain of the Company's securities which contain prohibitions on variable rate transactions; and

(iii) the Company, Merger Sub and Evofem shall work together between the Execution Date and the Effective Time to determine the tax treatment of the Merger and the other transactions contemplated by the Merger Agreement.

The obligations of the Company to consummate the Closing are subject to the satisfaction or waiver, at or prior to the Closing of certain conditions, including but not limited to, the following:

(i) the Company shall have regained compliance with the stockholders' equity requirement in Nasdaq Listing Rule 5550(b)(1) and shall meet all other applicable criteria for continued listing, subject to any panel monitor imposed by Nasdaq.

As the January 2024 Secured Notes and September 2024 Secured Notes did not contain a stated interest rate, the Company calculated an imputed interest rate of 26.7% based on the Company's weighted average cost of capital for the period in which the January 2024 Secured Notes and September 2024 Secured Notes were outstanding. This amounted to approximately $1.8 million which was recorded as a discount to be amortized over the life of the January 2024 Secured Notes and September 2024 Secured Notes.

Secured Notes Amendments and Assignment

On January 2, 2024, the Company and certain holders of the secured notes (the "Holders") entered into amendments to the January 2024 Secured Notes ("Amendment No. 1 to January 2024 Secured Notes"), pursuant to which the maturity date of the January 2024 Notes was extended to January 5, 2024.

On January 5, 2024, the Company and the Holders entered into amendments to the January 2024 Secured Notes ("Amendment No. 2 to January 2024 Secured Notes") and amendments to the September 2024 Secured Notes ("Amendment No. 1 to September 2024 Secured Notes"), pursuant to which the Company and the Holders agreed that in consideration of a principal payment in the aggregate amount of $1 million on the January 2024 Secured Notes and in increase in the aggregate principal balance of $ 250,000 on the September 2024 Secured Notes, that the maturity date of the January 2024 Secured Notes would be further extended to January 31, 2024.

On January 31, 2024, the Company and the Holders entered into amendments to the January 2024 Secured Notes ("Amendment No. 3 to January 2024 Secured Notes"), pursuant to which the maturity date of the January 2024 Notes was extended to February 29, 2024. In addition, on January 31, 2024, the Company and the Holders entered into amendments to the September 2024 Secured Notes

("Amendment No. 2 to September 2024 Secured Notes"), pursuant to which the Company and the Holders agreed that in consideration of a principal payment in the aggregate amount of $1.25 million on the January 2024 Secured Notes and in increase in the aggregate principal balance of $300,000 on the September 2024 Secured Notes.

Pursuant to Amendment No. 3 to the January 2024 Secured Notes, the Company was required to make the Additional Consideration payment no later than February 9, 2024. As a result of the Company's failure to make the Additional Consideration payment by February 9, 2023, the January 2024 Secured Notes and the September 2024 Secured Notes were in default and the entire principal balance of the January 2024 Secured Notes and the September 2024 Secured Notes, without demand or notice, were due and payable.

As a result of the defaults on the January 2024 Secured Notes and the September 2024 Secured Notes, the Company was in default on the Business Loan and Security Agreement dated January 24, 2024 (the January Business Loan"), which had a current balance of approximately $5.2 million, and the Business Loan and Security Agreement dated November 7, 2023 (the "November Business Loan") which had a current balance of approximately $2.7 million.

On February 26, 2024, the Company and the Holders entered into an Assignment Agreement (the "February Assignment Agreement"), pursuant to which the Company assigned all remaining amounts due under the January 2024 Secured Notes, the September 2024 Secured Notes and the Unsecured Notes (collectively, the "Notes") back to the Holders. The Company recognized a $208,670 loss on the transfer of these notes. In connection with the February Assignment Agreement, the Company and the Holders entered into a payoff letter (the "Payoff Letter") and amendments to the January 2024 Secured Notes ("Amendment No. 4 to January 2024 Secured Notes"), pursuant to which the maturity date of the January 2024 Secured Notes was extended to September 30, 2024 and the outstanding balance under the Notes, after giving effect to the transactions contemplated by the February Assignment Agreement as applied pursuant to the Payoff Letter, was adjusted to $ 250,000. On April 15, 2024, the Company repaid the $250,000.

Waiver Agreement

On July 12, 2024, the Company, Merger Sub and Evofem also entered into a Waiver Agreement (the "Waiver Agreement"), pursuant to which: (i) Evofem waived its Termination Right (as defined in the Merger Agreement) for such breaches by the Company and Merger Sub that have occurred prior to the date of the Waiver Agreement; (ii) the Company and Merger Sub waived the restrictive covenants in the Merger Agreement that would otherwise prevent Evofem from entering into and closing the transaction contemplated under that certain Asset Purchase Agreement by and between Evofem and Lupin, Inc. (the "Asset Purchase Agreement"); and (iii) the Company and Merger Sub waived the restrictive covenants in the Merger Agreement that would otherwise restrict Evofem from entering into a financing arrangement relating to its directors' and officers' insurance policy.

July Notes

On July 9, 2024, the Company entered into a Securities Purchase Agreement (the "July Notes Securities Purchase Agreement") with an accredited investors (the "July Note Purchaser") pursuant to which the Company issued and sold a senior note in the principal amount of $625,000 (the "July Note") maturing on October 7, 2024. The Company received cash proceeds of $ 500,000 from the sale of the Note. On July 12, 2024, additional accredited investors entered into the July Notes Securities Purchase Agreement. Pursuant to which the Company issued and sold the July Note in the principal amount of $875,000. The Company received cash proceeds of $700,000 and recognized and original issuance discount of $ 175,000.

Upon an Event of Default (as defined in the July Note), the Note will bear interest at a rate of 14% per annum and the holder shall have the right to require the Company to redeem the July Note at a redemption premium of 125%. In addition, while the July Note is outstanding, the Company is required to utilize 100% of the proceeds from any offering of securities to redeem the Note. Pursuant to the July Notes Purchase Agreement, the Company agreed to use commercially reasonable efforts, including the filing of a registration statement with the SEC for a public offering, to pursue and consummate a financing transaction within 90 days of the closing date. In connection with the issuance of the July Note, the Company issued the July Note Purchasers a warrant (the "July Note Warrant") to purchase up to 31,250 shares of the Company's common stock (the "July Note Warrant Shares"). Pursuant to the July Note Purchase Agreement, the Company also agreed to file a registration statement with the SEC covering the resale of the Warrant Shares as soon as practicable following notice from an investor, and to cause such registration statement to become effective within 60 days following the filing thereof. The July Note Warrant is exercisable following Stockholder Approval (as defined in the Purchase Agreement) at an initial exercise price of $59.60 for a term of five years.

In connection with the issuance of the July Note, the Company issued the July Note Warrant to purchase up to 43,750 shares of the Company's common stock. The initial exercise price is $ 63.28. The Company recorded a debt discount of $913,713 from the issuance of all of the warrants in connection with the July Note. During the nine months ended September 30, 2024, the Company recorded an amortization of debt discount of $1,104,151. As of September 30, 2024, there was a remaining debt discount of $ 109,562. As of September 30, 2024, there was a remaining principal balance of $ 1,500,000. See Note 12 for the repayment of the July Notes.

If and whenever on or after the Subscription Date (as defined in the July Note Warrant) the Company grants, issues or sells (or enters into any agreement to grant, issue or sell), is deemed to have granted, issued or sold, any shares of Common Stock for a consideration per share (the "New Issuance Price") less than a price equal to the exercise price in effect immediately prior to such granting, issuance or sale or deemed granting, issuance or sale (the foregoing a "Dilutive Issuance"), then, immediately after such Dilutive Issuance, the exercise price then in effect shall be reduced to an amount equal to the New Issuance Price.

September Note

On September 17, 2024, the Company issued and sold a senior note (the "2024 September Note") to an accredited investor (the "2024 September Note Holder") in the original principal amount of $ 923,077 for a purchase price of $600,000, reflecting an original issue discount of $ 323,077. The 2024 September Note does not bear interest and has a maturity date of the earlier of (i) June 18, 2025 and (ii) the initial time of consummation by the Company after the date hereof of any public or private offering(s), individually or in the aggregate, of securities with gross proceeds of at least $1 million. The Company may prepay any portion of the outstanding principal of the 2024 September Note at any time without penalty. So long as any amounts remain outstanding under the 2024 September Note, 30% of the gross proceeds received by the Company on or after the date hereof from sales of common stock of the Company pursuant to any at-the-market offering, equity-line or other similar transaction shall be used to repay the 2024 September Note. The 2024 September Note contains certain standard events of default, as defined in the Note. During the nine months ended September 30, 2024, the Company recorded an amortization of debt discount of $13,114. As of September 30, 2024, there was a remaining debt discount of $ 309,963. As of September 30, 2024, there was a remaining principal balance of $ 923,077. As of September 30, 2024, no repayments have been paid toward the 2024 September Note. (See Note 12)

NOTE 8 – LEASES

Our lease agreements generally do not provide an implicit borrowing rate; therefore, an internal incremental borrowing rate is determined based on information available at lease commencement date for purposes of determining the present value of lease payments. We used the incremental borrowing rate on September 30, 2024 and December 31, 2023 for all leases that commenced prior to that date. In determining this rate, which is used to determine the present value of future lease payments, we estimate the rate of interest we would pay on a collateralized basis, with similar payment terms as the lease and in a similar economic environment.

Our corporate headquarters is located in Mountain View, California where we lease approximately 5,810 square feet of laboratory and office space. The lease expired in August 31, 2024, subject to extension. As of September 1, 2024, the lease became month to month. As of September 30, 2024 the Company is 10 months in arrears on this lease.

We also lease approximately 25,000 square feet in Richmond, Virginia. The lease expires on August 31, 2026, subject to extension. As of September 30, 2024 the Company is 8 months in arrears on this lease.

Additionally, we leased approximately 3,150 square feet of office space in Melville, New York. On March 6, 2024, the Company received correspondence from 532 Realty Associates, LLC (the "Landlord") that the Company is in default under that certain Agreement of Lease dated November 3, 2021 by and between the Landlord and the Company (the "New York Lease") for failure to pay Basic Rent and Additional Rent (as each term is defined in the New York Lease) in the aggregate amount of $40,707 (the "Past Due Rent"). On June 24, 2024 the Company and the Landlord entered into a surrender and acceptance of lease agreement (the "Surrender Agreement"). Pursuant to the Surrender Agreement, the Company surrendered to the landlord the lease and term of the estate on June 28, 2024. In consideration of the acceptance by the Landlord, the Company agreed to pay $69,379 (the "Surrender Fee"), which reflected outstanding rent, utilities, and other charges owed under the lease. Further, upon execution of the agreement, the Landlord released and retained the security deposit of $25,515. The balance of the Surrender fee, $ 43,864, was paid within the quarter.

The overdue amounts represent a payable of $ 1,127,042 which are included in accounts payable and accrued liabilities on the Company's condensed consolidated balance sheet.

LS Biotech Eight Default

On May 10, 2024, the Company received written notice (the "2024 Default Notice") from LS Biotech Eight, LLC (the "Landlord"), the Landlord of the Company's CLIA-certified, CAP accredited, high complexity immune monitoring center in Richmond, Virginia, that the Company was in violation of its obligation to (i) pay Base Rent (as defined in the Lease) and Additional Rent (as defined in the Lease) in the amount of $431,182 in the aggregate, together with administrative charges and interest, as well as (ii) replenish the Security Deposit (as defined in the Lease) in the amount of $ 159,375, all as required under that certain Lease Agreement dated as of May 4, 2021 by and between the Landlord and the Company (the "Lease"). Pursuant to the Notice, the Landlord has demanded that a payment of $590,557 plus administrative charges and interest, which shall accrue at the Default Rate (as defined in the Lease) be made no later than May 17, 2024. As of September 30, 2024, the Company has not made the payment of $590,557.

The Company is working with the Landlord to come to an amicable resolution. However, no assurance can be given that the parties will reach an amicable resolution on a timely basis, on favorable terms, or at all.

Lease Costs

	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Components of total lease costs:		
Operating lease expense	$ 1,085,986	$ 963,213

Total lease costs	$ 1,085,986	$ 963,213

Lease Positions as of September 30, 2024 and December 31, 2023

ROU lease assets and lease liabilities for our operating leases are recorded on the balance sheet as follows:

	September 30, 2024	December 31, 2023
Assets		
Right of use asset – long term	$ 1,388,460	$ 2,200,299
Total right of use asset	$ 1,388,460	$ 2,200,299
Liabilities		
Operating lease liabilities – short term	$ 678,332	$ 999,943
Operating lease liabilities – long term	592,278	1,041,744
Total lease liability	$ 1,270,610	$ 2,041,687

Lease Terms and Discount Rate as of September 30, 2024

Weighted average remaining lease term (in years) – operating leases	1.83
Weighted average discount rate – operating leases	8.00%

Maturities of leases are as follows:

2024 (remaining)	$ 174,153
2025	710,546
2026	423,930
Total lease payments	$ 1,308,629
Less imputed interest	(38,019)
Less current portion	(678,332)
Total maturities, due beyond one year	$ 592,278

NOTE 9 – COMMITMENTS & CONTINGENCIES

License Agreement with Loma Linda University

On March 15, 2018, as amended on July 1, 2020, we entered into a LLU License Agreement directly with Loma Linda University.

Pursuant to the LLU License Agreement, we obtained the exclusive royalty-bearing worldwide license in and to all intellectual property, including patents, technical information, trade secrets, proprietary rights, technology, know-how, data, formulas, drawings, and specifications, owned or controlled by LLU and/or any of its affiliates (the "LLU Patent and Technology Rights") and related to therapy for immune-mediated inflammatory diseases (the ADI™ technology). In consideration for the LLU License Agreement, we issued 1 shares of common stock to LLU.

Pursuant to the LLU License Agreement, we are required to pay an annual license fee to LLU. Also, we paid LLU $ 455,000 in July 2020 for outstanding milestone payments and license fees. We are also required to pay to LLU milestone payments in connection with certain development milestones. Specifically, we are required to make the following milestone payments to LLU: $175,000 on June 30, 2022; $100,000 on September 30, 2024; $500,000 on September 30, 2026; and $500,000 on September 30, 2027. In lieu of the $175,000 milestone payment due on September 30, 2023, the Company paid LLU an extension fee of $100,000. The Company did not make the September 30, 2024 payment; the Company intends to obtain an extension for this payment. Upon payment of this extension fee, an additional year will be added for the September 30, 2023 milestone. Additionally, as consideration for prior expenses incurred by LLU to prosecute, maintain and defend the LLU Patent and Technology Rights, we made the following payments to LLU: $70,000 at the end of December 2018, and a final payment of $ 60,000 at the end of March 2019. We are required to defend the LLU Patent and Technology Rights during the term of the LLU License Agreement. Additionally, we will owe royalty payments of (i) 1.5% of Net Product Sales (as such terms are defined under the LLU License Agreement) and Net Service Sales on any Licensed Products (defined as any finished pharmaceutical products which utilizes the LLU Patent and Technology Rights in its development, manufacture or supply), and (ii) 0.75% of Net Product Sales and Net Service Sales for Licensed Products and Licensed Services (as such terms are defined under the LLU License Agreement) not covered by a valid patent claim for technology rights and know-how for a three (3) year period beyond the expiration of all valid patent claims. We also are required to produce a written progress report to LLU, discussing our development and commercialization efforts, within 45 days following the end of each year. All intellectual property rights in and to LLU Patent and Technology Rights shall remain with LLU (other than improvements developed by or on our behalf).

The LLU License Agreement shall terminate on the last day that a patent granted to us by LLU is valid and enforceable or the day that the last patent application licensed to us is abandoned. The LLU License Agreement may be terminated by mutual agreement or by us upon 90 days written notice to LLU. LLU may terminate the LLU License Agreement in the event of (i) non-payments or late payments of royalty, milestone and license maintenance fees not cured within 90 days after delivery of written notice by LLU, (ii) a breach of any non-payment provision (including the provision that requires us to meet certain deadlines for milestone events (each, a "Milestone Deadline")) not cured within 90 days after delivery of written notice by LLU and (iii) LLU delivers notice to us of three or more actual breaches of the LLU License Agreement by us in any 12-month period. Additional Milestone Deadlines include: (i) the requirement to have regulatory approval of an IND application to initiate first-in-human clinical trials on or before September 30, 2023, which will be extended to September 30, 2024 with a payment of a $100,000 extension fee, (ii) the completion of first-in-human (phase I/II) clinical trials by September 30, 2024, which the Company is actively pursuing an extension, (iii) the completion of Phase III clinical trials by September 30, 2026 and (iv) biologic licensing approval by the FDA by September 30, 2027. The Company has not initiated clinical trials to date and the Company intends to obtain an extension to commence human trials by September 30, 2025.

License Agreement with Leland Stanford Junior University

On February 3, 2020, we entered into an exclusive license agreement (the "February 2020 License Agreement") with Stanford regarding a patent concerning a method for detection and measurement of specific cellular responses. Pursuant to the February 2020 License Agreement, we received an exclusive worldwide license to Stanford's patent regarding use, import, offer, and sale of Licensed Products (as defined in the agreement). The license to the patented technology is exclusive, including the right to sublicense, beginning on the effective date of the agreement, and ending when the patent expires. Under the exclusivity agreement, we acknowledged that Stanford had already granted a non-exclusive license in the Nonexclusive Field of Use, under the Licensed Patents in the Licensed Field of Use in the Licensed Territory (as those terms are defined in the February 2020 License Agreement"). However, Stanford agreed to not grant further licenses under the Licensed Patents in the Licensed Field of Use in the Licensed Territory. On December 29, 2021, we entered into an amendment to the February 2020 License Agreement which extended our exclusive right to license the technology deployed in AditxtScore™ and securing worldwide exclusivity in all fields of use of the licensed technology.

We were obligated to pay and paid a fee of $ 25,000 to Stanford within 60 days of February 3, 2020. We also issued 10 shares of the Company's common stock to Stanford. An annual licensing maintenance fee is payable by us on the first anniversary of the February 2020 License Agreement in the amount of $40,000 for 2021 through 2024 and $60,000 starting in 2025 until the license expires upon the expiration of the patent. The Company is required to pay and has paid $25,000 for the issuances of certain patents. The Company will pay milestone fees of $ 50,000 on the first commercial sales of a licensed product and $25,000 at the beginning of any clinical study for regulatory clearance of an in vitro diagnostic product developed and a potential licensed product. The Company paid a milestone fee for a clinical study for regulatory clearance of an in vitro diagnostic product developed and a potential licensed product of $25,000 in March of 2022. We are also required to: (i) provide a listing of the management team or a schedule for the recruitment of key management positions by June 30, 2020 (which has been completed), (ii) provide a business plan covering projected product development, markets and sales forecasts, manufacturing and operations, and financial forecasts until at least $10,000,000 in revenue by June 30, 2020 (which has been completed), (iii) conduct validation studies by September 30, 2020 (which has been completed), (iv) hold a pre-submission meeting with the FDA by September 30, 2020 (which has been completed), (iv) submit a 510(k) application to the FDA, Emergency Use Authorization ("EUA"), or a Laboratory Developed Test ("LDT") by March 31, 2021 (which has been completed), (vi) develop a prototype assay for human profiling by December 31, 2021 (which has been completed), (vii) execute at least one partnership for use of the technology for transplant, autoimmunity, or infectious disease purposes by March 31, 2022 (which has been completed) and (viii) provided further development and commercialization milestones for specific fields of use in writing prior to December 31, 2022.

In addition to the annual license maintenance fees outlined above, we will pay Stanford royalties on Net Sales (as such term is defined in the February 2020 License Agreement) during the of the term of the agreement as follows: 4% when Net Sales are below or equal to $5 million annually or 6% when Net Sales are above $5 million annually. The February 2020 License Agreement may be terminated upon our election on at least 30 days advance notice to Stanford, or by Stanford if we: (i) are delinquent on any report or payment; (ii) are not diligently developing and commercializing Licensed Product; (iii) miss certain performance milestones; (iv) are in breach of any provision of the February 2020 License Agreement; or (v) provide any false report to Stanford. Should any events in the preceding sentence occur, we have a thirty (30) day cure period to remedy such violation.

Asset Purchase Agreement

MDNA Lifesciences, Inc.

On January 4, 2024 (the "Closing Date"), the Company completed its acquisition of certain assets and issued to MDNA Lifesciences, Inc. ("MDNA"): 1,250 shares of the Company's Common Stock, Warrants to purchase 1,250 shares of the Company's Common Stock, and 5,000 shares of the Pearsanta Preferred Stock. The Company accounted for this transaction as an asset acquisition.

On January 4, 2024, the Company, Pearsanta and MDNA entered into a First Amendment to Asset Purchase Agreement (the "First Amendment to Asset Purchase Agreement"), pursuant to which the parties agreed to: (i) the removal of an upfront working capital payment, (ii) the removal of a Closing Working Capital Payment (as defined in the Purchase Agreement"), and (iii) to increase the maximum amount of payments to be made by Aditxt under the Transition Services Agreement (as defined below) from $2.2 million to $3.2 million.

On January 4, 2024, Pearsanta and MDNA entered into a Transition Services Agreement (the "Transition Services Agreement"), pursuant to which MDNA agreed that it would perform, or cause certain of its affiliates or third parties to perform, certain services as described in the Transition Services Agreement for a term of nine months in consideration for the payment by Pearsanta of certain fees as provided in the Transition Services Agreement, in an amount not to exceed $3.2 million.

As part of this transaction, the Company acquired $ 1,008,669 in patents which was expensed to R&D. The fair market value of this transaction was determined by the purchase price paid in the transaction of 1,250 shares of the Company's Common Stock, which had a value of $ 256,000 based on the trading price of the common stock, 1,250 Warrants to purchase shares of the Company's Common Stock, which had a value of $252,669 using a Black Sholes valuation, and 5,000 shares of the Pearsanta Preferred Stock which had a value of $ 500,000 based on the stated value of Pearsanta's Preferred Stock of $5,000 per share.

Brain Scientific, Inc.

On January 24, 2024, the Company entered into an Assignment and Assumption Agreement (the "Brain Assignment Agreement") with the agent (the "Agent") of certain secured creditors (the "Brain Creditors") of Brain Scientific, Inc., a Nevada corporation ("Brain Scientific") and Philip J. von Kahle (the "Brain Seller"), as assignee of Brain Scientific and certain affiliated entities (collectively, the "Brain Companies") under an assignment for the benefit of creditors pursuant to Chapter 727 of the Florida Statutes. Pursuant to the Brain Assignment Agreement, the Agent assigned its rights under that certain Asset Purchase and Settlement Agreement dated October 31, 2023 between the Seller and the Agent (the "Brain Asset Purchase Agreement") to the Company in consideration for the issuance by the Company of an aggregate of 6,000 shares of a new series of convertible preferred stock of the Company, designated as Series B-1 Convertible Preferred Stock, $ 0.001 par value (the "Series B-1 Convertible Preferred Stock"). The shares of Series B-1 Convertible Preferred Stock were issued pursuant to a Securities Purchase Agreement entered into by and between the Company and each of the purchasers signatory thereto (the "Brain Purchase Agreement"). (See Note 10)

In connection with the Brain Assignment Agreement, on January 24, 2024, the Company entered into a Patent Assignment with the Brain Seller (the "Brain Patent Assignment"), pursuant to which the Seller assigned all of its rights, titles and interests in certain patents and patent applications that were previously held by the Brain Companies to the Company.

As part of this transaction, the Company acquired $ 5,703,995 in patents which was expensed to R&D and $ 266,448 in fixed assets. The fair market value of this transaction was determined by the purchase price paid in the transaction of 6,000 shares of the Company's Series B-1 Convertible Preferred Stock which had a value of $ 5,970,443 based on stated value of the Series B-1 Convertible Preferred Stock of $1,000 per share.

Contingent Liability

On September 7, 2023, the Company received a demand letter from the holder of certain warrants issued by the Company in April 2023. The demand letter alleged that the investor suffered more than $2 million in damages as a result of the Company failing to register the shares of the Company's common stock underlying the warrants as required under the securities purchase agreement.

On January 3, 2024, the Company entered into a settlement agreement and general release with an investor (the "Settlement Agreement"), pursuant to which the Company and the investor agreed to settle an action filed in the United States District Court in the Southern District of New York by an investor against the Company (the "Action") in consideration of the issuance by the Company of shares of the Company's Common Stock (the "Settlement Shares"). The number of Settlement Shares to be issued will be equal to $1.6 million divided by the closing price of the Company's Common Stock on the day prior to court approval of the joint motion. Following the issuance of the Settlement Shares, the Investor will file a dismissal stipulation in the Action.

On January 17, 2024, the Company issued 7,408 Settlement Shares to the investor. The Settlement Shares were issued pursuant to an exemption from registration pursuant to Section 3(a)(10) under the Securities Act of 1933, as amended.

On December 29, 2023, the Company entered into a securities purchase agreement with an institutional investor ("the "Holder") for the issuance and sale in a private placement of (i) pre-funded warrants (the "December Pre-Funded Warrants") to purchase up to 30,928 shares of the Company's common stock, par value $ 0.001 (the "December Common Stock") at an exercise price of $ 0.04 per share, and (ii) warrants to purchase up to 61,856 shares of the Company's Common Stock, at a purchase price of $ 194.00 per share (collectively the "December PIPE Securities").

The December PIPE Securities were to be registered within a timeframe as described in the registration rights agreement. The Company failed to register the December PIPE Securities within the agreed upon timeframe. As a result of the late registration, the holder of the December PIPE Securities was entitled to damages. On August 7, 2024, the Company and the holder of the December PIPE Securities entered into an exchange agreement inclusive of $667,000 of liquidated damages owed to the holder, which were expenses to general and administrative expense during the nine month ended September 30,2024, of the December PIPE Securities, pursuant to which the Company agreed to exchange the 30,928 Pre-Funded Warrants and 43,607 common stock warrants for: (i) an aggregate of 6,667 shares of the Company's Series C-1 Convertible Preferred Stock, and (ii) warrants to purchase 64,230 shares of the Company's Common St ock at an exercise price of $59.60 per share for a term of five years . See Note 7 for further disclosure surrounding the 2024 Letter Agreement.

EvoFem Merger Agreement

On December 11, 2023 (the "Execution Date"), Aditxt, Inc., a Delaware corporation (the "Company") entered into an Agreement and Plan of Merger (the "Merger Agreement") with Adicure, Inc., a Delaware corporation and wholly owned subsidiary of the Company ("Merger Sub") and Evofem Biosciences, Inc., a Delaware corporation ("Evofem"), pursuant to which, Merger Sub will be merged into and with Evofem (the "Merger"), with Evofem surviving the Merger as a wholly owned subsidiary of the Company.

In connection with the Merger Agreement the Company assumed $ 13.0 million in notes payable held by Evofem (see Note 7) and assumed a payable for $ 154,480 (see Note 7). These items were capitalized on the Company's balance sheet to deposit on acquisition as of September 30, 2024. The Company recognized a debt discount of $1,924,276. As of September 30, 2024, there was an unamortized discount of $0. During the nine months ended September 30, 2024 and 2023, the Company recognized an amortization of debt discount of $ 396,516 and $0.

Subject to the terms and conditions set forth in the Merger Agreement, at the effective time of the Merger (the "Effective Time"), (i) all issued and outstanding shares of common stock, par value $ 0.0001 per share of Evofem ("Evofem Common Stock"), other than any shares of Evofem Common Stock held by the Company or Merger Sub immediately prior to the Effective Time, will be converted into the right to receive an aggregate of 15,250 shares of the Company's common stock, par value $ 0.001 per share ("Company Common Stock"); and (ii) all issued and outstanding shares of Series E-1 Preferred Stock, par value $0.0001 of Evofem (the "Evofem Unconverted Preferred Stock"), other than any shares of Evofem Unconverted Preferred Stock held by the Company or Merger Sub immediately prior to the Effective Time, will be converted into the right to receive an aggregate of 2,327 shares of Series A-1 Convertible Preferred Stock, par value $ 0.001 of the Company (the "Company Preferred Stock"), having such rights, powers, and preferences set forth in the form of Certificate of Designation of Series A-1 Convertible Preferred Stock.

On December 11, 2023 the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") with Adicure, Inc., a Delaware corporation and wholly owned subsidiary of the Company ("Merger Sub") and Evofem Biosciences, Inc., a Delaware corporation ("Evofem"), pursuant to which, Merger Sub will be merged into and with Evofem (the "Merger"), with Evofem surviving the Merger as a wholly owned subsidiary of the Company.

On January 8, 2024, the Company, Adicure, Inc., a Delaware corporation and wholly owned subsidiary of the Company ("Merger Sub"), and Evofem Biosciences, Inc., a Delaware corporation ("Evofem") entered into the First Amendment (the "First Amendment to Merger Agreement"), to the Agreement and Plan of Merger (the "Merger Agreement") pursuant to which the parties agreed to extend the date by which the joint proxy statement would be filed with the SEC until February 14, 2024.

On January 30, 2024, the Company, Adicure and Evofem entered into the Second Amendment to the Merger Agreement (the "Second Amendment to Merger Agreement") to amend (i) the date of the Parent Loan (as defined in the Merger Agreement) to Evofem to be February 29, 2024, (ii) to change the date by which Evofem may terminate the Merger Agreement for failure to receive the Parent Loan to be February 29, 2024, and (iii) to change the filing date for the Joint Proxy Statement (as defined in the Merger Agreement) to April 1, 2024.

On February 29, 2024, the Company, Adicure and Evofem entered into the Third Amendment to the Merger Agreement (the "Third Amendment to Merger Agreement") in order to (i) make certain conforming changes to the Merger Agreement regarding the Notes, (ii) extend the date by which the Company and Evofem will file the joint proxy statement until April 30, 2024, and (iii) remove the requirement that the Company make the Parent Loan (as defined in the Merger Agreement) by February 29, 2024 and replace it with the requirement that the Company make an equity investment into Evofem consisting of (a) a purchase of 2,000 shares of Evofem Series F-1 Preferred Stock for an aggregate purchase price of $ 2.0 million on or prior to April 1, 2024, and (b) a purchase of 1,500 shares of Evofem Series F-1 Preferred Stock for an aggregate purchase price of $1.5 million on or prior to April 30, 2024.

EvoFem Reinstatement and Fourth Amendment to the Merger Agreement

On April 26, 2024, the Company received notice from Evofem (the "Termination Notice") that Evofem was exercising its right to terminate the Merger Agreement as a result of the Company's failure to provide the Initial Parent Equity Investment (as defined in the Merger Agreement, as amended).

On May 2, 2024, the Company, Adifem, Inc. f/k/a Adicure, Inc. and Evofem Biosciences, Inc. ("Evofem") entered into the Reinstatement and Fourth Amendment to the Merger Agreement (the "Fourth Amendment") in order to waive and amend, among other things, the several provisions listed below.

Amendments to Article VI: Covenants and Agreement

Article VI of the Merger Agreement is amended to:

- reinstate the Merger Agreement, as amended by the Fourth Amendment, as if never terminated;
- reflect the Company's payment to Evofem, in the amount of $ 1,000,000 (the "Initial Payment"), via wire initiated by May 2, 2024;

- delete Section 6.3, which effectively eliminates the “no shop” provision, and the several defined terms used therein;
- add a new defined term “Company Change of Recommendation;” and
- revise section 6.10 of the Merger Agreement such that, after the Initial Payment, and upon the closing of each subsequent capital raise by the Company (each a “Parent Subsequent Capital Raise”), the Company shall purchase that number of shares of Evofem’s Series F-1 Preferred Stock, par value $0.0001 per share (the “Series F-1 Preferred Stock”), equal to forty percent (40%) of the gross proceeds of such Parent Subsequent Capital Raise divided by 1,000, up to a maximum aggregate amount of $2,500,000 or 2,500 shares of Series F-1 Preferred Stock. A maximum of $1,500,000 shall be raised prior to September 17, 2024 and $ 1,000,000 prior to July 1, 2024 (the “Parent Capital Raise”). (See Note 12)

Amendments to Article VIII: Termination

Article VIII of the Merger Agreement is amended to:

- extend the date after which either party may terminate from May 8, 2024 to July 15, 2024;
- revise Section 8.1(d) in its entirety to allow Company to terminate at any time after there has been a Company Change of Recommendation, provided that Aditxt must receive ten day written notice and have the opportunity to negotiate a competing offer in good faith; and
- amend and restate Section 8.1(f) in its entirety, granting the Company the right to terminate the agreement if (a) the full $ 1,000,000 Initial Payment required by the Fourth Amendment has not been paid in full by May 3, 2024 (b) $1,500,000 of the Parent Capital Raise Amount has not been paid to the Company by June 17, 2024, (c) $ 1,000,000 of the Parent Capital Raise Amount has not been paid to the Company by July 1, 2024, or (d) Aditxt does not pay any portion of the Parent Equity Investment within five calendar days after each closing of a Parent Subsequent Capital Raise.

Amended and Restated Merger Agreement

On July 12, 2024 (the “Execution Date”), the Company entered into an Amended and Restated Agreement and Plan of Merger (the “Merger Agreement”) with Adifem, Inc. f/k/a Adicure, Inc., a Delaware corporation and wholly owned subsidiary of the Company (“Merger Sub”) and Evofem, pursuant to which, Merger Sub will be merged into and with Evofem (the “Merger”), with Evofem surviving the Merger as a wholly owned subsidiary of the Company. The Merger Agreement amended and restated that certain Agreement and Plan of Merger dated as of December 11, 2023 by and among the Company, Merger Sub and Evofem (as amended, the “Original Agreement”).

Effect on Capital Stock

Subject to the terms and conditions set forth in the Merger Agreement, at the effective time of the Merger (the “Effective Time”), (i) all issued and outstanding shares of common stock, par value $ 0.0001 per share of Evofem (“Evofem Common Stock”), other than any shares of Evofem Common Stock either held by the Company or Merger Sub immediately prior to the Effective Time or which are Dissenting Shares (as hereinafter defined), will be converted into the right to receive an aggregate of $1,800,000; and (ii) each issued and outstanding share of Series E-1 Preferred Stock, par value $ 0.0001 of Evofem (the “Evofem Unconverted Preferred Stock”), other than any shares of Evofem Unconverted Preferred Stock either held by the Company or Merger Sub immediately prior to the Effective Time or which are Dissenting Shares, will be converted into the right to receive one (1) share of Series A-2 Preferred Stock, par value $0.001 of the Company (the “Company Preferred Stock”), having such rights, powers, and preferences set forth in the form of Certificate of Designation of Series A-2 Preferred Stock, the form of which is attached as Exhibit C to the Merger Agreement.

Any Evofem capital stock outstanding immediately prior to the Effective Time and held by an Evofem shareholder who has not voted in favor of or consented to the adoption of the Merger Agreement and who is entitled to demand and has properly demanded appraisal for such Company Capital Stock in accordance with the Delaware General Corporation Law (“DGCL”), and who, as of the Effective Time, has not effectively withdrawn or lost such appraisal rights (such Evofem capital Stock, “Dissenting Shares”) shall not be converted into or be exchangeable for the right to receive a portion of the Merger Consideration and, instead, shall be entitled to only those rights as set forth in the DGCL. If, after the Effective Time, any such holder fails to perfect or withdraws or loses his, her or its right to appraisal under the DGCL, with respect to any Dissenting Shares, upon surrender of the certificate(s) representing such Dissenting Shares, such Dissenting Shares shall thereupon be treated as if they had been converted as of the Effective Time into the right to receive the portion of the merger consideration, if any, to which such Evofem capital stock is entitled pursuant to the Merger Agreement, without interest.

As a closing condition for the Company, there shall be no more than 4,141,434 Dissenting Shares that are Evofem Common Stock or 98 Dissenting Shares that are Evofem Preferred Stock.

Treatment of Evofem Options and Employee Stock Purchase Plan

At the Effective Time, each option outstanding under the Evofem 2014 Equity Incentive Plan, the Evofem 2018 Inducement Equity Incentive Plan and the Evofem 2019 Employee Stock Purchase Plan (collectively, the “Evofem Option Plans”), whether or not vested, will be canceled without the right to receive any consideration, and the board of directors of Evofem shall take such action such that the Evofem Option Plans are cancelled as of the Effective Time.

As soon as practicable following the Execution Date, Evofem will take all action that may be reasonably necessary to provide that: (i) no new offering period will commence under the Evofem 2019 Employee Stock Purchase Plan (the “Evofem ESPP”); (ii) participants in the Evofem ESPP as of the Execution Date shall not be permitted to increase their payroll deductions or make separate non-payroll contributions to the Evofem ESPP; and (iii) no new participants may commence participation in the Evofem ESPP following the Execution Date. Prior to the Effective Time, Evofem will take all action that may be reasonably necessary to: (A) cause any offering period or purchase period that otherwise be in progress at the Effective Time to be the final offering period under the Evofem ESPP and to be terminated no later than five business days prior to the anticipated closing date (the “Final Exercise Date”); (B) make any pro-rata adjustments that may be necessary to reflect the shortened offering period or purchase period; (C) cause each participant’s then-outstanding share purchase right under the Evofem ESPP to be exercised as of the Final Exercise Date; and (D) terminate the Evofem ESPP, as of and contingent upon, the Effective Time.

Representations and Warranties

The parties to the Merger Agreement have agreed to customary representations and warranties for transactions of this type.

Covenants

The Merger Agreement contains various customary covenants, including but not limited to, covenants with respect to the conduct of Evofem’s business prior to the Effective Time.

Closing Conditions

Mutual

The respective obligations of each of the Company, Merger Sub and Evofem to consummate the closing of the Merger (the “Closing”) are subject to the satisfaction or waiver, at or prior to the closing of certain conditions, including but not limited to, the following:

(i) approval by the Evofem shareholders;

(ii) the entry into a voting agreement by the Company and certain members of Evofem management;

(iii) all preferred stock of Evofem other than the Evofem Unconverted Preferred Stock shall have been converted to Evofem Common Stock;

(iv) Evofem shall have received agreements (the “Evofem Warrant Holder Agreements”) from all holders of Evofem warrants which provide:

(a) waivers with respect to any fundamental transaction, change in control or other similar rights that such warrant holder may have under any such Evofem warrants, and (b) an agreement to such Evofem warrants to exchange such warrants for not more than an aggregate (for all holders of Evofem warrants) of 930.336 shares of Company Preferred Stock;

(v) Evofem shall have cashed out any other holder of Evofem warrants who has not provided an Evofem Warrant Holder Agreement; and

(vi) Evofem shall have obtained waivers from the holders of the convertible notes of Evofem (the “Evofem Convertible Notes”) with respect to any fundamental transaction rights that such holder may have under the Evofem Convertible Notes, including any right to vote, consent, or otherwise approve or veto any of the transactions contemplated under the Merger Agreement.

(vii) The Company shall have received sufficient financing to satisfy its payment obligations under the Merger Agreement.

(viii) The requisite stockholder approval shall have been obtained by the Company at a Special Meeting of its stockholders to approve the Parent Stock Issuance (as defined in the Merger Agreement) pursuant to the requirements of NASDAQ.

The Company and Merger Sub

The obligations of the Company and Merger Sub to consummate the Closing are subject to the satisfaction or waiver, at or prior to the Closing of certain conditions, including but not limited to, the following:

(i) the Company shall have obtained agreements from the holders of Evofem Convertible Notes and purchase rights they hold to exchange such Convertible Notes and purchase rights for not more than an aggregate (for all holders of Evofem Convertible Notes) of 88,161 shares of Company Preferred Stock;

(ii) the Company shall have received waivers form the holders of certain of the Company's securities which contain prohibitions on variable rate transactions; and

(iii) the Company, Merger Sub and Evofem shall work together between the Execution Date and the Effective Time to determine the tax treatment of the Merger and the other transactions contemplated by the Merger Agreement.

Evofem

The obligations of Evofem to consummate the Closing are subject to the satisfaction or waiver, at or prior to the Closing of certain conditions, including but not limited to, the following:

(i) The Company shall be in compliance with the stockholders' equity requirement in Nasdaq Listing Rule 5550(b)(1) and shall meet all other applicable criteria for continued listing.

Termination

The Merger Agreement may be terminated at any time prior to the consummation of the Closing by mutual written consent of the Company and Evofem. Either the Company or Evofem may also terminate the Merger Agreement if (i) the Merger shall not have been consummated on or before 5:00 p.m. Eastern Time on September 30, 2024; (ii) if any judgment, law or order prohibiting the Merger or the Transactions has become final and non-appealable; (iii) the required vote of Evofem stockholders was not obtained; or (iv) in the event of any Terminable Breach (as defined in the Merger Agreement). The Company may terminate the Merger Agreement if (i) prior to approval by the required vote of Evofem's shareholders if the Evofem board of directors shall have effected a Company Change in Recommendation (as defined in the Merger Agreement); or (ii) in the event that the Company determines, in its reasonable discretion, that the acquisition of Evofem could result in a material adverse amount of cancellation of indebtedness income to the Company. Evofem may terminate the Merger Agreement if (i) at any time after there has been a Company Change of Recommendation; provided, that Evofem has provided the Company ten (10) calendar days' prior written notice thereof and has negotiated in good faith with the Company to provide a competing offer; (ii) the Company Common Stock is no longer listed for trading on Nasdaq; or (iii) any of: (A) the Initial Parent Equity Investment has not been made by the Initial Parent Equity Investment Date, (B) the Second Parent Equity Investment has not been made by the Second Parent Equity Investment Date, (C) the Third Parent Equity Investment has not been made by the Third Parent Equity Investment Date or (D) the Fourth Parent Equity Investment has not been made by the Fourth Parent Equity Investment Date (as all of such terms are defined in the Merger Agreement).

Effect of Termination

If the Merger Agreement is terminated, the Merger Agreement will become void, and there will be no liability under the Merger Agreement on the part of any party thereto.

Amendments to EvoFem Amended and Restated Merger Agreement

On August 16, 2024, the Company, Merger Sub and Evofem entered into Amendment No. 1 to the Amended and Restated Merger Agreement ("Amendment No. 1"), pursuant to which the date by which the Company is to make the Third Parent Equity Investment (as defined under the Amended and Restated Merger Agreement) was amended to the earlier of September 6, 2024 or five (5) business days of the closing of a public offering by Parent resulting in aggregate net proceeds to Parent of no less than $20,000,000. Except as set forth herein, the terms and conditions of the Amended and Restated Merger Agreement have not been modified.

On September 6, 2024, the Company, Merger Sub and Evofem entered into Amendment No. 2 to the Amended and Restated Merger Agreement ("Amendment No. 2"), pursuant to which the date by which the Company shall make the Third Parent Equity Investment was amended from September 6, 2024 to September 30, 2024 and adjust the amount of such investment from $2 million to $1.5 million, and to extend the date by which Aditxt shall make the Fourth Parent Equity Investment (as defined under the Amended and Restated Merger Agreement) was amended from September 30, 2024 to October 31, 2024 and adjust the amount of such investment from $1 million to $1.5 million. See Note 12 for additional amendments to the Amended and Restated Merger Agreement and purchases of Evofem Series F-1 Preferred Stock.

Engagement Letter with Dawson James Securities, Inc.

On February 16, 2024, the Company entered into an engagement letter (the "Dawson Engagement Letter") with Dawson James Securities, Inc.("Dawson"), pursuant to which the Company engaged Dawson to serve as financial advisor with respect to one or more potential business combinations involving the Company for a term of twelve months. Pursuant to the Dawson Engagement Letter, the Company agreed to pay Dawson an initial fee of $1.85 million (the "Dawson Initial Fee"), which amount is payable on the later of (i) the closing of an offering resulting in gross proceeds to the Company of greater than $4.9 million, or (ii) five days after the execution of the Dawson Engagement Letter. At the Company's option, the Dawson Initial Fee may be paid in securities of the Company. In addition, with respect to any business combination (i) that either is introduced to the Company by Dawson following the date of the Dawson Engagement Letter or (ii) that with respect to which the Company hereafter requests Dawson to provide M&A advisory services, the Company shall compensate Dawson in an amount equal to 5% of the Total Transaction Value (as defined in the Engagement Letter) with respect to the first $ 20.0 million in Total Transaction Value plus 10.0% of the Total Transaction Value that is in excess of $ 20.0 million (the "Transaction Fee"). The Transaction Fee is payable upon the closing of a business combination transaction.

Advance on Private Placement

On March 5, 2024, the Company received a $1,000,000 deposit for an ongoing Private Placement (as defined below), of which $400,000 was attributed to offering costs in connection with the Private Placement. As of September 30, 2024, the Private Placement had closed and the deposit was recorded to additional paid in capital. (See Note 10)

Appili Arrangement Agreement

On April 1, 2024 (the "Execution Date"), the Company, entered into an Arrangement Agreement (the "Arrangement Agreement"), subject to various closing conditions, with Adivir, Inc., a Delaware corporation and wholly owned subsidiary of the Company ("Adivir" or the "Buyer"), and Appili Therapeutics, Inc., a Canadian corporation ("Appili"), pursuant to which, Adivir will acquire all of the issued and outstanding Class A common shares of Appili (the "Appili Shares") on the terms and subject to the conditions set forth therein. The acquisition of the Appili Shares (the "Arrangement") will be completed by way of a statutory plan of arrangement under the Canada Business Corporation Act.

At the effective time of the Arrangement (the "Effective Time"), each Appili Share outstanding immediately prior to the Effective Time (other than Appili Shares held by a registered holder of Appili Shares who has validly exercised such holder's dissent rights) will be deemed to be assigned and transferred by the holder thereof to the Buyer in exchange for (i) $0.0467 in cash consideration per share for an aggregate cash payment of $5,668,222 (the "Cash Consideration") and (ii) 0.10980016 of a share of common stock of Aditxt or an aggregate of 8,322 shares (the "Consideration Shares" and together with the Cash Consideration, the "Transaction Consideration"). In connection with the transaction, each outstanding option and warrant of Appili will be cashed-out based on the implied in-the-money value of the Transaction Consideration, which is expected to result in an additional aggregate cash payment of approximately $341,000 (based on the number of issued and outstanding options and warrants and exchange rates as of the date of the Arrangement Agreement).

Appili Amending Agreement

On July 1, 2024, the Company, Adivir and Appili entered into an Amending Agreement (the "Amending Agreement"), pursuant to which the Parties (as defined in the Arrangement Agreement) agreed that: (i) the Outside Date (as defined in the Arrangement Agreement) would be changed to August 30, 2024; (ii) Adivir agreed that it would convene the Company Meeting (as defined in the Arrangement Agreement) no later than August 30, 2024, provided that Appili shall be under no obligation to convene the Company Meeting prior to the date that is 50 days following the date that Aditxt delivers to Appili all complete Additional Financial Disclosure (as defined in the Arrangement Agreement) required for inclusion in the Company Circular (as defined in the Arrangement Agreement); (iii) Aditxt shall use commercially reasonable efforts to complete the Financing (as defined in the Arrangement Agreement) no later than August 30, 2024; and (iv) Aditxt or Appili may terminate the Arrangement Agreement if the Financing is not completed by 5:00 p.m. (ET) on August 30, 2024 or such later date as the Parties may agree in writing. (See Note 12)

On July 18, 2024, the Company, Adivir and Appili entered into a Second Amending Agreement (the "Second Amending Agreement"), pursuant to which the Arrangement Agreement was amended to provide that (i) the Outside Date will be extended to September 30, 2024, (ii) the Appili Meeting will be conducted no later than September 30, 2024, provided that Appili shall be under no obligation to hold the Appili Meting prior to the date that is 50 days following the date that the Company delivers all complete Additional Financial Disclosure required for inclusion in the circular; (iii) the Company shall use commercially reasonable efforts to complete the Financing on or prior to September 15, 2024; and (iv) the Company and Appili may terminate the Arrangement Agreement if the Financing is not completed on or before 5:00 p.m. (ET) on September 15, 2024 or such later date as the Parties may in writing agree.

On August 20, 2024, the Company, Adivir and Appili entered into a Third Amending Agreement (the "Third Amending Agreement"), pursuant to which the Arrangement Agreement was amended to provide that (i) the Outside Date will be extended to November 19, 2024, (ii) Appili shall convene an annual and special meeting in parallel to the Appili Meeting, to approve as promptly as practicable Appili's continuation from a corporation governed under the Canada Business Corporations Act to a corporation governed under the Business Corporations Act (Ontario) (the "Continuance"); iii) the date by which Appili shall convene the Appili Meeting will be extended to no later than November 6, 2024, provided that Appili shall be under no obligation to hold the Appili Meeting prior to the date that is 50 days following the date that the Company delivers all complete Additional Financial Disclosure required for inclusion in the Company Circular; (iv) the Company shall use commercially reasonable efforts to complete the Financing on or prior to October 18, 2024; and (v) the completion of the Continuance shall be a condition to the completion of the Arrangement. (See Note 12)

Equity Line of Credit

On May 2, 2024, the Company entered into a Common Stock Purchase Agreement (the "ELOC Purchase Agreement") with an equity line investor (the "ELOC Investor"), pursuant to which the ELOC Investor has agreed to purchase from the Company, at the Company's direction from time to time, in its sole discretion, from and after the date effective date of the Registration Statement (as defined below) and until the termination of the ELOC Purchase Agreement in accordance with the terms thereof, shares of the Company's common stock having a total maximum aggregate purchase price of $150,000,000 (the "ELOC Purchase Shares"), upon the terms and subject to the conditions and limitations set forth in the ELOC Purchase Agreement.

In connection with the ELOC Purchase Agreement, the Company also entered into a Registration Rights Agreement with the Investor (the "ELOC Registration Rights Agreement"), pursuant to which the Company agreed to file a registration statement with the Securities and Exchange Commission covering the resale of the shares of common stock issued to the ELOC Investor pursuant to the ELOC Purchase Agreement (the "Registration Statement") by the later of (i) the 30th calendar day following the closing date, and (ii) the second business day following Stockholder Approval (defined below).

The Company may, from time to time and at its sole discretion, direct the ELOC Investor to purchase shares of its common stock upon the satisfaction of certain conditions set forth in the ELOC Purchase Agreement at a purchase price per share based on the market price of the Company's common stock at the time of sale as computed under the ELOC Purchase Agreement. There is no upper limit on the price per share that the ELOC Investor could be obligated to pay for common stock under the ELOC Purchase Agreement. The Company will control the timing and amount of any sales of its common stock to the ELOC Investor, and the ELOC Investor has no right to require us to sell any shares to it under the ELOC Purchase Agreement. Actual sales of shares of common stock to the ELOC Investor under the ELOC Purchase Agreement will depend on a variety of factors to be determined by the Company from time to time, including (among others) market conditions, the trading price of its common stock and determinations by the Company as to available and appropriate sources of funding for the Company and its operations. The ELOC Investor may not assign or transfer its rights and obligations under the ELOC Purchase Agreement.

Under the applicable Nasdaq rules, in no event may the Company issue to the ELOC Investor under the ELOC Purchase Agreement more than 8,322 shares of common stock, which number of shares is equal to 19.99% of the shares of the common stock outstanding immediately prior to the execution of the ELOC Purchase Agreement (the "Exchange Cap"), unless (i) the Company obtains stockholder approval to issue shares of common stock in excess of the Exchange Cap in accordance with applicable Nasdaq rules ("Stockholder Approval"), or (ii) the average price per share paid by the Investor for all of the shares of common stock that the Company directs the ELOC Investor to purchase from the Company pursuant to the ELOC Purchase Agreement, if any, equals or exceeds the official closing sale price on the Nasdaq Capital Market immediately preceding the delivery of the applicable purchase notice to the Investor and (B) the average of the closing sale prices of the Company's common stock on the Nasdaq Capital market for the five business days immediately preceding the delivery of such purchase notice.

In all cases, the Company may not issue or sell any shares of common stock to the ELOC Investor under the ELOC Purchase Agreement which, when aggregated with all other shares of the Company's common stock then beneficially owned by the ELOC Investor and its affiliates, would result in the ELOC Investor beneficially owning more than 4.99% of the outstanding shares of the Company's common stock.

The net proceeds under the ELOC Purchase Agreement to the Company will depend on the frequency and prices at which the Company sells shares of its stock to the ELOC Investor. The Company expects that any proceeds received by it from such sales to the Investor will be used for working capital and general corporate purposes.

As consideration for the ELOC Investor's commitment to purchase shares of common stock at the Company's direction upon the terms and subject to the conditions set forth in the ELOC Purchase Agreement, the Company shall pay the Investor a commitment fee of 56,250 shares as outlined in the ELOC Purchase Agreement, which is payable on the later of (i) January 2, 2025 and (ii) the trading day following the date on which Stockholder Approval is obtained.

The ELOC Purchase Agreement contains customary representations, warranties and agreements of the Company and the ELOC Investor, limitations and conditions regarding sales of ELOC Purchase Shares, indemnification rights and other obligations of the parties.

There are no restrictions on future financings, rights of first refusal, participation rights, penalties or liquidated damages in the ELOC Purchase Agreement other than a prohibition (with certain limited exceptions) on entering into a dilutive securities transaction during certain periods when the Company is selling common stock to the ELOC Investor under the Purchase Agreement. The ELOC Investor has agreed that it will not engage in or effect, directly or indirectly, for its own account or for the account of any of its affiliates, any short sales of the Company's common stock or hedging transaction that establishes a net short position in the Company's common stock during the term of the ELOC Purchase Agreement.

The Company has the right to terminate the ELOC Purchase Agreement at any time after the Commencement Date (as defined in the ELOC Purchase Agreement), at no cost or penalty, upon three trading days' prior written notice to the Investor. The Company and the ELOC Investor may also agree to terminate the ELOC Purchase Agreement by mutual written consent, provided that no termination of the ELOC Purchase Agreement will be effective during the pendency of any purchase that has not then fully settled in accordance with the ELOC Purchase Agreement. Neither the Company nor the ELOC Investor may assign or transfer the Company's respective rights and obligations under the ELOC Purchase Agreement.

The Company obtained Stockholder Approval at its Annual Meeting on August 7, 2024. The registration statement covering the ELOC shares was declared effective by the SEC on September 13, 2024.

For the period ended September 30, 2024, the Company sold 250,000 shares at an average price of $5.10 per share under the ELOC. The sales generated net proceeds of $1,274,792 after paying commissions and related fees. (See Note 12)

NOTE 10 – STOCKHOLDERS' EQUITY

Common Stock

On May 24, 2021, the Company increased the number of authorized shares of the Company's common stock, par value $ 0.001 per share, from 27,000,000 to 100,000,000 (the "Authorized Shares Increase") by filing a Certificate of Amendment (the "Certificate of Amendment") to its Amended and Restated Certificate of Incorporation with the Secretary of State of the State of Delaware. In accordance with the General Corporation Law of the State of Delaware, the Authorized Shares Increase and the Certificate of Amendment were approved by the stockholders of the Company at the Company's Annual Meeting of Stockholders on May 19, 2021. On September 13, 2022, the Company effectuated a 1 for 50 reverse stock split (the "2022 Reverse Split"). The Company's stock began trading at the 2022 Reverse Split price effective on the Nasdaq Stock Market on September 14, 2022. There was no change to the number of authorized shares of the Company's common stock. On August 17, 2023, the Company effectuated a 1 for 40 reverse stock split (the "2023 Reverse Split"). The Company's stock began trading at the 2023 Reverse Split price effective on the Nasdaq Stock Market on August 17, 2023. There was no change to the number of authorized shares of the Company's common stock. On October 2, 2024, the Company effectuated a 1 for 40 reverse stock split (the "2024 Reverse Split"). The Company's stock began trading at the 2024 Reverse Split price effective on the Nasdaq Stock Market on October 3, 2024. There was no change to the number of authorized shares of the Company's common stock.

Formed in January 2023, our majority owned subsidiary Pearsanta™, Inc. ("Pearsanta") seeks to take personalized medicine to a new level by delivering "Health by the Numbers." On November 22, 2023, Pearsanta entered into an assignment agreement with FirstVitals LLC, an entity controlled by Pearsanta's CEO, Ernie Lee ("FirstVitals"), pursuant to which FirstVitals assigned its rights in certain intellectual property and website domain to Pearsanta in consideration of the issuance of 500,000 shares of Pearsanta common stock to FirstVitals. On December 18, 2023, the board of directors of Pearsanta adopted the Pearsanta 2023 Omnibus Equity Incentive Plan (the "Pearsanta Omnibus Incentive Plan"), pursuant to which it reserved 15 million shares of common stock of Pearsanta for future issuance under the Pearsanta Omnibus Incentive Plan and the Pearsanta 2023 Parent Service Provider Equity Incentive Plan (the "Pearsanta Parent Service Provider Plan") and approved the issuance of 9.32 million options, exercisable into shares of Pearsanta common stock under the Pearsanta Parent Service Provider Plan and the issuance of 4.0 million options, exercisable into shares of Pearsanta common stock, subject to vesting, and 1.0 million restricted common stock shares under the Pearsanta Omnibus Incentive Plan.

During the nine months ended September 30, 2024, the Company issued 1,250 shares of common stock as part of the MDNA asset purchase agreement. (See Note 9) During the nine months ended September 30, 2024, the Company issued 7,408 shares of common stock as part of a settlement agreement. (See Note 9)

During the nine months ended September 30, 2023, the Company issued 117 shares of common stock and recognized expense of $ 168,300 in stock-based compensation for consulting services. The stock-based compensation for consulting services is calculated by the number shares multiplied by the closing price on the effective date of the contract. During the nine months ended September 30, 2023, 5 Restricted Stock Units vested which resulted in the issuance of shares. The Company recognized expense of $ 308,479 in stock-based compensation for the nine months ended September 30, 2023. The stock-based compensation for shares issued or RSU's granted during the period were valued based on the fair market value on the date of grant.

Amendment to Certificate of Incorporation

On August 7, 2024, the Company filed with the Secretary of State of Delaware an amendment to the Company's Certificate of Incorporation, (the "Charter Amendment") to increase the number of authorized common stock from 100,000,000 shares to 1,000,000,000 shares. The Charter Amendment was approved by the Company's stockholders at the Company's Annual Meeting of Stockholders held on August 6, 2024.

Closing of Private Placement

On December 29, 2023, the Company entered into a securities purchase agreement (the "Purchase Agreement") with an institutional investor ("the "December Purchaser") for the issuance and sale in a private placement (the "December Private Placement") of (i) pre-funded warrants (the "December Pre-Funded Warrants") to purchase up to 30,928 shares of the Company's Common Stock, par value $0.001 at an exercise price of $0.04 per share, and (ii) warrants (the "December Common Warrants") to purchase up to 61,856 shares of the Company's Common Stock, at a purchase price of $ 194.00 per share.

Pursuant to the Purchase Agreement, the Company agreed to reduce the exercise price of certain outstanding warrants to purchase Common Stock of the Company ("Certain Outstanding Warrants") held by the Purchaser to $184.00 per share in consideration for the cash payment by the December Purchaser of $ 5.00 per share of Common Stock underlying the Certain Outstanding Warrants, effective immediately.

The December Private Placement closed on January 4, 2024. The net proceeds to the Company from the December Private Placement were approximately $ 5.5 million, after deducting placement agent fees and expenses and estimated offering expenses payable by the Company.

In addition, the Company agreed to pay H.C. Wainwright & Co., LLC ("Wainwright") certain expenses and issued to Wainwright or its designees warrants (the "December Placement Agent Warrants") to purchase up to an aggregate of 1,856 shares of Common Stock at an exercise price equal to $ 242.50 per share. The December Placement Agent Warrants are exercisable immediately upon issuance and have a term of exercise equal to three years from the date of issuance.

May Private Placement

On May 2, 2024, the Company entered into a Securities Purchase Agreement (the "May PIPE Purchase Agreement") with certain accredited investors, pursuant to which the Company agreed to issue and sell to such investors in a private placement (the "Private Placement") (i) an aggregate of 4,186 shares of the Company's Series C-1 Convertible Preferred Stock (the "Series C-1 Convertible Preferred Stock"), (ii) an aggregate of 4,186 shares of the Company's Series D-1 Preferred Stock (the "Series D-1 Preferred Stock"), and (iii) warrants (the "May PIPE Warrants") to purchase up to an aggregate of 40,328 shares of the Company's common stock.

The May PIPE Warrants are exercisable commencing nine months following the initial issuance date at an initial exercise price of $ 98.80 per share and expire five years from the date of issuance.

On May 2, 2024, in connection with the Purchase Agreement, the Company entered into a Registration Rights Agreement with the investors (the "May PIPE Registration Rights Agreement"), pursuant to which the Company agreed to prepare and file with the Securities and Exchange Commission (the "SEC") a registration statement on Form S-3 (the "May PIPE Registration Statement") covering the resale of the shares of the Company's common stock, par value $0.001 (the "Common Stock") issuable upon conversion of the Series C-1 Convertible Preferred Stock (the "Conversion Shares") and upon exercise of the May PIPE Warrants (the "May PIPE Warrant Shares") (i) on the later of (x) the 30th calendar day after the closing date, or (y) the 2nd business day following the Stockholder Approval Date (as defined in the May PIPE Purchase Agreement), with respect to the initial registration statement and (ii) on the date on which the Company is required to file any additional May PIPE Registration Statement pursuant to the terms of the May PIPE Registration Rights Agreement with respect to any additional Registration Statements that may be required to be filed by the Company (the "Filing Deadline"). Pursuant to the Registration Rights Agreement, the Company is required to have the initial May PIPE Registration Statement declared effective by the SEC on the earlier of (x) the 60th calendar day after the Filing Deadline (or the 90th calendar day after the Filing Deadline if subject to a full review by the SEC), and (y) the 2nd business day after the date the Company is notified by the SEC that such May PIPE Registration Statement will not be reviewed. In the event that the Company fails to file the May PIPE Registration Statement by the Filing Deadline, have it declared effective by the Effectiveness Deadline, or the prospectus contained therein is not available for use or the investor is not otherwise able to sell its May PIPE Warrant Shares pursuant to Rule 144, the Company shall be required to pay the investor an amount equal to 2% of such investor's Purchase Price (as defined in the May PIPE Purchase Agreement) on the date of such failure and on every thirty date anniversary until such failure is cured.

In connection with the Private Placement, the Sixth Borough Note (Note 7) was converted into Series C-1 Convertible Preferred Stock.

The Private Placement closed on May 6, 2024. The gross proceeds from the Private Placement were approximately $ 4.2 million, prior to deducting the placement agent's fees and other offering expenses payable by the Company. The Company used $1.0 million of the net proceeds to fund certain obligations under its merger agreement with Evofem Biosciences, Inc. and the remainder of the net proceeds from the offering for working capital and other general corporate purposes.

Dawson James Securities ("Dawson James") served as the Company's exclusive placement agent in connection with the Private Placement, pursuant to that certain engagement letter, dated as of May 2, 2024, between the Company and Dawson James (the "Engagement Letter"). Pursuant to the Engagement Letter, the Company paid Dawson James (i) a total cash fee equal to 7% of the aggregate gross proceeds of the Private Placement. In addition, the Company agreed to pay Dawson James certain expenses and issued to Dawson James or its designees warrants of 80,653 (the "May PIPE Placement Agent Warrants") to purchase 5% of the number of securities sold in the Private Placement. The May PIPE Placement Agent Warrants are exercisable at an exercise price of $ 129.75 per share commencing nine months following issuance and have a term of exercise equal to five years from the date of issuance. Per the May PIPE Placement Agent Warrant agreement, the exercise price of the May PIPE Placement Agent Warrants was reset to $20.76.

May Senior Notes

On May 24, 2024, the Company entered into the May Senior Notes. The May Senior Notes had an original issuance discount of $ 211,382. The notes have a maturity date of August 22, 2024 and an interest rate of 14% per annum. There were also 8,212 share of the Company's common stock issued to the holders of the notes as part of this transaction. As of September 30, 2024, there was $ 819,716 in principal outstanding on these notes. (See Note 7 & 12)

July Senior Notes

On July 9, 2024 and July 12, 2024, the Company entered into, collectively, the July Senior Notes. The July Senior Notes had a principal amount of $ 1,500,000 an original issuance discount of $300,000. The notes have a maturity date of October 7, 2024 and an interest rate of 14% per annum. In connection with the issuance of the July Note, the Company issued the July Note Purchasers a warrant (the "July Note Warrant") to purchase up to 31,250 shares of the Company's common stock (the "July Note Warrant Shares"). Pursuant to the July Note Purchase Agreement, the Company also agreed to file a registration statement with the SEC covering the resale of the Warrant Shares as soon as practicable following notice from an investor, and to cause such registration statement to become effective within 60 days following the filing thereof. The July Note Warrant is exercisable following Stockholder Approval (as defined in the Purchase Agreement) at an initial exercise price of $59.60 for a term of five years.

If and whenever on or after the Subscription Date (as defined in the July Note Warrant) the Company grants, issues or sells (or enters into any agreement to grant, issue or sell), is deemed to have granted, issued or sold, any shares of Common Stock for a consideration per share (the "New Issuance Price") less than a price equal to the exercise price in effect immediately prior to such granting, issuance or sale or deemed granting, issuance or sale (the foregoing a "Dilutive Issuance"), then, immediately after such Dilutive Issuance, the exercise price then in effect shall be reduced to an amount equal to the New Issuance Price.

In connection with the issuance of the July Note, the Company issued the July Note Warrant to purchase up to 43,750 shares of the Company's common stock. The initial exercise price is $ 63.28. As of September 30, 2024, there was $1,500,000 in principal outstanding on these notes. (See Note 7 & 12)

Registered Direct Offering

On August 8, 2024, the Company entered into a securities purchase agreement (the "Registered Direct Purchase Agreement") with certain institutional investors, pursuant to which the Company agreed to sell to such investors 4,700 shares (the "Registered Direct Shares") of common stock of the Company (the "Common Stock"), pre-funded warrants (the "Registered Direct Pre-Funded Warrants") to purchase up to 23,555 shares of Common Stock of the Company (the "Registered Direct Pre-Funded Warrant Shares"), having an exercise price of $ 0.04 per share, at a purchase price of $42.40 per share of Common Stock and a purchase price of $42.36 per Registered Direct Pre-Funded Warrant (the "Registered Direct Offering"). The shares of Common Stock and Registered Direct Pre-Funded Warrants (and shares of common stock underlying the Registered Direct Pre-Funded Warrants) were offered by the Company pursuant to its shelf registration statement on Form S-3 (File No. 333-280757), which was declared effective by the Securities and Exchange Commission on August 6, 2024.

The closing of the sales of these securities under the Registered Direct Purchase Agreement took place on August 9, 2024. The gross proceeds from the offering were approximately $ 1.2 million, prior to deducting placement agent's fees and other offering expenses payable by the Company. The Company used $500,000 of the net proceeds from the offering to fund certain obligations under its Amended and Restated Merger agreement with Evofem Biosciences, Inc and the remainder for working capital and other general corporate purposes.

Preferred Stock

The Company is authorized to issue 3,000,000 shares of preferred stock, par value $ 0.001 per share. There were 43,967 and 24,905 shares of preferred stock outstanding as of September 30, 2024 and December 31, 2023, respectively.

All series of the Company's convertible preferred stock include alternate conversion provisions. The Company's convertible preferred stock also contains floor pricing provisions; the Company has the discretion to issue shares below the floor price.

Aditxt Preferred Share Class	Quantity Issued and Outstanding as of September 30, 2024	Standard Conversion Common Stock Equivalent	Liquidation Amount
Series A Preferred Stock	-	-	$ -
Series A-1 Convertible Preferred Stock	22,071	621,357	27,588,230
Series B Preferred Stock	-	-	-
Series B-1 Convertible Preferred Stock	4,232	74,877	3,040,000
Series B-2 Convertible Preferred Stock	2,625	69,666	3,281,250
Series C Preferred Stock	-	-	-
Series C-1 Convertible Preferred Stock	10,853	104,557	13,566,250
Series D-1 Preferred Stock	4,186	-	-
Total Aditxt Preferred Shares Outstanding	43,967	870,457	$ 47,475,730

Issuance of Series A-1 Convertible Preferred Stock:

On December 11, 2023 (the "Execution Date"), the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") with Adicure, Inc., a Delaware corporation and wholly owned subsidiary of the Company ("Merger Sub") and Evofem Biosciences, Inc., a Delaware corporation ("Evofem"), pursuant to which, Merger Sub will be merged into and with Evofem (the "Merger"), with Evofem surviving the Merger as a wholly owned subsidiary of the Company.

Subject to the terms and conditions set forth in the Merger Agreement, at the effective time of the Merger (the "Effective Time"), (i) all issued and outstanding shares of common stock, par value $ 0.0001 per share of Evofem ("Evofem Common Stock"), other than any shares of Evofem Common Stock held by the Company or Merger Sub immediately prior to the Effective Time, will be converted into the right to receive an aggregate of 15,250 shares of the Company's common stock, par value $ 0.001 per share ("Company Common Stock"); and (ii) all issued and outstanding shares of Series E-1 Preferred Stock, par value $0.0001 of Evofem (the "Evofem Unconverted Preferred Stock"), other than any shares of Evofem Unconverted Preferred Stock held by the Company or Merger Sub immediately prior to the Effective Time, will be converted into the right to receive an aggregate of 2,327 shares of Series A-1 Convertible Preferred Stock, par value $ 0.001 of the Company (the "Company Preferred Stock"), having such rights, powers, and preferences set forth in the form of Certificate of Designation of Series A-1 Convertible Preferred Stock. See Series A-1 Convertible Preferred Stock certificate of designation incorporated by reference to this document.

On December 22, 2023, the Company entered into an Exchange Agreement (the "Exchange Agreement") with the holders (the "Holders") of an aggregate of 22,280 shares of Series F-1 Convertible Preferred Stock of Evofem (the "Evofem Series F-1 Preferred Stock") agreed to exchange their respective shares of Evofem Series F-1 Preferred Stock for an aggregate of 22,280 shares of a new series of convertible preferred stock of the Company designated as Series A-1 Convertible Preferred Stock, $0.001 par value, (the "Series A-1 Convertible Preferred Stock").

The following is only a summary of the Series A-1 Certificate of Designations, and is qualified in its entirety by reference to the full text of the Series A-1 Certificate of Designations, a copy of which is filed as Exhibit 3.1 to our Current Report on Form 8-K filed on December 26, 2023 and is incorporated by reference herein.

Designation, Amount, and Par Value: The number of Series A-1 Convertible Preferred Stock designated is 22,280 shares. The shares of Series A-1 Convertible Preferred Stock have a par value of $ 0.001 per share and a stated value of $1,000 per share.

Conversion Price: The Series A-1 Convertible Preferred Stock will be convertible into shares of Common Stock at an initial conversion price of $ 177.60 (subject to adjustment pursuant to the Series A-1 Certificate of Designations) (the "Conversion Price"). The Certificate of Designations also provides that in the event of certain Triggering Events (as defined below) any holder may, at any time, convert any or all of such holder's Series A-1 Convertible Preferred Stock at an alternate conversion rate equal to the product of (i) the Alternate Conversion Price (as defined below) and (ii) the quotient of (x) the 25% redemption premium multiplied by (y) the amount of Series A-1 Convertible Preferred Stock subject to such conversion. "Triggering Events" include, among others, (i) a suspension of trading or the failure to be traded or listed on an eligible market for five consecutive days or more, (ii) the failure to remove restrictive legends when required, (iii) the Company's default in payment of indebtedness in an aggregate amount of $500,000 or more (the Company is currently in default for payments greater than $ 500,000), (iv) proceedings for a bankruptcy, insolvency, reorganization or liquidation, which are not dismissed with 30 days, (v) commencement of a voluntary bankruptcy proceeding, and (viii) final judgments against the Company for the payment of money in excess of $100,000. "Alternate Conversion Price" means the lowest of (i) the applicable conversion price the in effect, (ii) the greater of (x) $35.52 (the "Floor Price") and (y) 80% of the volume weighted average price ("VWAP") of the Common Stock on the trading day immediately preceding the delivery of the applicable conversion notice. Further, the Series A-1 Certificate of Designations provides that if on any of the 90th and 180th day after each of the occurrence of any Stock Combination Event (as defined in the Series A-1 Certificate of Designations) and the Applicable Date (as defined in the Series A-1 Certificate of Designations), the conversion price then in effect is greater than the market price then in effect (the "Adjustment Price"), on such date then the conversion price shall automatically lower to the Adjustment Price.

Dividends: Holders of the Series A-1 Convertible Preferred Stock shall be entitled to receive dividends when and as declared by the Board, from time to time, in its sole discretion, which Dividends shall be paid by the Company out of funds legally available therefor, payable, subject to the conditions and other terms hereof, in cash, in securities of the Company or any other entity, or using assets as determined by the Board on the Stated Value of such Preferred Share.

Liquidation: In the event of a Liquidation Event (as defined in the Series A-1 Certificate of Designation), the holders the Series A-1 Convertible Preferred Stock shall be entitled to receive in cash out of the assets of the Company, before any amount shall be paid to the holders of any other shares of capital stock of the Company, equal to the greater of (A) 125% of the Conversion Amount (as defined in the Series A-1 Certificate of Designation) on the date of such payment and (B) the amount per share such holder of Series A-1 Convertible Preferred Stock would receive if they converted such share of Series A-1 Convertible Preferred Stock into Common Stock immediately prior to the date of such payment

Company Redemption: The Company may redeem all, or any portion, of the Series A-1 Convertible Preferred Stock for cash, at a price per share of Series A-1 Convertible Preferred Stock equal to 115% of the greater of (i) the Conversion Amount (as defined in the Series A-1 Certificate of Designation)being redeemed as of the Company Optional Redemption Date (as defined in the Series A-1 Certificate of Designation) and (ii) the product of (1) the Conversion Rate (as defined in the Series A-1 Certificate of Designation) with respect to the Conversion Amount being redeemed as of the Company Optional Redemption Date multiplied by (2) the greatest Closing Sale Price (as defined in the Certificate of Designation) of the Common Stock on any Trading Day during the period commencing on the date immediately preceding such Company Optional Redemption Notice Date (as defined in the Certificate of Designation) and ending on the Trading Day immediately prior to the date the Company makes the entire payment required to be made under the Certification of Designation.

Maximum Percentage: Holders of Series A-1 Convertible Preferred Stock are prohibited from converting shares of Series A-1 Convertible Preferred Stock into shares of Common Stock if, as a result of such conversion, such holder, together with its affiliates, would beneficially own in excess of 4.99% (the "Maximum Percentage") of the total number of shares of Common Stock issued and outstanding immediately after giving effect to such conversion.

Voting Rights: The holders of the Series A-1 Convertible Preferred Stock shall have no voting power and no right to vote on any matter at any time, either as a separate series or class or together with any other series or class of share of capital stock, and shall not be entitled to call a meeting of such holders for any purpose nor shall they be entitled to participate in any meeting of the holders of Common Stock, except as expressly provided in the Certificate of Designations and where required by the DGCL.

Conversion of A-1 Preferred Stock

For the nine months ended September 30, 2024, approximately 209 shares of Series A-1 Convertible Preferred Stock have been converted into 6,477 shares of the Company's common stock. The approximately 209 shares of Series A-1 Convertible Preferred Stock were converted per the certificate of designation under an alternate conversion method, inclusive of the additional 50% premium of the conversion amount, due to the previously disclosed default on the LS Biotech Eight, LLC lease.

Issuance of Series B Preferred Stock:

On July 19, 2022, the Company entered into a Subscription and Investment Representation Agreement with its Chief Executive Officer (the "Purchaser"), pursuant to which the Company agreed to issue and sell one (1) share of the Company's Series B Preferred Stock (the "Preferred Stock"), par value $0.001 per share, to the Purchaser for $20,000 in cash.

On July 19, 2022, the Company filed a certificate of designation (the "Certificate of Designation") with the Secretary of State of Delaware, effective as of the time of filing, designating the rights, preferences, privileges and restrictions of the share of Preferred Stock. The Certificate of Designation provides that the share of Preferred Stock will have 250,000,000 votes and will vote together with the outstanding shares of the Company's common stock as a single class exclusively with respect to any proposal to amend the Company's Restated Certificate of Incorporation to effect a reverse stock split of the Company's common stock. The Preferred Stock will be voted, without action by the holder, on any such proposal in the same proportion as shares of common stock are voted. The Preferred Stock otherwise has no voting rights except as otherwise required by the General Corporation Law of the State of Delaware.

The Preferred Stock is not convertible into, or exchangeable for, shares of any other class or series of stock or other securities of the Company. The Preferred Stock has no rights with respect to any distribution of assets of the Company, including upon a liquidation, bankruptcy, reorganization, merger, acquisition, sale, dissolution or winding up of the Company, whether voluntarily or involuntarily. The holder of the Preferred Stock will not be entitled to receive dividends of any kind. See Series B Preferred Stock certificate of designation incorporated by reference to this document.

The outstanding share of Preferred Stock shall be redeemed in whole, but not in part, at any time (i) if such redemption is ordered by the Board of Directors in its sole discretion or (ii) automatically upon the effectiveness of the amendment to the Certificate of Incorporation implementing a reverse stock split. Upon such redemption, the holder of the Preferred Stock will receive consideration of $20,000 in cash.

Redemption of Series B Preferred Stock

On October 7, 2022, the Company paid $20,000 in consideration for the one share of Preferred Stock which was redeemed on September 13, 2022.

Series B-1 Convertible Preferred Stock Certificate of Designation

On January 24, 2024, the Company filed a Certificate of Designations for its Series B-1 Convertible Preferred Stock with the Secretary of State of Delaware (the "Series B-1 Certificate of Designations"). The following is only a summary of the Series B-1 Certificate of Designations, and is qualified in its entirety by reference to the full text of the Series B-1 Certificate of Designations, a copy of which is filed as Exhibit 3.1 to a Current Report on Form 8-K and is incorporated by reference herein.

Designation, Amount, and Par Value: The number of Series B-1 Convertible Preferred Stock designated is 6,000 shares. The shares of Series B-1 Convertible Preferred Stock have a par value of $ 0.001 per share and a stated value of $1,000 per share.

Conversion Price: The Series B-1 Convertible Preferred Stock will be convertible into shares of Common Stock at an initial conversion price of $ 162.40 (subject to adjustment pursuant to the Series B-1 Certificate of Designations) (the "Conversion Price"). The Series B-1 Certificate of Designations also provides that in the event of certain Triggering Events (as defined below) any holder may, at any time, convert any or all of such holder's Series B-1 Convertible Preferred Stock at an alternate conversion rate equal to the product of (i) the Alternate Conversion Price (as defined below) and (ii) the quotient of (x) the 125% redemption premium multiplied by (y) the amount of Series B-1 Convertible Preferred Stock subject to such conversion. "Triggering Events" include, among others, (i) a suspension of trading or the failure to be traded or listed on an eligible market for five consecutive days or more, (ii) the failure to remove restrictive legends when required, (iii) the Company's default in payment of indebtedness in an aggregate amount of $500,000 or more, (iv) proceedings for a bankruptcy, insolvency, reorganization or liquidation, which are not dismissed with 30 days, (v) commencement of a voluntary bankruptcy proceeding, and (viii) final judgments against the Company for the payment of money in excess of $500,000. "Alternate Conversion Price" means the lowest of (i) the applicable conversion price the in effect, (ii) the greater of (x) $37.68 (the "Floor Price") and (y) 80% of the lowest volume weighted average price ("VWAP") of the Common Stock during the five consecutive trading day period ending and including

the trading day immediately preceding the delivery of the applicable conversion notice. Further, the Series B-1 Certificate of Designations provides that if on any of the 90th and 180th day after each of the occurrence of any Stock Combination Event (as defined in the Series B-1 Certificate of Designations) and the Applicable Date (as defined in the Series B-1 Certificate of Designations), the conversion price then in effect is greater than the market price then in effect (the "Adjustment Price"), on such date then the conversion price shall automatically lower to the Adjustment Price.

Dividends: Holders of the Series B-1 Convertible Preferred Stock shall be entitled to receive dividends when and as declared by the Board, from time to time, in its sole discretion, which Dividends shall be paid by the Company out of funds legally available therefor, payable, subject to the conditions and other terms hereof, in cash, in securities of the Company or any other entity, or using assets as determined by the Board on the Stated Value of such Preferred Share.

Liquidation: In the event of a Liquidation Event (as defined in the Series B-1 Certificate of Designations), the holders the Series B-1 Convertible Preferred Stock shall be entitled to receive in cash out of the assets of the Company, before any amount shall be paid to the holders of any other shares of capital stock of the Company, equal to the greater of (A) 125% of the Conversion Amount (as defined in the Series B-1 Certificate of Designation) on the date of such payment and (B) the amount per share such holder of Series B-1 Convertible Preferred Stock would receive if they converted such share of Series B-1 Convertible Preferred Stock into Common Stock immediately prior to the date of such payment.

Company Redemption: The Company may redeem all, or any portion, of the Series B-1 Convertible Preferred Stock for cash, at a price per share of Series B-1 Convertible Preferred Stock equal to 115% of the greater of (i) the Conversion Amount (as defined in the Series B-1 Certificate of Designations) being redeemed as of the Company Optional Redemption Date (as defined in the Series B-1 Certificate of Designations) and (ii) the product of (1) the Conversion Rate (as defined in the Series B-1 Certificate of Designations) with respect to the Conversion Amount being redeemed as of the Company Optional Redemption Date multiplied by (2) the greatest Closing Sale Price (as defined in the Series B-1 Certificate of Designations) of the Common Stock on any Trading Day during the period commencing on the date immediately preceding such Company Optional Redemption Notice Date (as defined in the Series B-1 Certificate of Designations) and ending on the Trading Day immediately prior to the date the Company makes the entire payment required to be made under the Certification of Designation.

Maximum Percentage: Holders of Series B-1 Convertible Preferred Stock are prohibited from converting shares of Series B-1 Convertible Preferred Stock into shares of Common Stock if, as a result of such conversion, such holder, together with its affiliates, would beneficially own in excess of 4.99% (the "Maximum Percentage") of the total number of shares of Common Stock issued and outstanding immediately after giving effect to such conversion.

Voting Rights: The holders of the Series B-1 Convertible Preferred Stock shall have no voting power and no right to vote on any matter at any time, either as a separate series or class or together with any other series or class of share of capital stock, and shall not be entitled to call a meeting of such holders for any purpose nor shall they be entitled to participate in any meeting of the holders of Common Stock, except as expressly provided in the Series B-1 Certificate of Designations and where required by the DGCL.

Conversion of Series B-1 Convertible Preferred Stock

For the nine months ended September 30, 2024, 1,768 Series B-1 Preferred Stock have been converted into 175,868 shares of the Company's common stock. The 1,768 shares of Series B-1 Convertible Preferred Stock were converted per the certificate of designation, under an alternate conversion method, inclusive of the additional 50% premium of the conversion amount, due to the previously disclosed default on the LS Biotech Eight, LLC lease. The Company also waived the floor price and issued common shares below the floor price,

Issuance of Series B-2 Convertible Preferred Stock:

On December 29, 2023, the Company entered into an Exchange Agreement (the "Note Exchange Agreement") with the Noteholder, pursuant to which the Noteholder agreed, subject to the terms and conditions set forth therein, to exchange the Note, including all accrued but unpaid interest thereon, for an aggregate of 2,625 shares of a new series of convertible preferred stock of the Company, designated as Series B-2 Convertible Preferred Stock, $0.001 par value (the "Series B-2 Convertible Preferred Stock"). See Series B-2 Convertible Preferred Stock certificate of designation incorporated by reference to this document.

The following is only a summary of the Series B-2 Certificate of Designations, and is qualified in its entirety by reference to the full text of the Series B-2 Certificate of Designations, a copy of which is filed as an exhibit to our Current Report on Form 8-K filed with the SEC on January 2, 2024.

Designation, Amount, and Par Value: The number of Series B-2 Convertible Preferred Stock designated is 2,625 shares. The shares of Series B-2 Convertible Preferred Stock have a par value of $ 0.001 per share and a stated value of $1,000 per share.

Conversion Price: The Series B-2 Convertible Preferred Stock will be convertible into shares of Common Stock at an initial conversion price of $ 188.40 (subject to adjustment pursuant to the Series B-2 Certificate of Designations) (the "Conversion Price"). The Series B-2 Certificate of Designations also provides that in the event of certain Triggering Events (as defined below) any holder may, at any time, convert any or all of such holder's Series B-2 Convertible Preferred Stock at an alternate conversion rate equal to the product of (i) the Alternate Conversion Price (as defined below) and (ii) the quotient of (x) the 125% redemption premium multiplied by (y) the amount of Series B-2 Convertible Preferred Stock subject to such conversion. "Triggering Events" include, among others, (i) a suspension of trading or the failure to be traded or listed on an eligible market for five consecutive days or more, (ii) the failure to remove restrictive legends when required, (iii) the Company's default in payment of indebtedness in an aggregate amount of $500,000 or more(the Company is currently in default for payments greater than $ 500,000), (iv) proceedings for a bankruptcy, insolvency, reorganization or liquidation, which are not dismissed with 30 days, (v) commencement of a voluntary bankruptcy proceeding, and (viii) final judgments against the Company for the payment of money in excess of $500,000. "Alternate Conversion Price" means the lowest of (i) the applicable conversion price the in effect, (ii) the greater of (x) $37.68 (the "Floor Price") and (y) 80% of the lowest volume weighted average price ("VWAP") of the Common Stock during the five consecutive trading day period ending and including the trading day immediately preceding the delivery of the applicable conversion notice. Further, the Series B-2 Certificate of Designations provides that if on any of the 90th and 180th day after each of the occurrence of any Stock Combination Event (as defined in the Series B-2 Certificate of Designations) and the Applicable Date (as defined in the Series B-2 Certificate of Designations), the conversion price then in effect is greater than the market price then in effect (the "Adjustment Price"), on such date then the conversion price shall automatically lower to the Adjustment Price.

Dividends: Holders of the Series B-2 Convertible Preferred Stock shall be entitled to receive dividends when and as declared by the Board, from time to time, in its sole discretion, which Dividends shall be paid by the Company out of funds legally available therefor, payable, subject to the conditions and other terms hereof, in cash, in securities of the Company or any other entity, or using assets as determined by the Board on the Stated Value of such Preferred Share.

Liquidation: In the event of a Liquidation Event (as defined in the Series B-2 Certificate of Designations), the holders the Series B-2 Convertible Preferred Stock shall be entitled to receive in cash out of the assets of the Company, before any amount shall be paid to the holders of any other shares of capital stock of the Company, equal to the greater of (A) 125% of the Conversion Amount (as defined in the Series B-2 Certificate of Designation) on the date of such payment and (B) the amount per share such holder of Series B-2 Convertible Preferred Stock would receive if they converted such share of Series B-2 Convertible Preferred Stock into Common Stock immediately prior to the date of such payment.

Company Redemption: The Company may redeem all, or any portion, of the Series B-2 Convertible Preferred Stock for cash, at a price per share of Series B-2 Convertible Preferred Stock equal to 115% of the greater of (i) the Conversion Amount (as defined in the Series B-2 Certificate of Designations) being redeemed as of the Company Optional Redemption Date (as defined in the Series B-2 Certificate of Designations) and (ii) the product of (1) the Conversion Rate (as defined in the Series B-2 Certificate of Designations) with respect to the Conversion Amount being redeemed as of the Company Optional Redemption Date multiplied by (2) the greatest Closing Sale Price (as defined in the Series B-2 Certificate of Designations) of the Common Stock on any Trading Day during the period commencing on the date immediately preceding such Company Optional Redemption Notice Date (as defined in the Series B-2 Certificate of Designations) and ending on the Trading Day immediately prior to the date the Company makes the entire payment required to be made under the Certification of Designation.

Maximum Percentage: Holders of Series B-2 Convertible Preferred Stock are prohibited from converting shares of Series B-2 Convertible Preferred Stock into shares of Common Stock if, as a result of such conversion, such holder, together with its affiliates, would beneficially own in excess of 4.99% (the "Maximum Percentage") of the total number of shares of Common Stock issued and outstanding immediately after giving effect to such conversion.

Voting Rights: The holders of the Series B-2 Convertible Preferred Stock shall have no voting power and no right to vote on any matter at any time, either as a separate series or class or together with any other series or class of share of capital stock, and shall not be entitled to call a meeting of such holders for any purpose nor shall they be entitled to participate in any meeting of the holders of Common Stock, except as expressly provided in the Series B-2 Certificate of Designations and where required by the DGCL.

Series C Preferred Stock

On July 11, 2023, the Company filed a certificate of designation (the "Certificate of Designation") with the Secretary of State of Delaware, effective as of the time of filing, designating the rights, preferences, privileges and restrictions of the share of Preferred Stock. The Certificate of Designation provides that the share of Preferred Stock will have 250,000,000 votes and will vote together with the outstanding shares of the Company's common stock as a single class exclusively with respect to any proposal to amend the Company's Amended and Restated Certificate of Incorporation to effect a reverse stock split of the Company's common stock. The Preferred Stock will be voted, without action by the holder, on any such proposal in the same proportion as shares of common stock are voted. The Preferred Stock otherwise has no voting rights except as otherwise required by the General Corporation Law of the State of Delaware.

The Preferred Stock is not convertible into, or exchangeable for, shares of any other class or series of stock or other securities of the Company. The Preferred Stock has no rights with respect to any distribution of assets of the Company, including upon a liquidation, bankruptcy, reorganization, merger, acquisition, sale, dissolution or winding up of the Company, whether voluntarily or involuntarily. The holder of the Preferred Stock will not be entitled to receive dividends of any kind.

The outstanding share of Preferred Stock shall be redeemed in whole, but not in part, at any time (i) if such redemption is ordered by the Board of Directors in its sole discretion or (ii) automatically upon the effectiveness of the amendment to the Certificate of Incorporation implementing a reverse stock split. Upon such redemption, the holder of the Preferred Stock will receive consideration of $1,000 in cash. As of December 31, 2023, the share has been redeemed and the consideration has been paid.

On July 11, 2023, the Company entered into a Subscription and Investment Representation Agreement (the "Subscription Agreement") with Amro Albanna, its Chief Executive Officer, who is an accredited investor (the "Purchaser"), pursuant to which the Company agreed to issue and sell one (1) share of the Company's Series C Preferred Stock, par value $ 0.001 per share (the "Preferred Stock"), to the Purchaser for $1,000 in cash. The sale closed on July 11, 2023. The Subscription Agreement contains customary representations and warranties and certain indemnification rights and obligations of the parties. See Series C Preferred Stock certificate of designation incorporated by reference to this document. On August 17, 2023, the share was redeemed.

Series C-1 Convertible Preferred Stock Certificate of Designation

On May 2, 2024, the Company filed a Certificate of Designation for its Series C-1 Convertible Preferred Stock with the Secretary of State of Delaware (the "Series C-1 Certificate of Designations"). The following is only a summary of the Series C-1 Certificate of Designations, and is qualified in its entirety by reference to the full text of the Series C-1 Certificate of Designations.

Designation, Amount, and Par Value. The number of Series C-1 Convertible Preferred Stock designated is 10,853 shares. The shares of Series C-1 Convertible Preferred Stock have a par value of $ 0.001 per share and a stated value of $1,000 per share.

Conversion Price: The Series C-1 Convertible Preferred Stock will be convertible into shares of Common Stock at an initial conversion price of $ 103.80 (subject to adjustment pursuant to the Series C-1 Certificate of Designations) (the "Series C-1 Conversion Price"). The Series C-1 Certificate of Designations also provides that in the event of certain Triggering Events (as defined below) any holder may, at any time, convert any or all of such holder's Series C-1 Convertible Preferred Stock at an alternate conversion rate equal to the product of (i) the Alternate Conversion Price (as defined below) and (ii) the quotient of (x) the 25% redemption premium multiplied by (y) the amount of Series C-1 Convertible Preferred Stock subject to such conversion. "Triggering Events" include, among others, (i) a suspension of trading or the failure to be traded or listed on an eligible market for five consecutive days or more, (ii) the failure to remove restrictive legends when required, (iii) the Company's default in payment of indebtedness in an aggregate amount of $500,000 or more, (iv) proceedings for a bankruptcy, insolvency, reorganization or liquidation, which are not dismissed with 30 days, (v) commencement of a voluntary bankruptcy proceeding, and (viii) final judgments against the Company for the payment of money in excess of $500,000. "Alternate Conversion Price" means the lowest of (i) the applicable conversion price the in effect, (ii) the greater of (x) $20.76 (the "Floor Price") and (y) 80% of the volume weighted average price ("VWAP") of the Common Stock on the trading day immediately preceding the delivery of the applicable conversion notice. Further, the Series C-1 Certificate of Designations provides that if on any of the 90th and 180th day after each of the occurrence of any Stock Combination Event (as defined in the Series C-1 Certificate of Designations) and the Applicable Date (as defined in the Series C-1 Certificate of Designations), the conversion price then in effect is greater than the market price then in effect (the "Adjustment Price"), on such date then the conversion price shall automatically lower to the Adjustment Price.

Dividends: Holders of the Series C-1 Convertible Preferred Stock shall be entitled to receive dividends when and as declared by the Board, from time to time, in its sole discretion, which Dividends shall be paid by the Company out of funds legally available therefor, payable, subject to the conditions and other terms hereof, in cash, in securities of the Company or any other entity, or using assets as determined by the Board on the Stated Value of such Preferred Share.

Liquidation: In the event of a Liquidation Event (as defined in the Series C-1 Certificate of Designation), the holders the Series C-1 Convertible Preferred Stock shall be entitled to receive in cash out of the assets of the Company, before any amount shall be paid to the holders of any other shares of capital stock of the Company, equal to the greater of (A) 125% of the Conversion Amount (as defined in the Series C-1 Certificate of Designation) on the date of such payment and (B) the amount per share such holder of Series C-1 Convertible Preferred Stock would receive if they converted such share of Series C-1 Convertible Preferred Stock into Common Stock immediately prior to the date of such payment

Company Redemption: The Company may redeem all, or any portion, of the Series C-1 Convertible Preferred Stock for cash, at a price per share of Series C-1 Convertible Preferred Stock equal to 115% of the greater of (i) the Conversion Amount (as defined in the Series C-1 Certificate of Designations) being redeemed as of the Company Optional Redemption Date (as defined in the Series C-1 Certificate of Designation) and (ii) the product of (1) the Conversion Rate (as defined in the Series C-1 Certificate of Designation) with respect to the Conversion Amount being redeemed as of the Company Optional Redemption Date multiplied by (2) the greatest Closing Sale Price (as defined in the Certificate of Designation) of the Common Stock on any Trading Day during the period commencing on the date immediately preceding such Company Optional Redemption Notice Date (as defined in the Certificate of Designation) and ending on the Trading Day immediately prior to the date the Company makes the entire payment required to be made under the Certification of Designation.

Maximum Percentage: Holders of Series C-1 Convertible Preferred Stock are prohibited from converting shares of Series C-1 Convertible Preferred Stock into shares of Common Stock if, as a result of such conversion, such holder, together with its affiliates, would beneficially own in excess of 4.99% (the "Maximum Percentage") of the total number of shares of Common Stock issued and outstanding immediately after giving effect to such conversion.

Voting Rights. The holders of the Series C-1 Convertible Preferred Stock shall have no voting power and no right to vote on any matter at any time, either as a separate series or class or together with any other series or class of share of capital stock, and shall not be entitled to call a meeting of such holders for any purpose nor shall they be entitled to participate in any meeting of the holders of Common Stock, except as expressly provided in the Certificate of Designations and where required by the General Corporation Law of the State of Delaware (the "DGCL"). See Note 7 for additional disclosure regarding the 2024 Letter Agreement. See Note 12 for redemptions.

Exchange Agreement

On August 7, 2024, the Company entered into a Securities Exchange Agreement with the Holder (the "August Exchange Agreement"), pursuant to which the Company agreed to exchange the certain pre-funded warrants and common stock for: (i) an aggregate of 6,667 shares of the Company's Series C-1 Convertible Preferred Stock, par value $ 0.001 per share and (ii) warrants to purchase 64,230 shares of the Company's Common Stock at an exercise price of $59.60 per share for a term of five years (the "August Warrants"). See Note 7 for additional disclosure regarding the 2024 Letter Agreement.

Series D-1 Preferred Stock Certificate of Designation

On May 2, 2024, the Company filed a Certificate of Designation for its Series D-1 Preferred Stock with the Secretary of State of Delaware (the "Series D-1 Certificate of Designations"). The following is only a summary of the Series D-1 Certificate of Designations, and is qualified in its entirety by reference to the full text of the Series D-1 Certificate of Designations, a copy of which is filed as Exhibit 3.1 to a Current Report on Form 8-K and is incorporated by reference herein.

The Series D-1 Certificate of Designations provides that the share of Preferred Stock will have 418,600,000 votes and will vote together with the outstanding shares of the Company's Common Stock as a single class exclusively with respect to any proposal to amend the Company's Amended and Restated Certificate of Incorporation to increase the number of shares of Common Stock that the Company is authorized to issue. The Series D-1Preferred Stock will be voted, without action by the holder, on any such proposal in the same proportion as shares of the Company's Common Stock are voted. The Series D-1 Preferred Stock otherwise has no voting rights except as otherwise required by the DGCL.

The Series D-1 Preferred Stock is not convertible into, or exchangeable for, shares of any other class or series of stock or other securities of the Company. The Series D-1 Preferred Stock has no rights with respect to any distribution of assets of the Company, including upon a liquidation, bankruptcy, reorganization, merger, acquisition, sale, dissolution or winding up of the Company, whether voluntarily or involuntarily. The holders of Series D-1 Preferred Stock will not be entitled to receive dividends of any kind.

The outstanding share of Series D-1 Preferred Stock shall be redeemed in whole, but not in part, at any time (i) if such redemption is ordered by the Board of Directors in its sole discretion or (ii) automatically upon the effectiveness of the amendment to increase the number of shares of Common Stock that the Company is authorized to issue. Upon such redemption, the holder of the Preferred Stock will receive consideration of $0.01 per share in cash.

Stock-Based Compensation

In October 2017, our Board of Directors adopted the Aditx Therapeutics, Inc. 2017 Equity Incentive Plan (the "2017 Plan"). The 2017 Plan provides for the grant of equity awards to directors, employees, and consultants. The Company is authorized to issue up to 2,500,000 shares of our common stock pursuant to awards granted under the 2017 Plan. The 2017 Plan is administered by our Board of Directors, and expires ten years after adoption, unless terminated earlier by the Board of Directors. All shares of our common stock pursuant to awards under the 2017 Plan have been awarded.

On February 24, 2021, our Board of Directors adopted the Aditx Therapeutics, Inc. 2021 Omnibus Equity Incentive Plan (the "2021 Plan"). The 2021 Plan provides for grants of nonqualified stock options, incentive stock options, stock appreciation rights, restricted stock and restricted stock units, and other stock-based awards (collectively, the "Awards"). Eligible recipients of Awards include employees, directors or independent contractors of the Company or any affiliate of the Company. The Compensation Committee of the Board of Directors (the "Committee") administers the 2021 Plan. An amendment to the 2021 Plan was submitted and approved by the Company's stockholders at the 2024 annual meeting of stockholders, increasing the shares of common stock issuable under the plan by 12,500. A total of 14,000 shares of common stock, par value $ 0.001 per share, of the Company may be issued pursuant to Awards granted under the 2021 Plan. The exercise price per share for the shares to be issued pursuant to an exercise of a stock option will be no less than one hundred percent (100%) of the Fair Market Value (as defined in the 2021 Plan) of a share of Common Stock on the date of grant. The 2021 Plan was submitted and approved by the Company's stockholders at the 2021 annual meeting of stockholders, held on May 19, 2021.

During the nine months ended September 30, 2024 and 2023, the Company granted no new options.

The Company recognizes option forfeitures as they occur, as there is insufficient historical data to accurately determine future forfeitures rates.

The following is an analysis of the stock option grant activity under the Plan:

Vested and Nonvested Stock Options	Number	Weighted Average Exercise Price	Weighted Average Remaining Life
Outstanding December 31, 2023	1,172	$ 12,883.85	9.74
Granted	-	-	-
Exercised	-	-	-
Expired or forfeited	-	-	-
Outstanding September 30, 2024	1,172	$ 12,883.85	8.90

Nonvested Stock Options	Number	Weighted-Average Exercise Price
Nonvested on December 31, 2023	-	$ -
Granted	-	-
Vested	-	-
Forfeited	-	-
Nonvested on September 30, 2024	-	$ -

As of September 30, 2024 there were 1,172 exercisable options; these options had a weighted average exercise price $ 12,883.85.

On December 18, 2023, our Board of Directors adopted the Pearsanta, Inc. 2023 Omnibus Equity Incentive Plan (the "Pearsanta 2023 Plan") and the 2023 Parent Service Provider Equity Incentive Plan (the "Pearsanta Parent 2023 Plan"), collectively (the "Pearsanta Plans"). The Pearsanta Plans provides for grants of nonqualified stock options, incentive stock options, stock appreciation rights, restricted stock and restricted stock units, and other stock-based awards (collectively, the "Pearsanta Awards"). Eligible recipients of Pearsanta Awards include employees, directors or independent contractors of the Company or any affiliate of the Company. The Board of Directors administers the Pearsanta Plans. The Pearsanta 2023 Plan consists of a total of 15,000,000 shares of Pearsanta common stock, par value $0.001 per share, which may be issued pursuant to Pearsanta Awards granted under the Pearsanta 2023 Plan. The Pearsanta Parent 2023 Plan consists of a total of 9,320,000 shares of Pearsanta common stock, par value $0.001 per share, which may be issued pursuant to Pearsanta Awards granted under the Pearsanta Parent 2023 Plan. The exercise price per share for the shares to be issued pursuant to an exercise of a stock option will be no less than one hundred percent (100%) of the Fair Market Value (as defined in the Pearsanta Plans) of a share of Common Stock on the date of grant.

During the nine months ended September 30, 2024 and 2023, Pearsanta granted no new options under the Pearsanta 2023 Plan.

The following is an analysis of the stock option grant activity under the Pearsanta Plans:

Vested and Nonvested Stock Options	Number	Weighted Average Exercise Price	Weighted Average Remaining Life
Outstanding December 31, 2023	13,320,000	$ 0.02	9.97
Granted	-	-	-
Exercised	-	-	-
Expired or forfeited	(2,666,000)	0.02	-
Outstanding September 30, 2024	10,654,000	$ 0.02	9.22

Nonvested Stock Options	Number	Weighted-Average Exercise Price
Nonvested on December 31, 2023	4,000,000	$ 0.02
Granted	-	-
Vested	(1,334,000)	0.02
Forfeited	(2,666,000)	0.02
Nonvested on September 30, 2024	-	$ -

As of September 30, 2024, there were 10,654,000 exercisable options; these options had a weighted average exercise price $ 0.02.

The Company recognized stock-based compensation expense related to all options granted and vesting expense of $ 0 during the three months ended September 30, 2024. The Company recognized stock-based compensation expense related to all options granted and vesting expense of $28,668 during the nine months ended September 30, 2024, of which $ 28,668 is included in general and administrative expenses in the accompanying statements of operations. The remaining value to be expensed is $0 as of September 30, 2024. The weighted average vesting term is 0 years as of September 30, 2024.

The Company recognized stock-based compensation expense related to options granted and vesting expense of $ 59,964 during the three months ended September 30, 2023, of which $ 24,429 is included in general and administrative expenses and $35,535 is included in research and development expenses in the accompanying statements of operations. The Company recognized stock-based compensation expense related to options granted and vesting expense of $179,892 during the nine months ended September 30, 2023, of which $ 73,287 is included in general and administrative expenses and $ 106,605 is included in research and development expenses in the accompanying statements of operations.

Warrants

For the nine months ended September 30, 2024, the fair value of each warrant granted was estimated using the assumption and/or factors in the Black-Scholes Model as follows:

Exercise price	$ 5.23
Expected dividend yield	0%
Risk free interest rate	3.97%
Expected life in years	5.0
Expected volatility	219%

The risk-free interest rate assumption for warrants granted is based upon observed interest rates on the United States Government Bond Equivalent Yield appropriate for the expected term of warrants.

The Company determined the expected volatility assumption for warrants granted using the historical volatility of comparable public companies' common stock. The Company will continue to monitor peer companies and other relevant factors used to measure expected volatility for future warrant grants, until such time that the Company's common stock has enough market history to use historical volatility.

The dividend yield assumption for warrants granted is based on the Company's history and expectation of dividend payouts. The Company has never declared nor paid any cash dividends on its common stock, and the Company does not anticipate paying any cash dividends in the foreseeable future.

The Company recognizes warrant forfeitures as they occur, as there is insufficient historical data to accurately determine future forfeitures rates.

A summary of warrant issuances are as follows:

Vested and Nonvested Warrants	Number	Weighted Average Exercise Price	Weighted Average Remaining Life
Outstanding December 31, 2023	126,208	$ 564.40	2.73
Granted	651,817	20.51	4.86
Exercised	(44,472)	27.49	-
Expired or forfeited	(74,544)	34.18	-
Outstanding September 30, 2024	659,009	$ 115.49	5.01

Nonvested Warrants	Number	Weighted-Average Exercise Price
Nonvested on December 31, 2023	-	$ -
Granted	651,817	20.51
Vested	(651,817)	20.51
Forfeited	-	-
Nonvested on September 30, 2024	-	$ -

Warrant Reprice

For the nine months ended September 30, 2024, the Company entered into an amendment to common stock purchase warrants (the "Warrant Amendment") with the holder (the "Repriced Holder") of certain of the Company's warrants originally issued in August Exchange Agreement, July 2024 Senior Notes, May PIPE Placement Agent Warrants, December 2023, April 2023, September 2022, December 2021,

August 2021, and September 2020 (collectively, the "Repriced Outstanding Warrants"), pursuant to which the Company and the Repriced Holder agreed to amend each of the Repriced Outstanding Warrants to lower the exercise price of the Outstanding Warrants to $32.48 per share. A total of 205,767 warrants were repriced. The reprice of the warrants also resulted in the issuance of 441,315 new warrants as part of the reprice provisions. In connection with the warrant reprices there was a modification to the warrants resulting in a deemed dividend amount of $3,474,730 and an interest expense of $ 376,901 for the warrants that were modified with the issuance of a note payable.

The August Exchange Agreement warrants have a floor of $ 20.76 and were repriced to $ 20.76. 119,812 new warrants as part of the reprice provisions

The July 2024 Senior Notes warrants have a floor of $ 11.80 and were repriced to $ 11.80. 310,917 new warrants as part of the reprice provisions

The May PIPE Placement Agent Warrants have a floor of $ 20.76 and were repriced to $ 20.76.10,586 new warrants as part of the reprice provisions

For the nine months ended September 30, 2024, the fair value of each warrant modified was estimated using the assumption and/or factors in the Black-Scholes Model as follows:

Exercise price	$ 12-184
Expected dividend yield	0%
Risk free interest rate	3.66-4.62%
Expected life in years	1.15-4.98
Expected volatility	202-166%

The risk-free interest rate assumption for warrants granted is based upon observed interest rates on the United States Government Bond Equivalent Yield appropriate for the expected term of warrants.

The Company determined the expected volatility assumption for warrants granted using the historical volatility of comparable public companies' common stock. The Company will continue to monitor peer companies and other relevant factors used to measure expected volatility for future warrant grants, until such time that the Company's common stock has enough market history to use historical volatility.

The dividend yield assumption for warrants granted is based on the Company's history and expectation of dividend payouts. The Company has never declared nor paid any cash dividends on its common stock, and the Company does not anticipate paying any cash dividends in the foreseeable future.

Restricted Stock Units

A summary of Restricted Stock Units ("RSUs") issuances are as follows:

Nonvested RSUs	Number	Weighted Average Price
Nonvested December 31, 2023	-	$ -
Granted	2	77.00
Vested	(2)	77.00
Forfeited	-	-
Nonvested September 30, 2024	-	$ -

The Company recognized stock-based compensation expense related to RSUs granted and vesting expense of $ 32 and $94,028 during the three months ended September 30, 2024 and September 30, 2023, respectively. The $32 is included in general and administrative, in the accompanying Statements of Operations.

The Company recognized stock-based compensation expense related to RSUs granted and vesting expense of $ 34 and $308,479 during the nine months ended September 30, 2024 and September 30, 2023, respectively. The $34 is included in general and administrative, in the accompanying Statements of Operations. The remaining value to be expensed is $ 111 with a weighted average vesting term of 0.58 years as of September 30, 2024.

During the nine months ended September 30, 2024, the Company granted a total of 2 RSUs. During the nine months ended September 30, 2024, 2 RSUs vested and the Company issued 2 shares of common stock for the 2 vested RSUs. During the nine months ended September 30, 2023, 5 RSUs vested and the Company issued 4 shares of common stock for the 5 vested RSUs.

NOTE 11 – INCOME TAXES

The Company has incurred losses since inception. During the nine months ended September 30, 2024, the Company did not provide any provision for income taxes as the Company incurred losses during such period. The Company accounts for income taxes using the asset and liability method in accordance with ASC 740, "Accounting for Income Taxes". The asset and liability method provides that deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities and for operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using the currently enacted tax rates and laws that will be in effect when the differences are expected to reverse. In assessing the need for a valuation allowance, the Company has considered both positive and negative evidence related to the likelihood of realization of deferred tax assets using a "more likely than not" standard. In making such assessment, more weight was given to evidence that could be objectively verified, including recent cumulative losses. Based on the Company's review of this evidence, the Company has recorded a full valuation allowance for its net deferred tax assets as of September 30, 2024.

As of September 30, 2024, the Company did not have any amounts recorded pertaining to uncertain tax positions.

NOTE 12 – SUBSEQUENT EVENTS

Third Evofem Amendment & Parent Equity Investment

On October 2, 2024, the Company, Merger Sub and Evofem entered into Amendment No. 3 to the Amended and Restated Merger Agreement in order to extend the date by which the Company shall make the Third Parent Equity Investment to October 2, 2024, reduce the amount of the Third Parent Equity Investment from $1.5 million to $720,000, and increase the amount of the Fourth Parent Equity Investment from $1.5 million to $2.28 million.

On October 2, 2024 the Company completed the purchase of 460 shares of Evofem F-1 Preferred Stock for an aggregate purchase price of $ 460,000.

Reverse Stock Split

Following the Annual Meeting, the board of directors approved a one-for-forty (1-for-40) reverse split of the Company's issued and outstanding shares of common stock (the "2024 Reverse Stock Split"). On October 1, 2024, the Company filed with the Secretary of State of the State of Delaware a certificate of amendment to its certificate of incorporation to effect the 2024 Reverse Stock Split. The Reverse Stock Split became effective as of 4:01 p.m. Eastern Time on October 1, 2024, and the Company's common stock began trading on a split-adjusted basis when the Nasdaq Stock Market opened on October 2, 2024.

When the 2024 Reverse Stock Split became effective, every 40 shares of the Company's issued and outstanding common stock was automatically combined, converted and changed into 1 share the Company's common stock, without any change in the number of authorized shares or the par value per share. In addition, a proportionate adjustment was made to the per share exercise price and the number of shares issuable upon the exercise of all outstanding stock options, restricted stock units and warrants to purchase shares of common stock and the number of shares reserved for issuance pursuant to the Company's equity incentive compensation plans. Any fraction of a share of common stock created as a result of the 2024 Reverse Stock Split was rounded up to the next whole share. The Company issued 239,326 shares of common stock in connection with rounding up to the next whole share. Holders of the Company's common stock held in book-entry form or through a bank, broker or other nominee do not need to take any action in connection with the 2024 Reverse Stock Split. Stockholders of record will be receiving information from the Company's transfer agent regarding their common stock ownership post-Reverse Stock Split.

The Company's common stock will continue to trade on the Nasdaq Stock Market LLC under the existing symbol "ADTX", but the security has been assigned a new CUSIP number (007025703).

Nasdaq Notification Letter

On October 3, 2024, the Company was notified (the "October Notification Letter") by Nasdaq that it is not in compliance with the minimum bid price requirements set forth in Nasdaq Listing Rule 5550(a)(2) for continued listing on The Nasdaq Capital Market. Nasdaq Listing Rule 5550(a)(2) requires listed securities to maintain a minimum bid price of $1.00 per share, and Nasdaq Listing Rule 5810(c)(3)(A) provides that a failure to meet the minimum bid price requirement exists if the deficiency continues for a period of 30 consecutive business days. Based on the closing bid price of the Company's common stock between August 20, 2024 and October 1, 2024, the Company no longer meets the minimum bid price requirement. The Notification Letter had no immediate effect on the listing or trading of the Company's common stock on The Nasdaq Capital Market and, at this time, the common stock will continue to trade on The Nasdaq Capital Market under the symbol "ADTX."

May Second Senior Note Payoff

On October 9, 2024, the Company fully paid off the Second May Senior Notes in the principal amount of $ 986,830. The Company did not incur default interest upon the repayment of the Second May Senior Notes.

July Senior Note Payoff

On October 16, 2024, the Company fully paid off the July Senior Notes in the principal amount of $ 1,500,000. The Company did not incur default interest upon the repayment of the July Senior Notes.

At the Market Agreement Amendment & Activity

On October 25, 2024 the Company entered into an amendment to the existing At The Market Offering Agreement (the "ATM") with H.C. Wainwright & Co., LLC as agent (the "Agent"), pursuant to which the Company may offer and sell, from time to time through the Agent, shares of the Company's common stock having an aggregate offering price of up to $35,000,000 (the "ATM Shares").

For the period beginning October 1, 2024 through the date of this report, the Company sold 1,515,695 Shares at an average price of $0.42 per share under the ATM. The sale of Shares generated net proceeds of approximately $608,047 after paying fees and expenses.

Evofem Parent Equity Investment

On October 28, 2024, Aditxt entered into a Securities Purchase Agreement (the "Series F-1 Securities Purchase Agreement") with Evofem, pursuant to which the Company purchased the Fourth Parent Equity Investment of 2,280 shares of Evofem Series F-1 Convertible Preferred Stock for an aggregate purchase price of $ 2,280,000.

ELOC Activity

For the period beginning October 1, 2024 through the date of this report, the Company sold 11,330,216 Shares at an average price of $1.03 per share under the ELOC. The sale of Shares generated net proceeds of approximately $11,631,057 after paying fees and expenses.

Series C-1 Convertible Preferred Stock Redemptions

For the period beginning October 1, 2024 through the date of this report, the Company redeemed approximately 1,712 shares of Series C-1 Convertible Preferred Stock for $ 1,968,974.

Series B-1 Convertible Preferred Stock Conversions

For the period beginning October 1, 2024 through the date of this report, certain holders of Series B-1 Convertible Preferred Stock converted 1,543 shares of Series B-1 Convertible Preferred Stock for 617,622 of common stock.

Related Party Unsecured Promissory Note Activity

On October 9, 2024, the Company paid off the February 29th Note, consisting of $117,000 in principal and $6,076 in interest.

On October 16, 2024, the Company paid off the February 7th Note, consisting of $30,000 in principal and $1,761 in interest.

On October 16, 2024, the Company paid down $81,084 of Shahrokh Shabahang's outstanding balance of the February 29th Note, consisting of $75,000 in principal and $6,084 in interest.

On October 16, 2024, the Company paid down $99,148 of Amro Albanna's outstanding balance of the February 15th Note, consisting of $87,500 in principal and $11,648 in interest.

Unsecured Promissory Note Activity

On October 9, 2024, the Company paid off an unsecured promissory note, consisting of $ 57,735 in principal and $3,361 in interest.

On October 16, 2024, the Company paid off an unsecured promissory note, consisting of $ 42,345 in principal and $2,189 in interest.

On October 16, 2024, the Company paid off an unsecured promissory note, consisting of $ 42,676 in principal and $1,113 in interest.

Appili Mutual Waiver

On November 11, 2024, the Company, Adivir and Appili entered into a Mutual Waiver , pursuant to which the parties agreed (i) each party shall waive any termination right it may have under the Arrangement Agreement until December 15, 2024; (ii) immediately following the completion of the Arrangement, the board of directors of Adivir will be reconstituted such that it shall consist of the following three (3) directors (with the remaining two directors to be elected by Adivir at a later date): (a) Shahrokh Shabahang; (b) Madhukar Tanna; and (c) Armand Balboni; and (iii) Adivir shall pay Appili the sum of $ 115,000 no later than 5:00 p.m. (ET) on November 12, 2024 (the "Waiver Fee"). Adivir paid the Waiver Fee on November 12, 2024.

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

The following discussion and analysis of our financial condition and results of operations should be read together with the unaudited condensed consolidated financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q and the audited financial statements and related notes for the year ended December 31, 2023 included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission, or SEC. In addition to historical information, this discussion and analysis contains forward-looking statements that involve risks, uncertainties, and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors. We discuss factors that we believe could cause or contribute to these differences below and elsewhere in this Quarterly Report on Form 10-Q, including those factors set forth in the section entitled "Cautionary Note Regarding Forward-Looking Statements and Industry Data" and in the section entitled "Risk Factors" in Part II, Item 1A.

Overview and Mission

We believe the world needs—and deserves—a new approach to innovating that harnesses the power of large groups of stakeholders who work together to ensure that the most promising innovations make it into the hands of people who need them most.

We were incorporated in the State of Delaware on September 28, 2017, and our headquarters are in Mountain View, California. The Company was founded with a mission of bringing stakeholders together, to transform promising innovations into products and services that could address some of the most challenging needs. The socialization of innovation through engaging stakeholders in every aspect of it, is key to transforming more innovations, more rapidly, and more efficiently.

At inception, the first innovation we took on was an immune modulation technology titled ADI/Adimune with a focus on prolonging life and enhancing life quality of patients that have undergone organ transplants. Since then, we expanded our portfolio of innovations, and we continue to evaluate a variety of promising health innovations.

ADIMUNE, INC.

Formed in January 2023, Adimune™, Inc. ("Adimune") is focused on leading our immune modulation therapeutic programs. Adimune's proprietary immune modulation product candidate, ADI-100™, based on the Apoptotic DNA Immunotherapy™ platform technology, utilizes a novel approach that mimics the way our bodies naturally induce tolerance to our own tissues. It includes two DNA molecules designed to deliver signals to induce tolerance. ADI-100 has been successfully tested in several preclinical models (e.g., skin grafting, psoriasis, type 1 diabetes, multiple sclerosis).

In May 2023, Adimune entered into a clinical trial agreement with Mayo Clinic to advance clinical studies targeting autoimmune diseases of the central nervous system ("CNS") with the initial focus on the rare, but debilitating, autoimmune disease Stiff Person Syndrome ("SPS"). According to the National Organization of Rare Diseases, the exact incidence and prevalence of SPS is unknown; however, one estimate places the incidence at approximately one in one million individuals in the general population.

Pending approval by the International Review Board, a human trial for SPS is expected get underway in the first half of 2025 with enrollment of up to 20 patients, some of whom may also have type 1 diabetes. ADI-100 will initially be tested for safety and efficacy. ADI-100 is designed to tolerize against an antigen known as glutamic acid decarboxylase ("GAD"), which is implicated in type-1 diabetes, psoriasis, stiff person syndrome, and in many autoimmune diseases of the CNS.

Background

The discovery of immunosuppressive (anti-rejection and monoclonal) drugs over 40 years ago has made possible life-saving organ transplantation procedures and blocking of unwanted immune responses in autoimmune diseases. However, immune suppression leads to significant undesirable side effects, such as increased susceptibility to life-threatening infections and cancers, because it indiscriminately and broadly suppresses immune function throughout the body. While the use of these drugs has been justifiable because they prevent or delay organ rejection, their use for treatment of autoimmune diseases and allergies may not be acceptable because of the aforementioned side effects. Furthermore, often transplanted organs ultimately fail despite the use of immune suppression, and about 40% of transplanted organs survive no more than five years.

Through Aditxt, Adimune has the right of use to the exclusive worldwide license for commercializing ADI nucleic acid-based technology (which is currently at the pre-clinical stage) from Loma Linda University. ADI uses a novel approach that mimics the way the body naturally induces tolerance to our own tissues ("therapeutically induced immune tolerance"). While immune suppression requires continuous administration to prevent rejection of a transplanted organ, induction of tolerance has the potential to retrain the immune system to accept the organ for longer periods of time. ADI may allow patients to live with transplanted organs with significantly reduced immune suppression. ADI is a technology platform which we believe can be engineered to address a wide variety of indications.

Advantages

ADI™ is a nucleic acid-based technology (*e.g.*, DNA-based), which we believe selectively suppresses only those immune cells involved in attacking or rejecting self and transplanted tissues and organs. It does so by tapping into the body's natural process of cell turnover (i.e., apoptosis) to retrain the immune system to stop unwanted attacks on self or transplanted tissues. Apoptosis is a natural

process used by the body to clear dying cells and to allow recognition and tolerance to self-tissues. ADI triggers this process by enabling the cells of the immune system to recognize the targeted tissues as "self." Conceptually, it is designed to retrain the immune system to accept the tissues, similar to how natural apoptosis reminds our immune system to be tolerant to our own "self" tissues.

While various groups have promoted tolerance through cell therapies and *ex vivo* manipulation of patient cells (i.e., takes place outside the body), to our knowledge, we will be unique in our approach of using in-body induction of apoptosis to promote tolerance to specific tissues. In addition, ADI treatment itself will not require additional hospitalization but only an injection of minute amounts of the therapeutic drug into the skin.

Moreover, preclinical studies have demonstrated that ADI treatment significantly and substantially prolongs graft survival, in addition to successfully "reversing" other established immune-mediated inflammatory processes.

License Agreement with Loma Linda University ("LLU")

On March 15, 2018, we entered into a License Agreement with LLU, which was subsequently amended on July 1, 2020. Pursuant to the LLU License Agreement, we obtained the exclusive royalty-bearing worldwide license to all intellectual property, including patents, technical information, trade secrets, proprietary rights, technology, know-how, data, formulas, drawings, and specifications, owned or controlled by LLU and/or any of its affiliates (the "LLU Patent and Technology Rights") and related to therapy for immune-mediated inflammatory diseases (the ADI™ technology). In consideration for the LLU License Agreement, we issued 625 shares of common stock to LLU.

PEARSANTA, INC.

Formed in January 2023, our subsidiary Pearsanta™, Inc. ("Pearsanta") seeks to take personalized medicine to a whole new level by delivering "Health by the Numbers." Since its founding, Pearsanta has been building the platform for enabling our vision of lab quality testing, anytime, anywhere. Our plan for Pearsanta's platform is for it to be the transactional backbone for sample collection, sample processing (on- and off-site), and reporting. This will require the development and convergence of multiple components developed by Pearsanta, or through transactions with third parties, including collection devices, "lab-on-a-chip" technologies, Lab Developed Test (LDT) assays, a data-driven analysis engine, and telemedicine. According to a comprehensive research report by Market Research Future, the clinical and consumer diagnostic market is estimated to hit $429.3 billion by 2030.

We believe that timely and personalized testing enables far more informed treatment decisions. Pearsanta's platform is being developed as a seamless digital healthcare solution. This platform will integrate at-location sample collection, Point-of-Care ("POC") and LDT assays, and an analytical reporting engine, with telemedicine-enabled visits with licensed physicians to review test results and, if necessary, order a prescription. Pearsanta's goal of extending its platform to enable consumers to monitor their health more proactively as the goal is to provide a more complete picture about someone's dynamic health status, factoring in genetic makeup and their response to medication. The POC component of Pearsanta would enable diagnostic testing at-home, at work, in pharmacies, and more to generate results quickly so that an individual can access necessary treatment faster. With certain infections, prescribing the most effective treatment according to one's numbers can prevent hospital emergency room admissions and potentially life-threatening consequences.

Examples of indication-focused tests for the Test2Treat platform will include the evaluation for advanced urinary tract infections ("UTIs"), COVID-19/flu/respiratory syncytial virus, sexually transmitted infections, gut health, pharmacogenomics (i.e., how your genes affect the way your body responds to certain therapeutics), and sepsis. We believe that these offerings are novel and needed as the current standard of care using broad spectrum antibiotic treatment can be ineffective and potentially life-threatening. For example, improperly prescribed antibiotics may approach 50% of outpatient cases. Further, according to an article published in Physician's Weekly, only 1% of board-certified critical care medicine physicians are trained in infectious disease.

Central to Pearsanta's innovation is Mitomic® Technology Platform, which we acquired from MDNA in January 2024.

We acquired the assets comprising our mitomic technology platform from MDNA. This platform seeks to harness the unique properties of mitochondrial DNA ("mtDNA") to detect disease through non-invasive, blood-based liquid biopsies. The Mitomic® Technology Platform is designed to identify specific mutations in mtDNA indicative of various diseases. Due to its high mutation rate and cell persistence, mitochondrial DNA is an excellent biomarker for early disease detection. This platform allows for the rapid and accurate identification of disease-associated biomarkers, which can significantly enhance early diagnosis and treatment. Key Products Under Development at Time of Acquisition:

Key Products Under Development at Time of Acquisition:

Mitomic® Endometriosis Test (MET™):

- Purpose: To provide an accurate and non-invasive diagnosis of endometriosis, a condition that affects approximately 1 in 10 women of reproductive age worldwide.
- Clinical Validation: MET™ has demonstrated high accuracy in predicting surgical outcomes in women suspected of having endometriosis. The test has shown significant promise in reducing the diagnostic delay, which averages around ten years.
- Impact: Early and precise diagnosis through MET™ can lead to timely and effective treatment, significantly improving patient outcomes and quality of life

Mitomic® Prostate Test (MPT™):

- Purpose: To enhance the detection of clinically significant prostate cancer, reducing reliance on PSA testing, which often results in false positives and over-diagnosis.
- Clinical Validation: MPT™ has shown the ability to predict prostate cancer accurately, distinguishing between aggressive and nonaggressive forms. This specificity is crucial in guiding treatment decisions and reducing unnecessary interventions.
- Impact: MPT™ aims to improve patient outcomes by ensuring that only those with clinically significant prostate cancer receive treatment, thereby avoiding the side effects of unnecessary procedures. To date, our primary focus with respect to the Mitomic Technology Platform has been the integration of such assets into our business. Our initial plans for the Mitomic Technology Platform are to complete product development, manufacturing and clinical validation of the MET™ and the MPT™.

Licensed Technologies – AditxtScore™

We have sublicensed to Pearsanta an exclusive worldwide sub-license for commercializing the AditxtScore™ technology which provides a personalized comprehensive profile of the immune system. AditxtScore is intended to detect individual immune responses to viruses, bacteria, peptides, drugs, supplements, bone marrow and solid organ transplants, and cancer. It has broad applicability to many other agents of clinical interest impacting the immune system, including those not yet identified such as emerging infectious agents.

AditxtScore is being designed to enable individuals and their healthcare providers to understand, manage and monitor their immune profiles and to stay informed about attacks on or by their immune system. We believe AditxtScore can also assist the medical community and individuals by being able to anticipate the immune system's potential response to viruses, bacteria, allergens, and foreign tissues such as transplanted organs. This technology may be able to serve as a warning signal, thereby allowing for more time to respond appropriately. Its advantages include the ability to provide simple, rapid, accurate, high throughput assays that can be multiplexed to determine the immune status with respect to several factors simultaneously, in approximately 3-16 hours. In addition, it can determine and differentiate between distinct types of cellular and humoral immune responses (e.g., T and B cells and other cell types). It also provides for simultaneous monitoring of cell activation and levels of cytokine release (i.e., cytokine storms).

We are actively involved in the regulatory approval process for AditxtScore assays for clinical use and securing manufacturing, marketing, and distribution partnerships for application in the various markets. To obtain regulatory approval to use AditxtScore as a clinical assay, we have conducted validation studies to evaluate its performance in detection of antibodies and plan to continue conducting additional validation studies for new applications in autoimmune diseases.

Advantages

The sophistication of the AditxtScore technology includes the following:

- greater sensitivity/specificity.
- 20-fold higher dynamic range, greatly reducing signal to noise compared to conventional assays.
- ability to customize assays and multiplex a large number of analytes with speed and efficiency.
- ability to test for cellular immune responses (i.e., T and B cells and cytokines).
- proprietary reporting algorithm.

License Agreement with Leland Stanford Junior University ("Stanford")

On February 3, 2020, we entered into an exclusive license agreement (the "February 2020 License Agreement") with Stanford with regard to a patent concerning a method for detection and measurement of specific cellular responses. Pursuant to the February 2020 License Agreement, we received an exclusive worldwide license to Stanford's patent with regard to use, import, offer, and sale of Licensed Products (as defined in the agreement). The license to the patented technology is exclusive, including the right to sublicense, beginning on the effective date of the agreement, and ending when the patent expires. Under the exclusivity agreement, we acknowledged that Stanford had already granted a non-exclusive license in the Nonexclusive Field of Use, under the Licensed Patents in the Licensed Field of Use in the Licensed Territory (as those terms are defined in the "February 2020 License Agreement"). However, Stanford agreed not to grant further licenses under the Licensed Patents in the Licensed Field of Use in the Licensed Territory. On December 29, 2021, we entered into an amendment to the February 2020 License Agreement which extended our exclusive right to license the technology

deployed in AditxtScore™ and securing worldwide exclusivity in all fields of use of the licensed technology.

ADIVIR, INC.

Formed in April of 2023, Adivir™, Inc., is Aditxt's most recently formed wholly owned subsidiary, dedicated to the clinical and commercial development efforts of innovative antiviral products, which have the potential to address a wide range of infectious diseases, including those that currently lack viable treatment options. Central to Adivir's innovation is the ongoing contemplated transaction with Appili. Appili is an infectious disease biopharmaceutical company that is purposefully built, portfolio-driven, and people-focused to fulfill its mission of solving life-threatening infections. By systematically identifying urgent infections with unmet needs, Appili aims to strategically develop a pipeline of novel therapies to prevent deaths and improve lives. The Company is currently advancing a diverse range of anti-infectives, including a vaccine candidate to eliminate a severe biological weapon threat, a topical antiparasitic for the treatment of a disfiguring disease, and a novel easy to use, liquid oral formulation targeting parasitic and anaerobic infections. Appili is at the epicenter of the global fight against infection, led by a proven management team.

Our Team

Aditxt has assembled an entrepreneurial team of experts from a variety of different business, engineering, and scientific fields, and commercial backgrounds, with collective experience that ranges from founding startup innovation companies, to developing and marketing biopharmaceutical and diagnostic products, to designing clinical trials, and management of private and public companies. We have deep experience in identifying and accessing promising health innovations and developing them into products and services with the ability to scale. We understand the capital markets, both public and private, as well as M&A and facilitating complex IPOs.

Going Concern

We were incorporated on September 28, 2017 and have not generated significant revenues to date. During the nine months ended September 30, 2024 we had a net loss of $29,472,886 and cash of $328,596 as of September 30, 2024.

We are currently over 90 days past due on a significant number of vendor obligations. The Company will require significant additional capital to operate in the normal course of business and fund clinical studies in the long-term. We believe our remaining funds on hand will not be sufficient to fund our operations for the next 12 months and such creates substantial doubt about our ability to continue as a going concern beyond one year.

Financial Results

We have a limited operating history. Therefore, there is limited historical financial information upon which to base an evaluation of our performance. Our prospects must be considered in light of the uncertainties, risks, expenses, and difficulties frequently encountered by companies in their early stages of operations. Our condensed consolidated financial statements as of September 30, 2024, show a net loss of $29,472,886. We expect to incur additional net expenses over the next several years as we continue to maintain and expand our existing operations. The amount of future losses and when, if ever, we will achieve profitability are uncertain.

Results of Operations

Results of operations for the three months ended September 30, 2024 and 2023

We generated revenue of $6,854 and $124,486 for the three months ended September 30, 2024 and 2023, respectively. Cost of goods sold for the three months ended September 30, 2024 and 2023 was $467,536 and $106,922, respectively. The decrease in revenue and costs of goods sold during the three months ended September 30, 2024 compared to the three months ended September 30, 2023 was due to a decrease in AditxtScore™ orders due to decreased COVID testing being done.

During the three months ended September 30, 2024, we incurred a loss from operations of $4,701,038. This is due to general and administrative expenses of $3,718,804, which includes approximately $870,361 in payroll expenses, $1,869,859 in professional fees, and $32 in stock-based compensation. Research and development expenses were $491,552, which includes $102,914 in consulting expenses. Sales and marketing expenses were $30,000.

During the three months ended September 30, 2023, we incurred a loss from operations of $8,095,209. This is due to general and administrative expenses of $7,169,863, which includes approximately $3,351,000 in payroll expenses, $1,128,000 in professional fees, and $103,031 in stock-based compensation. Research and development expenses were $898,724, which includes $151,605 in consulting expenses and $49,209 in stock-based compensation. Sales and marketing expenses were $44,186, which includes $1,752 in stock-based compensation.

The decrease in expenses during the three months ended September 30, 2024 compared to the three months ended September 30, 2023 was due to decreased research and development spend and decreased compensation expense due to reduced headcount.

Results of operations for the nine months ended September 30, 2024 and 2023

We generated revenue of $130,810 and $563,879 for the nine months ended September 30, 2024 and 2023, respectively. Cost of goods sold for the nine months ended September 30, 2024 and 2023 was $556,469 and $470,969, respectively. The decrease in revenue and costs of goods sold during the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023 was due to a decrease in AditxtScore™ orders.

During the nine months ended September 30, 2024, we incurred a loss from operations of $22,212,665. This is due to general and administrative expenses of $11,502,097, which includes approximately $2,949,534 in payroll expenses, $3,805,023 in professional fees, and $28,702 in stock-based compensation. Research and development expenses were $10,190,178 which includes $1,282,505 in consulting expenses and $6,712,663 in stock-based compensation. Sales and marketing expenses were $94,731.

During the nine months ended September 30, 2023, we incurred a loss from operations of $18,111,541. This is due to general and administrative expenses of $15,209,789. This includes approximately $7,682,000 in payroll expenses, $3,063,000 in professional fees, and $484,502 in stock-based compensation. Research and development expenses were $2,771,100, which includes $1,034,698 in consulting expenses and $165,382 in stock-based compensation. Sales and marketing expenses were $223,562, which includes $6,787 in stock-based compensation.

The increase in expenses during the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023 was due to an increased research and development spend and $1,000,000 fee paid to Evofem as part of an amendment to a merger agreement which was recorded to general and administrative expenses.

Liquidity and Capital Resources

We have incurred substantial operating losses since inception and expect to continue to incur significant operating losses for the foreseeable future and may never become profitable. As of September 30, 2024, we had an accumulated deficit of $162,867,941. We had working capital of $(22,280,585) as of September 30, 2024. During the nine months ended September 30, 2024, we purchased zero in fixed assets.

Our condensed consolidated financial statements have been prepared assuming that we will continue as a going concern.

On April 20, 2023, the Company entered into a securities purchase agreement (the "Purchase Agreement") with an institutional investor, pursuant to which the Company agreed to sell to such investor pre-funded warrants (the "Pre-Funded Warrants") to purchase up to 991 shares of common stock of the Company (the "Common Stock") at a purchase price of $1,950.40 per Pre-Funded Warrant. Concurrently with the sale of the Pre-Funded Warrants, pursuant to the Purchase Agreement in a concurrent private placement, for each Pre-Funded Warrant purchased by the investor, such investor received from the Company an unregistered warrant (the "Warrant") to purchase two shares of Common Stock. The warrants have an exercise price of $1,376.00 per share and are exercisable for a three-year period. In addition, the Company issued a warrant to the placement agent to purchase up to 60 shares of common stock at an exercise price of $2,440.00 per share.

On August 31, 2023, the Company entered into a securities purchase agreement (the "August Purchase Agreement") with an institutional investor for the issuance and sale in a private placement (the "Private Placement") of (i) pre-funded warrants (the "Pre-Funded Warrants") to purchase up to 25,000 shares of the Company's common stock at an exercise price of $0.040 per share, and (ii) warrants (the "Common Warrants") to purchase up to 25,000 shares of the Company's Common Stock at an exercise price of $400.00 per share. The Private Placement closed on September 6, 2023. The net proceeds to the Company from the Private Placement were approximately $9 million, after deducting placement agent fees and expenses and estimated offering expenses payable by the Company. The Company utilized net proceeds received from the Private Placement for (i) payment of approximately $3.1 million in outstanding obligations, (ii) repayment of approximately $0.4 million of outstanding debt, and (iii) continuing operating expenses and working capital.

On December 29, 2023, the Company entered into a securities purchase agreement (the "Purchase Agreement") with an institutional investor ("the "December Purchaser") for the issuance and sale in a private placement (the "December Private Placement") of (i) pre-funded warrants (the "December Pre-Funded Warrants") to purchase up to 30,928 shares of the Company's Common Stock, par value $0.001 at an exercise price of $0.04 per share, and (ii) warrants (the "December Common Warrants") to purchase up to 61,856 shares of the Company's Common Stock, at a purchase price of $194.00 per share.

Pursuant to the Purchase Agreement, the Company agreed to reduce the exercise price of certain outstanding warrants to purchase Common Stock of the Company ("Certain Outstanding Warrants") held by the Purchaser to $184.00 per share in consideration for the cash payment by the December Purchaser of $5.00 per share of Common Stock underlying the Certain Outstanding Warrants, effective immediately.

The December Private Placement closed on January 4, 2024. The net proceeds to the Company from the December Private Placement were approximately $5.5 million, after deducting placement agent fees and expenses and estimated offering expenses payable by the Company.

In addition, the Company agreed to pay H.C. Wainwright & Co., LLC ("Wainwright") certain expenses and issued to Wainwright or its designees warrants (the "December Placement Agent Warrants") to purchase up to an aggregate of 1,856 shares of Common Stock at an exercise price equal to $242.50 per share. The December Placement Agent Warrants are exercisable immediately upon issuance and have a term of exercise equal to three years from the date of issuance.

On May 2, 2024, the Company entered into a Securities Purchase Agreement (the "May PIPE Purchase Agreement") with certain accredited investors, pursuant to which the Company agreed to issue and sell to such investors in a private placement (the "Private Placement") (i) an aggregate of 4,186 shares of the Company's Series C-1 Convertible Preferred Stock (the "Series C-1 Convertible Preferred Stock"), (ii) an aggregate of 4,186 shares of the Company's Series D-1 Preferred Stock (the "Series D-1 Preferred Stock"), and (iii) warrants (the "May PIPE Warrants") to purchase up to an aggregate of 40,328 shares of the Company's common stock. The Private Placement closed on May 6, 2024. The gross proceeds from the Private Placement were approximately $4.2 million, prior to deducting the placement agent's fees and other offering expenses payable by the Company. The Company used $1.0 million of the net proceeds to fund certain obligations under its merger agreement with Evofem Biosciences, Inc. and the remainder of the net proceeds from the offering for working capital and other general corporate purposes.

On August 8, 2024, the Company entered into a securities purchase agreement (the "Registered Direct Purchase Agreement") with certain institutional investors, pursuant to which the Company agreed to sell to such investors 4,700 shares (the "Registered Direct Shares") of common stock of the Company (the "Common Stock"), pre-funded warrants (the "Registered Direct Pre-Funded Warrants") to purchase up to 23,555 shares of Common Stock of the Company (the "Registered Direct Pre-Funded Warrant Shares"), having an exercise price of $0.04 per share, at a purchase price of $42.40 per share of Common Stock and a purchase price of $42.36 per Registered Direct Pre-Funded Warrant (the "Registered Direct Offering"). The shares of Common Stock and Registered Direct Pre-Funded Warrants (and shares of common stock underlying the Registered Direct Pre-Funded Warrants) were offered by the Company pursuant to its shelf registration statement on Form S-3 (File No. 333-280757), which was declared effective by the Securities and Exchange Commission on August 6, 2024.

The closing of the sales of these securities under the Registered Direct Purchase Agreement took place on August 9, 2024. The gross proceeds from the offering were approximately $1.0 million, prior to deducting placement agent's fees and other offering expenses payable by the Company. The Company used $500,000 of the net proceeds from the offering to fund certain obligations under its Amended and Restated Merger agreement with Evofem Biosciences, Inc and the remainder for working capital and other general corporate purposes.

We will need significant additional capital to continue to fund our operations and the clinical trials for our product candidates. We may seek to sell common stock, preferred stock or convertible debt securities, enter into a credit facility or another form of third-party funding or seek other debt financing. In addition, we may seek to raise cash through collaborative agreements or from government grants. The sale of equity and convertible debt securities may result in dilution to our stockholders and certain of those securities may have rights senior to those of our common shares. If we raise additional funds through the issuance of preferred stock, convertible debt securities, or other debt financing, these securities or other debt could contain covenants that would restrict our operations. Any other third-party funding arrangement could require us to relinquish valuable rights.

The source, timing, and availability of any future financing will depend principally upon market conditions, and, more specifically, on the progress of our clinical development program. Funding may not be available when needed, at all, or on terms acceptable to us. Lack of necessary funds may require us to, among other things, delay, scale back or eliminate expenses including some or all our planned development, including our clinical trials. While we may need to raise funds in the future, we believe the current cash reserves should be sufficient to fund our operation for the foreseeable future. Because of these factors, we believe that this creates doubt about our ability to continue as a going concern.

Contractual Obligations

The following table shows our contractual obligations as of September 30, 2024:

	Payment Due by Year			
	Total	2024	2025	2026
Lease	$ 1,308,629	$ 174,153	$ 710,546	$ 423,930

Critical Accounting Polices and Estimates

Our condensed consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States. The preparation of our condensed consolidated financial statements and related disclosures requires us to make estimates, assumptions and judgments that affect the reported amount of assets, liabilities, revenue, costs and expenses, and related disclosures. We believe that our critical accounting policies described under the heading "Management's Discussion and Analysis of Financial Condition and Plan of Operations—Critical Accounting Policies" in our Prospectus, dated September 1, 2020, filed with the SEC pursuant to Rule 424(b), are critical to fully understanding and evaluating our financial condition and results of operations. The following involve the most judgment and complexity:

- Research and development
- Stock-based compensation expense

Accordingly, we believe the policies set forth above are critical to fully understanding and evaluating our financial condition and results of operations. If actual results or events differ materially from the estimates, judgments and assumptions used by us in applying these policies, our reported financial condition and results of operations could be materially affected.

Off-Balance Sheet Arrangements

We did not have during the periods presented, and we do not currently have, any off-balance sheet arrangements, as defined in the rules and regulations of the SEC.

JOBS Act

On April 5, 2012, the JOBS Act was enacted. Section 107 of the JOBS Act provides that an "emerging growth company" can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act, for complying with new or revised accounting standards. In other words, an "emerging growth company" can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies.

When favorable, we have chosen to take advantage of the extended transition periods available to emerging growth companies under the JOBS Act for complying with new or revised accounting standards until those standards would otherwise apply to private companies provided under the JOBS Act.

We are in the process of evaluating the benefits of relying on other exemptions and reduced reporting requirements provided by the JOBS Act. Subject to certain conditions set forth in the JOBS Act, as an "emerging growth company," we intend to rely on certain of these exemptions, including without limitation, (i) providing an auditor's attestation report on our system of internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act and (ii) complying with any requirement that may be adopted by the Public Company Accounting Oversight Board ("PCAOB") regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements, known as the auditor discussion and analysis. We will remain an "emerging growth company" until the earliest of (i) the last day of the fiscal year in which we have total annual gross revenues of $1.07 billion or more; (ii) the last day of our fiscal year following the fifth anniversary of the date of the completion of our IPO (December 31, 2025); (iii) the date on which we have issued more than $1 billion in nonconvertible debt during the previous three years; or (iv) the date on which we are deemed to be a large accelerated filer under the rules of the SEC.

Recently Issued and Adopted Accounting Pronouncements

See Note 3 - Summary of Significant Accounting Policies to the accompanying condensed consolidated financial statements for a description of other accounting policies and recently issued accounting pronouncements.

Recent Developments

See Note 12 – Subsequent Event to the accompanying condensed consolidated financial statements for a description of material recent developments.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are not required to provide the information required by this Item as we are a "smaller reporting company," as defined in Rule 12b-2 of the Exchange Act.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

In accordance with Rules 13a-15(b) and 15d-15(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), we, under the supervision and with the participation of our Chief

Executive Officer and Chief Financial Officer, carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) of the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures have not materially changed since the Company determined that we did not maintain effective internal controls over financial reporting and the following weaknesses still exist as of September 30, 2024.

- We did not maintain adequate controls over the documentation of accounting and financial reporting policies and procedures. Specifically, we did not maintain policies and procedures to ensure account reconciliations were adequately prepared and reviewed by management.
- We did not retain individuals and/or entities with extensive knowledge to recognize and record technical and complex accounting issues.
- We did not maintain the sufficient procedures for the identification and cutoff of accounts payable.

These material weaknesses resulted in material misstatements to the financial statements, which were corrected. There were no changes to previously released financial results. We are in the process of remediating these material weaknesses.

Change in Internal Control Over Financial Reporting

No change occurred in our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) of the Exchange Act) during the quarter ended September 30, 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may become involved in various lawsuits and legal proceedings which arise in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm our business.

Item 1A. Risk Factors

Our business, financial condition, results of operations, and cash flows may be impacted by a number of factors, many of which are beyond our control, including those set forth below and in our most recent Annual Report on Form 10-K and in our other filings with the SEC, the occurrence of any one of which could have a material adverse effect on our actual results.

Our financial situation creates doubt whether we will continue as a going concern.

The Company was incorporated on September 28, 2017 and through the date of this report has generated no significant revenues. For the years ended December 31, 2023 and 2022, the Company had a net loss of $32,390,447 and $27,649,876, respectively. Our condensed consolidated financial statements as of September 30, 2024, show a net loss of $29,472,886. Our cash and cash equivalents were approximately $328,596 as of September 30, 2024. There can be no assurances that we will be able to achieve a level of revenues adequate to generate sufficient cash flow from operations or additional financing through private placements, public offerings and/or bank financing necessary to support our working capital requirements. To the extent that funds generated from any private placements, public offerings and/or bank financing are insufficient, we will have to raise additional working capital. No assurance can be given that additional financing will be available, or if available, will be on acceptable terms. These conditions raise substantial doubt about our ability to continue as a going concern. If adequate working capital is not available, we may be forced to discontinue operations, which would cause investors to lose their entire investment.

If we fail to obtain the capital necessary to fund our operations, we will be unable to continue or complete our product development and you will likely lose your entire investment.

We will need to continue to seek capital from time to time to continue development of our lead drug candidate beyond our initial combined Phase I/IIa clinical trial and to acquire and develop other product candidates. Once approved for commercialization, we cannot provide any assurances that any revenues it may generate in the future will be sufficient to fund our ongoing operations.

Our business or operations may change in a manner that would consume available funds more rapidly than anticipated and substantial additional funding may be required to maintain operations, fund expansion, develop new or enhance products, acquire complementary products, business or technologies, or otherwise respond to competitive pressures and opportunities, such as a change in the regulatory environment or a change in preferred treatment modalities. In addition, we may need to accelerate the growth of our sales capabilities and distribution beyond what is currently envisioned, and this would require additional capital. However, we may not be able to secure funding when we need it or on favorable terms. We may not be able to raise sufficient funds to commercialize the product candidates we intend to develop.

If we cannot raise adequate funds to satisfy our capital requirements, we will have to delay, scale back or eliminate our research and development activities, clinical studies, or future operations. We may also be required to obtain funds through arrangements with collaborators, which arrangements may require us to relinquish rights to certain technologies or products that we otherwise would not consider relinquishing, including rights to future product candidates or certain major geographic markets. This could result in sharing revenues which we might otherwise retain for ourselves. Any of these actions may harm our business, financial condition, and results of operations.

We are currently over 90 days past due on a significant amount of vendor obligations. We may not be able to refinance, extend or repay our substantial indebtedness owed to our secured and unsecured lenders, which would have a material adverse effect on our financial condition and ability to continue as a going concern.

As of September 30, 2024, we have approximately $11.8 million in accounts payable with approximately $9.3 million that is over 90 days past due. If we are unable to repay these amounts, as well as our existing debt obligations at maturity, and we are otherwise unable to extend the maturity dates or refinance these obligations, we would be in default. We cannot provide any assurances that we will be able to raise the necessary amount of capital to repay these obligations or that we will be able to extend the maturity dates or otherwise refinance these obligations. Upon a default, our secured lenders would have the right to exercise their rights and remedies to collect, which would include foreclosing on our assets. Accordingly, a default would have a material adverse effect on our business, and we would likely be forced to seek bankruptcy protection.

We may not be able to effect the transactions contemplated under the Merger Agreement with Evofem or the Arrangement Agreement with Appili. If we are unable to do so, we will incur substantial costs associated with withdrawing from the transaction.

In connection with the Merger Agreement with Evofem and the Arrangement Agreement with Appili, we have incurred substantial costs planning and negotiating the transactions. These costs include, but are not limited to, costs associated with employing and retaining third-party advisors who perform financial, auditing and legal services required before we were able to enter into such agreements and which services will continue to be utilized as we seek to complete such transactions. If, for whatever reason, such transactions fail to close, we will still be responsible for these costs, which could adversely affect our liquidity and financial results.

We will need to raise substantial additional capital, which may not be available on acceptable terms, or at all. Failure to obtain this necessary capital when needed may force us to delay, limit or terminate our product development efforts and strategic M&A initiatives, or cease operations.

We do not expect that our current cash position will be sufficient to fund our current operations for the next 12 months. We also do not presently have sufficient cash to fund certain obligations under our Merger Agreement with Evofem or our Arrangement Agreement with Appili. In addition, we are required to complete an equity or debt financing with minimum gross proceeds of at least $20 million in order to close the transactions contemplated under our Arrangement Agreement with Appili. Our operating plan may change because of many factors currently unknown to us, and we may need to seek additional funds sooner than planned, through public or private equity or debt financings, government or other third-party funding, marketing and distribution arrangements and other collaborations, strategic alliances and licensing arrangements or a combination of these approaches. In any event, we will require additional capital to obtain regulatory approval for, and to commercialize, our product candidates. Raising funds in the current economic environment may present additional challenges. Even if we believe we have sufficient funds for our current or future operating plans, we may seek additional capital if market conditions are favorable or if we have specific strategic considerations.

Any additional fundraising efforts may divert our management from their day-to-day activities, which may adversely affect our ability to develop and commercialize our product candidates. In addition, we cannot guarantee that future financing will be available in sufficient amounts or on terms acceptable to us, if at all. Moreover, the terms of any financing may adversely affect the holdings or the rights of our stockholders and the issuance of additional securities, whether equity or debt, by us, or the possibility of such issuance, may cause the market price of our shares to decline. The sale of additional equity or convertible securities may dilute our existing stockholders. The incurrence of indebtedness would result in increased fixed payment obligations, and we may be required to agree to certain restrictive covenants, such as limitations on our ability to incur additional debt, limitations on our ability to acquire, sell or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. We could also be required to seek funds through arrangements with collaborative partners or otherwise at an earlier stage than otherwise would be desirable and we may be required to relinquish rights to some of our technologies or product candidates or otherwise agree to terms unfavorable to us, any of which may have a material adverse effect on our business, operating results and prospects.

If we are unable to obtain funding on a timely basis, we may be required to significantly curtail, delay, or discontinue one or more of our research or development programs or the commercialization of any product candidate or be unable to expand our operations or otherwise capitalize on our business opportunities, as desired, which could materially affect our business, financial condition and results of operations.

A significant number of shares of our common stock may be issued and sold upon the exercise of outstanding options, warrants, and upon the conversion of the Company's convertible

preferred stock.

As of September 30, 2024, there were 1,172 shares of common stock issuable under outstanding options, 528,610 shares of common stock issuable upon exercise of outstanding warrants at various exercise prices and approximately 268,825 shares of common stock reserved for issuance upon the standard conversion of outstanding convertible preferred stock. To the extent that holders of existing options, warrants or convertible preferred stock sell the shares of common stock issued upon the exercise of options or warrants or conversion of the convertible preferred stock, the market price of our common stock may decrease due to the additional selling pressure in the market. The risk of dilution from issuances of shares of common stock underlying existing options, warrants and convertible preferred stock may cause shareholders to sell their common stock, which could further decline in the market price.

We have entered into a Purchase Agreement with an equity line investor. If we sell shares of our common stock under the Purchase Agreement, our existing stockholders will experience immediate dilution and, as a result, our stock price may go down.

Pursuant to the Purchase Agreement, we have agreed to sell up to $150,000,000 of shares of our common stock at our option and subject to certain limitations. In addition, we may issue up to 56,250 shares of our common stock as a commitment fee under the Purchase Agreement. As of the date hereof, we have not issued or sold any shares of our common stock under the Purchase Agreement. The sale of shares of our common stock pursuant to the Purchase Agreement will have a dilutive impact on our existing stockholders. The equity line investor may resell some or all of the shares we issue to it under the Purchase Agreement and such sales could cause the market price of our common stock to decline, which decline could be significant.

Even if we can raise additional funding, we may be required to do so on terms that are dilutive to you.

The capital markets have been unpredictable in the past for unprofitable companies such as ours. In addition, it is generally difficult for development stage companies to raise capital under current market conditions. The amount of capital that a company such as ours is able to raise often depends on variables that are beyond our control. As a result, we may not be able to secure financing on terms attractive to us, or at all. If we can consummate a financing arrangement, the amount raised may not be sufficient to meet our future needs. If adequate funds are not available on acceptable terms, or at all, our business, including our results of operations, financial condition and our continued viability will be materially adversely affected.

The amount of capital we may need depends on many factors, including the progress, timing and scope of our product development programs; the progress, timing and scope of our preclinical studies and clinical trials; the time and cost necessary to obtain regulatory approvals; the time and cost necessary to further develop manufacturing processes and arrange for contract manufacturing; our ability to enter into and maintain collaborative, licensing and other commercial relationships; and our partners' commitment of time and resources to the development and commercialization of our products.

Our obligations to certain of our creditors are secured by security interests in our assets, so if we default on those obligations, our creditors could foreclose on some or all of our assets.

Our obligations to certain of our creditors are secured by security interests in our assets. As of September 30, 2024, approximately $7.7 million was owed to such secured creditors. Under such agreements, we are required to pay $277,800 on a weekly basis to such creditors. If we default on our obligations under these agreements, our secured creditors could foreclose on its security interests and liquidate some or all of these assets, which would harm our financial condition and results of operations and would require us to reduce or cease operations and possibly seek Bankruptcy Protection.

In the event we pursue Bankruptcy Protection, we will be subject to the risks and uncertainties associated with such proceedings.

In the event we file for relief under the United States Bankruptcy Code, our operations, our ability to develop and execute our business plan and our continuation as a going concern will be subject to the risks and uncertainties associated with bankruptcy proceedings, including, among others: our ability to execute, confirm and consummate a plan of reorganization; the additional, significant costs of bankruptcy proceedings and related fees; our ability to obtain sufficient financing to allow us to emerge from bankruptcy and execute our business plan post-emergence, and our ability to comply with terms and conditions of that financing; our ability to continue our operations in the ordinary course; our ability to maintain our relationships with our consumers, business partners, counterparties, employees and other third parties; our ability to obtain, maintain or renew contracts that are critical to our operations on reasonably acceptable terms and conditions; our ability to attract, motivate and retain key employees; the ability of third parties to use certain limited safe harbor provisions of the United States Bankruptcy Code to terminate contracts without first seeking Bankruptcy Court approval; the ability of third parties to force us to into Chapter 7 proceedings rather than Chapter 11 proceedings and the actions and decisions of our stakeholders and other third parties who have interests in our bankruptcy proceedings that may be inconsistent with our operational and strategic plans. Any delays in our bankruptcy proceedings would increase the risks of our being unable to reorganize our business and emerge from bankruptcy proceedings and may increase our costs associated with the bankruptcy process or result in prolonged operational disruption for us. Also, we would need the prior approval of the bankruptcy court for transactions outside the ordinary course of business during the course of any bankruptcy proceedings, which may limit our ability to respond timely to certain events or take advantage of certain opportunities. Because of the risks and uncertainties associated with any bankruptcy proceedings, we cannot accurately predict or quantify the ultimate impact of events that could occur during any such proceedings. There can be no guarantees that if we seek Bankruptcy Protection we will emerge from Bankruptcy Protection as a going concern or that holders of our common stock will receive any recovery from any bankruptcy proceedings.

In the event we are unable to pursue Bankruptcy Protection under Chapter 11 of the United States Bankruptcy Code, or, if pursued, successfully emerge from such proceedings, it may be necessary to pursue Bankruptcy Protection under Chapter 7 of the United States Bankruptcy Code for all or a part of our businesses.

In the event we are unable to pursue Bankruptcy Protection under Chapter 11 of the United States Bankruptcy Code, or, if pursued, successfully emerge from such proceedings, it may be necessary for us to pursue Bankruptcy Protection under Chapter 7 of the United States Bankruptcy Code for all or a part of our businesses. In such event, a Chapter 7 trustee would be appointed or elected to liquidate our assets for distribution in accordance with the priorities established by the United States Bankruptcy Code. We believe that liquidation under Chapter 7 would result in significantly smaller distributions being made to our stakeholders than those we might obtain under Chapter 11 primarily because of the likelihood that the assets would have to be sold or otherwise disposed of in a distressed fashion over a short period of time rather than in a controlled manner and as a going concern.

We are under a panel monitor from Nasdaq as we have historically failed to comply with certain listing requirements of the Nasdaq Stock Market, which could result in our Common Stock being delisted from the Nasdaq Stock Market.

On November 21, 2023, we received written notice from Nasdaq that we had regained compliance with the Public Float Rule. On December 29, 2023, we received written notice from Nasdaq that we had regained compliance with the Stockholders' Equity Rule, but will be subject to a Mandatory Panel Monitor for a period of one year. If within that one-year monitoring period, Nasdaq finds the Company again out of compliance with the Stockholders' Equity Rule, we will not be permitted to provide Nasdaq with a plan of compliance with respect to that deficiency and Nasdaq will not be permitted to grant additional time for the Company to regain compliance with respect to that deficiency. If this occurs, Nasdaq will issue a delist determination letter and we will have the opportunity to request a new hearing. In the event that we fall out of compliance with the Stockholders Equity Rule, we intends to request a new hearing.

On October 3, 2024, we were notified by Nasdaq that we were not in compliance with the minimum bid price requirements set forth in Nasdaq Listing Rule 5550(a)(2) for continued listing on The Nasdaq Capital Market. Nasdaq Listing Rule 5550(a)(2) requires listed securities to maintain a minimum bid price of $1.00 per share, and Nasdaq Listing Rule 5810(c)(3)(A) provides that a failure to meet the minimum bid price requirement exists if the deficiency continues for a period of 30 consecutive business days. Based on the closing bid price of our common stock between August 20, 2024 and October 1, 2024, we no longer met the minimum bid price requirement. The notification letter has no immediate effect on the listing or trading of our common stock on The Nasdaq Capital Market and, at this time, the common stock will continue to trade on The Nasdaq Capital Market under the symbol "ADTX."

The notification letter provides that the Company has 180 calendar days, or until April 1, 2025, to regain compliance with Nasdaq Listing Rule 5550(a)(2). To regain compliance, the bid price of our common stock must have a closing bid price of at least $1.00 per share for a minimum of 10 consecutive business days. If we do not regain compliance by April 1, 2025, an additional 180 days may be granted to regain compliance, so long as we meet Nasdaq continued listing requirements (except for the bid price requirement) and notifies Nasdaq in writing of our intention to cure the deficiency during the second compliance period. If we do not qualify for the second compliance period or fail to regain compliance during the second 180-day period, then Nasdaq will notify us of its determination to delist our common stock, at which point we will have an opportunity to appeal the delisting determination to a Hearings Panel.

As previously reported in a Current Report on Form 8-K filed by the Company, on October 1, 2024, we filed with the Secretary of State of the State of Delaware a certificate of amendment to our certificate of incorporation to effect a reverse stock split. The reverse stock split became effective as of 4:01 p.m. Eastern Time on October 1, 2024, and our common stock began trading on a split-adjusted basis when the Nasdaq Stock Market opened on October 2, 2024. The reverse stock split was primarily intended to bring us into compliance with Nasdaq's minimum bid price requirement. As of the date of this prospectus supplement, our common stock has had a closing bid price of at least $1.00 for fourteen consecutive business days.

If we are delisted from Nasdaq, our common stock may be eligible for trading on an over-the-counter market. If we are not able to obtain a listing on another stock exchange or quotation service for our common stock, it may be extremely difficult or impossible for stockholders to sell their shares. We intend to monitor the closing bid price of our common stock and may be required to seek approval from our stockholders to affect a reverse stock split of the issued and outstanding shares of our common stock, however, under Nasdaq Rule 5810(b)(3)(a)(iv) , we will not be entitled to an additional compliance period if the proposed reverse split reverse stock split ratio, when combined with any prior reverse stock splits implements in the prior period of two years would exceed 250-for-1 in the aggregate . Our October 2024 reverse stock split when combined with our August 2023 reverse stock split exceeded 250-for-1 in the aggregate. In addition, there can be no assurance that any future reverse stock split would be approved by our stockholders. Further, there can be no assurance that the market price per new share of our common stock after the reverse stock split will remain unchanged or increase in proportion to the reduction in the number of old shares of our common stock outstanding before the reverse stock split. Even if the reverse stock split is approved by our stockholders, there can be no assurance that we will be able to regain compliance with the minimum bid price requirement or will otherwise be in compliance with other Nasdaq listing rules.

If we are delisted from Nasdaq, but obtain a substitute listing for our common stock, it will likely be on a market with less liquidity, and therefore experience potentially more price volatility than experienced on Nasdaq. Stockholders may not be able to sell their shares of common stock on any such substitute market in the quantities, at the times, or at the prices that could potentially be available on a more liquid trading market. As a result of these factors, if our common stock is delisted from Nasdaq, the value and liquidity of our common stock, warrants and pre-funded warrants would likely be significantly adversely affected. A delisting of our common stock from Nasdaq could also adversely affect our ability to obtain financing for our operations and/or result in a loss of confidence by investors, employees and/or business partners.

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

(a) Sales of Unregistered Securities

On March 17, 2023, the Company issued a consultant 117 shares of common stock for services rendered.

The issuance above was made pursuant to an exemption from registration under the Securities Act of 1933, as amended, pursuant to Section 4(a)(2) thereof.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit Number	Exhibit Description
31.1*	Certification of Principal Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	Inline XBRL Instance 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 (the cover page from the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 is formatted as Inline XBRL and contained in the Exhibit 101 XBRL Document Set).

* Filed herewith.
** Furnished herewith.

SIGNATURES

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

Aditxt, Inc.

Date: November 18, 2024

By: /s/ Amro Albanna
Amro Albanna
Chief Executive Officer
(Principal Executive Officer)

Date: November 18, 2024

By: /s/ Thomas J. Farley
Thomas J. Farley
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 31.1

Certification of Chief Executive Officer of Aditxt, Inc.
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Amro Albanna, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Aditxt, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) 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, 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(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 18, 2024

/s/ Amro Albanna
Amro Albanna
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

Certification of Chief Financial Officer of Aditxt, Inc.
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Thomas J. Farley, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Aditxt, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) 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, 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(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 18, 2024

/s/ Thomas J. Farley
Thomas J. Farley
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATIONS PURSUANT TO
18 U.S.C. SECTION 1350,
AS ENACTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Aditxt, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of Amro Albanna, Chief Executive Officer of the Company and Thomas J. Farley, Chief Financial Officer, certify, pursuant to 18 U.S.C. § 1350, as enacted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

November 18, 2024

/s/ Amro Albanna
Amro Albanna
Chief Executive Officer
(Principal Executive Officer)

November 18, 2024

/s/ Thomas J. Farley
Thomas J. Farley
Chief Financial Officer
(Principal Financial and Accounting Officer)