

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 March 31, 2025

☐ 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: 001-38105



**180 LIFE SCIENCES CORP**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**90-1890354**

(I.R.S. Employer  
Identification No.)

**3000 El Camino Real  
Bldg. 4, Suite 200  
Palo Alto, CA 94306**

(Address of principal executive offices)

**94306**

(Zip Code)

**(650) 507-0669**

(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.0001 per share	ATNF	The Nasdaq Stock Market LLC (The Nasdaq Capital Market)
Warrants to purchase Common Stock	ATNFW	The Nasdaq Stock Market LLC (The Nasdaq Capital Market)

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

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

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

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

As of May 15, 2025, 5,695,487 shares of common stock, par value \$0.0001 per share, were issued and outstanding.

**180 LIFE SCIENCES CORP. AND SUBSIDIARIES**  
**FORM 10-Q**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2025**

**TABLE OF CONTENTS**

<b><u>PART I – FINANCIAL INFORMATION</u></b>	<b>1</b>
Item 1. <u>Financial Statements</u>	1
<u>Condensed Consolidated Balance Sheets (Unaudited)</u>	1
<u>Condensed Consolidated Statements of Operations and Comprehensive Loss (Unaudited)</u>	2
<u>Condensed Consolidated Statements of Changes in Stockholders' Equity (Deficit) (Unaudited)</u>	3
<u>Condensed Consolidated Statements of Cash Flows (Unaudited)</u>	4
<u>Notes to Unaudited Condensed Consolidated Financial Statements (Unaudited)</u>	5
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	28
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	41
Item 4. <u>Controls and Procedures</u>	41
<b><u>PART II - OTHER INFORMATION</u></b>	<b>43</b>
Item 1. <u>Legal Proceedings</u>	43
Item 1A. <u>Risk Factors</u>	43
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	49
Item 3. <u>Defaults upon Senior Securities</u>	49
Item 4. <u>Mine Safety Disclosures</u>	49
Item 5. <u>Other Information</u>	50
Item 6. <u>Exhibits</u>	50

# PART I – FINANCIAL INFORMATION

## Item 1. Financial Statements

### 180 LIFE SCIENCES CORP. AND SUBSIDIARIES CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2025 (unaudited)	December 31, 2024
<b>Assets</b>		
Current Assets:		
Cash	\$ 3,724,527	\$ 4,585,141
Prepaid expenses and other current assets	304,226	556,230
<b>Total Current Assets</b>	<b>4,028,753</b>	<b>5,141,371</b>
Intangible assets, net	7,622,041	7,622,041
<b>Total Assets</b>	<b>\$ 11,650,794</b>	<b>\$ 12,763,412</b>
<b>Liabilities and Stockholders' Equity</b>		
Current Liabilities:		
Accounts payable	\$ 2,124,602	\$ 1,933,141
Accounts payable – related parties	897,721	684,181
Accrued expenses	771,083	739,674
Loans payable - current portion	148,391	147,889
<b>Total Current Liabilities</b>	<b>3,941,797</b>	<b>3,504,885</b>
Loans payable - noncurrent portion	3,425	6,616
<b>Total Liabilities</b>	<b>3,945,222</b>	<b>3,511,501</b>
Commitments and contingencies (Note 9)		
<b>Stockholders' Equity:</b>		
Preferred stock, \$0.0001 par value; 5,000,000 shares authorized; (see designations and shares authorized for Series A, Class B, Class C and Class K preferred stock)		
Class B Convertible Preferred stock liability, \$0.001 par value, 0 and 1,000,000 shares authorized, issued and outstanding at March 31, 2025 and December 31, 2024, respectively	-	100
Class C Preferred Stock; 1 share authorized, 0 issued and outstanding at March 31, 2025 and December 31, 2024	-	-
Class K Preferred Stock; 1 share authorized, 0 issued and outstanding at March 31, 2025 and December 31, 2024, respectively	-	-
Common stock, \$0.0001 par value; 100,000,000 shares authorized; 5,185,780 and 3,176,999 shares issued and outstanding at March 31, 2025 and December 31, 2024, respectively	519	318
Additional paid-in capital	154,579,238	153,691,755
Accumulated other comprehensive income	(2,981,609)	(2,916,918)
Accumulated deficit	(143,892,576)	(141,523,344)
<b>Total Stockholders' Equity</b>	<b>7,705,572</b>	<b>9,251,911</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 11,650,794</b>	<b>\$ 12,763,412</b>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**180 LIFE SCIENCES CORP. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
(unaudited)

	<b>For the Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Operating Expenses:</b>		
Research and development	\$ 240,905	\$ 365,186
Research and development - related parties	135,455	170,542
General and administrative	1,996,608	1,556,740
Total Operating Expenses	<u>2,372,968</u>	<u>2,092,468</u>
Loss From Operations	<u>(2,372,968)</u>	<u>(2,092,468)</u>
<b>Other Income (Expense):</b>		
Other income	6,391	1,039,364
Interest expense	(2,655)	(16,449)
Change in fair value of derivative liabilities	-	(191)
Total Other Income (Expense), Net	<u>3,736</u>	<u>1,022,724</u>
<b>Loss Before Income Taxes</b>	<u>(2,369,232)</u>	<u>(1,069,744)</u>
Income tax benefit	-	-
<b>Net Loss</b>	<u>(2,369,232)</u>	<u>(1,069,744)</u>
<b>Other Comprehensive Income (Loss):</b>		
Foreign currency translation adjustments	(64,691)	6,460
<b>Total Comprehensive Loss</b>	<u>\$ (2,433,923)</u>	<u>\$ (1,063,284)</u>
<b>Basic and Diluted Net Loss per Common Share</b>		
Basic	<u>\$ (0.67)</u>	<u>\$ (1.68)</u>
Diluted	<u>\$ (0.67)</u>	<u>\$ (1.68)</u>
<b>Weighted Average Number of Common Shares Outstanding:</b>		
Basic	<u>3,539,331</u>	<u>638,339</u>
Diluted	<u>3,539,331</u>	<u>638,339</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**180 LIFE SCIENCES CORP. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)**  
**For The Three Months Ended March 31, 2025 and 2024**  
**(unaudited)**

	Series B Preferred Stock		Common Stock		Additional	Accumulated		Total
	Shares	Amount	Shares	Amount	Paid-in	Other	Accumulated	Stockholders'
					Capital	Comprehensive	Deficit	Equity
						Income		(Deficit)
<b>Balance - January 1, 2025</b>	1,000,000	\$ 100	3,176,999	\$ 318	\$ 153,691,755	\$ (2,916,918)	\$ (141,523,344)	\$ 9,251,911
Cancelled shares	-	-	(2,385)	-	-	-	-	-
Shares issued for settlement of liabilities	-	-	243,166	24	309,976	-	-	310,000
Stock-based compensation	-	-	450,000	45	577,539	-	-	577,584
Conversion of Series B Convertible Preferred Stock	(1,000,000)	(100)	1,318,000	132	(32)	-	-	-
Comprehensive loss:								
Net loss	-	-	-	-	-	-	(2,369,232)	(2,369,232)
Other comprehensive Loss	-	-	-	-	-	(64,691)	-	(64,691)
<b>Balance - March 31, 2025</b>	<b>-</b>	<b>\$ -</b>	<b>5,185,780</b>	<b>\$ 519</b>	<b>\$ 154,579,238</b>	<b>\$ (2,981,609)</b>	<b>\$ (143,892,576)</b>	<b>\$ 7,705,572</b>

  

	Series B Preferred Stock		Common Stock		Additional	Accumulated		Total
	Shares	Amount	Shares	Amount	Paid-in	Other	Accumulated	Stockholders'
					Capital	Comprehensive	Deficit	Equity
						Income		(Deficit)
<b>Balance - January 1, 2024</b>	-	\$ -	534,719	\$ 54	\$ 130,117,209	\$ (2,901,339)	\$ (127,343,657)	\$ (127,733)
Shares issued from exercise of pre-funded warrants related to Amendment to August 2023 Offering	-	-	257,205	26	463	-	-	489
Adjustment related to reverse stock split	-	-	60,848	6	(6)	-	-	-
Stock-based compensation	-	-	-	-	236,062	-	-	236,062
Comprehensive loss:	-	-	-	-	-	-	-	-
Net loss	-	-	-	-	-	-	(1,069,744)	(1,069,744)
Other comprehensive Income	-	-	-	-	-	6,460	-	6,460
<b>Balance - March 31, 2024</b>	<b>-</b>	<b>\$ -</b>	<b>852,772</b>	<b>\$ 86</b>	<b>\$ 130,353,728</b>	<b>\$ (2,894,879)</b>	<b>\$ (128,413,401)</b>	<b>\$ (954,466)</b>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**180 LIFE SCIENCES CORP. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Expressed in US Dollars)  
(unaudited)

	<b>For the Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Cash Flows From Operating Activities</b>		
Net loss	\$ (2,369,232)	\$ (1,069,744)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation		
Shares issued for services	572,832	-
Amortization of stock options and restricted stock units	4,752	236,062
Amortization of intangibles	-	23,576
Change in fair value of derivative liabilities	-	191
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	253,332	480,533
Accounts payable	131,715	(97,254)
Accounts payable – related parties	213,540	(212,543)
Accrued expenses	339,338	(447,946)
Accrued expenses – related parties	-	53,708
Total adjustments	<u>1,515,509</u>	<u>36,327</u>
Net Cash Used In Operating Activities	<u>(853,723)</u>	<u>(1,033,417)</u>
<b>Cash Flows From Financing Activities</b>		
Proceeds from exercise of pre-funded warrants from the Amendment to August 2023 Offering	-	489
Repayment of loans payable	<u>(3,320)</u>	<u>(264,883)</u>
Net Cash Used In Financing Activities	<u>(3,320)</u>	<u>(264,394)</u>
<b>Effect of Exchange Rate Changes on Cash</b>	<u>(3,571)</u>	<u>(2,011)</u>
<b>Net Decrease In Cash</b>	<u>(860,614)</u>	<u>(1,299,822)</u>
Cash - Beginning of Period	4,585,141	1,975,799
Cash - End of Period	<u>\$ 3,724,527</u>	<u>\$ 675,977</u>
<b>Supplemental Disclosures of Cash Flow Information:</b>		
Cash paid during the period for income taxes	\$ -	\$ -
Cash paid during the period for interest	\$ -	\$ 12,078
<b>Non cash investing and financing activities:</b>		
Conversion of Series B Convertible Preferred Stock	\$ 100	\$ -
Shares issued for settlement of liabilities	<u>\$ 310,000</u>	<u>\$ -</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**180 LIFE SCIENCES CORP. AND SUBSIDIARIES**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(unaudited)**

**NOTE 1 - BUSINESS ORGANIZATION AND NATURE OF OPERATIONS**

180 Life Sciences Corp., formerly known as KBL Merger Corp. IV (“180LS”, or together with its subsidiaries, the “Company”), was a blank check company organized under the laws of the State of Delaware on September 7, 2016. The Company was formed for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization, or similar business combination with one or more businesses.

180 Life Corp. (“180”, f/k/a 180 Life Sciences Corp. and CannBioRx Life Sciences Corp.) is a wholly-owned subsidiary of the Company and was incorporated in the State of Delaware on January 28, 2019. The Company is located in the United States (“U.S.”) and is a medical pharmaceutical company focused upon unmet medical needs in the areas of inflammatory diseases, fibrosis, and chronic pain by employing innovative research and, where appropriate, combination therapies, through 180’s three wholly-owned subsidiaries, 180 Therapeutics L.P. (“180 LP”), CannBioRex Pharmaceuticals Corp. (“CBR Pharma”), and Katexco Pharmaceuticals Corp. (“Katexco”). 180 LP, CBR Pharma and Katexco are together, the “180 Subsidiaries.” Katexco was incorporated on March 7, 2018 and CBR Pharma was incorporated on March 8, 2018, under the provisions of the British Corporation Act of British Columbia. 180 LP was formed as a limited partnership on September 6, 2013, in Delaware. Additionally, 180’s wholly-owned subsidiaries Katexco Calco, ULC, Katexco Purchaseco, ULC, CannBioRex Calco, ULC, and CannBioRex Purchaseco, ULC were formed in the Canadian Province of British Columbia on May 31, 2019 to facilitate the acquisition of Katexco, CBR Pharma and 180 LP. On July 1, 2021, the assets and liabilities of the Canadian companies (Katexco and CBR Pharma) were transferred to their respective subsidiaries, which are Katexco Pharmaceuticals Corp. (“Katexco U.S.”) and CannBioRex Pharma Limited (“CBR Pharma U.K.”).

The Company has been a clinical stage biotechnology company focused on the development of therapeutics for unmet medical needs in chronic pain, inflammation, fibrosis, and other inflammatory diseases, where anti-TNF therapy will provide a clear benefit to patients, by employing innovative research, and, where appropriate, combination therapy. We had three product development platforms:

- fibrosis and anti-tumor necrosis factor (“TNF”);
- drugs which are derivatives of cannabidiol (“CBD”); and
- alpha 7 nicotinic acetylcholine receptor (“ $\alpha$ 7nAChR”).

In November 2024, the biotechnology related to  $\alpha$ 7nAChR was returned to Stanford University and the Company is currently evaluating strategic options for the TNF and CBD programs, including but not limited to a sale or disposition, return of these assets to the underlying owners or other strategic alternatives. While there are several parties conducting preliminary due diligence, no formal bids have been received to date, and the Company has not yet made a final determination with respect to these assets.

On September 29, 2024, the Company entered into an Asset Purchase Agreement (the “Purchase Agreement”) with Elray Resources, Inc. (“Elray”). Pursuant to the Purchase Agreement, Elray agreed to sell us certain source code and intellectual property relating to a “back-end technology platform” which is a key component of creating an online blockchain casino (the “Purchased Assets”) Elray agreed to provide support and assistance to the Company in connection with the building and launching of a fully operational casino operation utilizing the Purchased Assets.

As a result of the Purchase Agreement, the Company is planning to strategically enter into the online gaming industry, utilizing the Purchased Assets, which incorporates blockchain technology and cryptocurrency operability (the “Gaming Technology Platform”). The Company plans to use this technology platform to establish a blockchain-based business aimed at the global iGaming market, focusing initially only on the cryptocurrency market and in the future, potentially the traditional fiat currency wagering market. Initially focusing on B2C (business-to-consumer) online casinos, the Company also plans to expand into a B2B (business-to-business) model, offering a seamless blockchain-enabled technology platform for gaming operators worldwide. In addition, management has identified certain global iGaming industry characteristics and trends that they believe make potential acquisition opportunities attractive. Management believes that the combination of the Gaming Technology Platform and the strength of a Nasdaq listing make the Company an attractive consolidation vehicle for the iGaming industry, and plans to work to identify potential acquisitions (although no targets exist at present).

## NOTE 2 - GOING CONCERN AND MANAGEMENT'S PLANS

The Company has not generated any revenues and has incurred significant losses since inception. As of March 31, 2025, the Company had an accumulated deficit of \$143,892,576 and working capital of \$86,956, and for the three months ended March 31, 2025, a net loss of \$2,369,232 and cash used in operating activities of \$853,723. The Company expects to invest a significant amount of capital to commercialize its iGaming assets as well as continuing to maintain the intellectual property around the Company's existing biotechnology assets. Even if the Company does become profitable, it may not be able to sustain or increase profitability on a quarterly or annual basis. The Company cannot predict when, if ever, it will be profitable. There can be no assurance that the intellectual property of the Company, or other technologies it may acquire, will meet applicable regulatory standards, obtain required regulatory approvals, will produce products capable of being produced in commercial quantities at reasonable costs, or be successfully marketed.

These condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. These matters raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time, which is defined as within one year after the date that the consolidated financial statements are issued. The condensed consolidated financial statements 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 uncertainty related to our ability to continue as a going concern.

## NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Significant Accounting Policies

There have been no material changes to the Company's significant accounting policies as set forth in the Company's audited consolidated financial statements included in the Annual Report on Form 10-K for the year ended December 31, 2024 under *Note 3 - Summary of Significant Accounting Policies*.

### Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of the Company have been prepared on a going concern basis in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) for interim financial reporting and as required by Regulation S-X, Rule 10-01. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (including those which are normal and recurring) considered necessary for a fair presentation of the interim financial information have been included. When preparing financial statements in conformity with GAAP, the Company must make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and related disclosures at the date of the financial statements. Actual results could differ from those estimates. Additionally, operating results for the three months ended March 31, 2025, are not necessarily indicative of the results that may be expected for any other interim period or for the fiscal year ending December 31, 2025. For further information, refer to the financial statements and footnotes included in the Company's annual financial statements for the fiscal year ended December 31, 2024, which are included in the Company's annual report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on March 31, 2025.

## Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates, judgments, and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, together with amounts disclosed in the related notes to the condensed consolidated financial statements. The Company's significant estimates and assumptions used in these condensed consolidated financial statements include, but are not limited to, the fair value of financial instruments, warrants, options, derivative liabilities and research and development (R&D) tax credits and accruals. Certain of the Company's estimates could be affected by external conditions, including those unique to the Company and general economic conditions. It is reasonably possible that these external factors could have an effect on the Company's estimates and may cause actual results to differ from those estimates.

## Foreign Currency Translation

The Company's reporting currency is the United States dollar. The functional currency of certain subsidiaries was the British Pound ("GBP") (1.292 and 1.273 GBP to 1 US dollar, each as of March 31, 2025 and December 31, 2024, respectively) for balance sheet accounts, while expense accounts are translated at the weighted average exchange rate for the period (1.259 and 1.214 GBP to 1 US dollar for each of the three months ended March 31, 2025 and 2024, respectively). Equity accounts are translated at historical exchange rates. The resulting translation adjustments are recognized in stockholders' equity as a component of accumulated other comprehensive income.

Comprehensive income is defined as the change in equity of an entity from all sources other than investments by owners or distributions to owners and includes foreign currency translation adjustments as described above. During the three months ended March 31, 2025 and 2024, the Company recorded other comprehensive loss of \$64,691 and other comprehensive income of \$6,460, respectively, as a result of foreign currency translation adjustments.

Foreign currency gains and losses resulting from transactions denominated in foreign currencies, including intercompany transactions, are included in results of operations. The Company recognized \$0 and (\$1) of foreign currency transaction losses for the three months ended March 31, 2025 and 2024, respectively. Such amounts have been classified within general and administrative expenses in the accompanying condensed consolidated statements of operations and comprehensive loss.

## Intangible Assets

Intangible assets consist of licensed patents as well as technology licenses acquired in connection with the Reorganization. Licensed patents are amortized over the remaining life of the patent. Technology licenses represent the fair value of licenses acquired for the development and commercialization of certain licenses and knowledge. The technology licenses are amortized on a straight-line basis over the estimated useful lives of the underlying patents. It will be necessary to monitor and possibly adjust the useful lives of the licensed patents and technology licenses depending on the results of the Company's research and development activities.

In addition, the Company acquired the Gaming Technology Platform from Elray in 2024. The Gaming Technology Platform is not yet placed in service, and will be amortized over three years based on its nature as acquired technology and its expected useful life once placed in service.

## Net Loss Per Common Share

Basic net loss per common share is computed by dividing net loss by the weighted average number of common shares outstanding during the period. Diluted net loss per common share is computed by dividing net loss by the weighted average number of common shares outstanding, plus the number of additional common shares that would have been outstanding if the common share equivalents had been issued (computed using the treasury stock or if converted method), if dilutive.

## Subsequent Events

The Company has evaluated events that have occurred after the balance sheet date but before these condensed consolidated financial statements were issued. Based upon that evaluation, the Company did not identify any recognized or non-recognized subsequent events that would have required adjustment or disclosure in the financial statements, except as disclosed in *Note 12 - Subsequent Events*.

## Recently Issued Accounting Pronouncements

Management does not believe that any recently issued, but not yet effective, accounting pronouncements, if currently adopted, would have a material effect on the Company's unaudited condensed consolidated financial statements.

## NOTE 4 - PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consist of the following as of March 31, 2025 and December 31, 2024:

	March 31, 2025	December 31, 2024
Insurance	\$ 183,048	\$ 377,473
Professional fees	111,189	137,570
Value-added tax receivable	9,989	41,187
	<u>\$ 304,226</u>	<u>\$ 556,230</u>

## NOTE 5 - INTANGIBLE ASSETS

On September 29, 2024, the Company entered into the Purchase Agreement with Elray. Pursuant to the Purchase Agreement, Elray agreed to sell us the Purchased Assets in consideration for 1,000,000 shares of newly designated Series B Convertible Preferred Stock (the "Preferred Stock", and the shares of common stock issuable upon conversion thereof, the "Conversion Shares") and warrants to purchase 3,000,000 shares of common stock of the Company (the "Purchase Warrants" and the shares of common stock issuable upon exercise thereof, the "Purchase Warrant Shares").

On September 30, 2024, in contemplation of the closing of the transactions contemplated by the Purchase Agreement, and pursuant to the power provided to the Company by the Second Amended and Restated Certificate of Incorporation of the Company, as amended, the Company's Board of Directors (the "Board") approved the adoption of, and filing of, a Certificate of Designations of 180 Life Sciences Corp. Establishing the Designations, Preferences, Limitations and Relative Rights of Its Series B Convertible Preferred Stock (the "Series B Designation"), which was filed with, and became effective with, the Secretary of State of Delaware on the same date. The Series B Designation designated 1,000,000 shares of Series B Convertible Preferred Stock which were issued to Elray on September 30, 2024 (the "Closing Date"). The Series B Designation designated 1,000,000 shares of Series B Convertible Preferred Stock, with a par value of \$0.0001 per share and a stated value of \$17.30 per share.

The purchase of the Purchased Assets closed on September 30, 2024.

Based on the terms of the Series B Convertible Preferred Stock and the Purchase Agreement, and in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 480-10, at issuance, the Series B Convertible Preferred Stock was accounted for as a liability due to the variable number of shares issuable under the agreement pursuant to the conversion terms, with an initial value of \$2,772,695. The Company estimated the fair value of the Series B Convertible Preferred Stock based on the market value of the underlying common shares into which the Series B Convertible Preferred stock is convertible into at the transaction date, and an estimated fair value of the liquidation preference using option pricing models for scenarios of the liquidation preference being in effect or conversion of the Series B Convertible Preferred Stock by the holder. The Company recognized a gain/loss on the change in fair value of the Series B Convertible Preferred Stock of \$1,577,305 during the year ended December 31, 2024. On December 27, 2024 (the "Stockholder Approval Date"), the Conversion Rate (defined below) was fixed at 1.318 or 1,318,000 total shares of common stock. As a result, the fair value of the Series B Convertible Preferred Stock was reclassified within shareholders' equity.

The Purchase Warrants have an exercise price of \$1.68 per share, the closing stock price of the Company's common stock on the last trading day prior to the parties' entry into the Purchase Agreement, and a term of seven years (through September 30, 2031). The Purchase Warrants also provide for cashless exercise rights. No shares of common stock may be issued upon exercise of the Purchase Warrants until or unless the Company has received approval from its stockholders for the issuance of such shares of common stock upon exercise of the Purchase Warrants, which was received in December 2024. The Company estimated the fair value of the Purchase Warrants at the acquisition date of September 30, 2024 of \$4,849,346 based on the Black-Scholes option pricing model with the following key assumptions ranging from: Fair value stock price, \$1.68, Exercise price, \$1.68, Term 7 years, Volatility 234.08%, Discount rate of 3.60% and a dividend yield of 0%.

The Company had capitalized intangible cost of \$7,622,041 at March 31, 2025, related to the Purchased Assets. The Purchased Assets were not yet placed in service on March 31, 2025, and amortization has not been recorded.

The technology acquired from Elray will be amortized over three years based on its nature as acquired technology and its expected useful life.

The Company will perform its definite-lived intangible asset impairment test on an annual basis with the initial impairment test after an acquisition completed before the expiration of the next 12 month period.

Intangible assets at March 31, 2025 and December 31, 2024 consisted of the following:

	<b>Useful Life (years)</b>	<b>March 31, 2025</b>	<b>December 31, 2024</b>
Source code and intellectual property	3	\$ 7,622,041	\$ 7,622,041
Licensed Patents	20	530,651	530,651
Technology license	20	1,607,667	1,607,667
Intangible assets		9,760,359	9,760,359
Less: accumulated amortization		(611,776)	(611,776)
Less: accumulated impairment loss		(1,526,542)	(1,526,542)
Intangible assets, net		<u>\$ 7,622,041</u>	<u>\$ 7,622,041</u>

Amortization expense was \$0 and \$23,576 for the three months ended March 31, 2025 and 2024, respectively, related to intangible assets, which is included in general and administrative expense on the accompanying consolidated statements of operations and comprehensive loss.

#### NOTE 6 - ACCRUED EXPENSES

Accrued expenses consist of the following as of March 31, 2025 and December 31, 2024:

	<b>March 31, 2025</b>	<b>December 31, 2024</b>
Litigation accrual	\$ 250,000	\$ 300,000
Research and development fees	446,798	371,038
Interest	61,479	58,940
Other	12,806	9,696
	<u>\$ 771,083</u>	<u>\$ 739,674</u>

## NOTE 7 - LOANS PAYABLE

### Loans Payable

The following table summarizes the activity of loans payable during the three months ended March 31, 2025:

	Principal balance at December 31, 2024	Principal additions	Principal repayments in cash	Effects of foreign exchange rates	Principal balance at March 31, 2025
Bounce Back Loan Scheme	\$ 19,602	\$ -	\$ (3,321)	\$ 632	\$ 16,913
First Insurance - 2024	584	-	-	-	584
Other loans payable	134,319	-	-	-	134,319
Total loans payable	\$ 154,505	\$ -	\$ (3,321)	\$ 632	\$ 151,816
Less: loans payable – current portion	147,889				148,391
Loans payable – noncurrent portion	\$ 6,616				\$ 3,425

For the three months ended March 31, 2025 and 2024, the Company recognized interest expense associated with loans payable of \$2,539 and \$16,449, respectively. As of March 31, 2025 and December 31, 2024, the Company had accrued interest associated with loans payable of \$61,479 and \$58,940, respectively.

## NOTE 8 - SERIES B CONVERTIBLE PREFERRED STOCK

On September 30, 2024, in contemplation of the closing of the transactions contemplated by the Purchase Agreement, and pursuant to the power provided to the Company by the Certificate of Incorporation of the Company, as amended, the Company's Board of Directors approved the adoption of, and filing of, a Certificate of Designations of 180 Life Sciences Corp. Establishing the Designations, Preferences, Limitations and Relative Rights of Its Series B Convertible Preferred Stock, which was filed with, and became effective with, the Secretary of State of Delaware on the same date. The Series B Designation designated 1,000,000 shares of Series B Convertible Preferred Stock which were issued to Elray on the Closing Date.

On March 27, 2025, Elray Resources, Inc., the sole holder of the Series B Convertible Preferred Stock of the Company converted all 1,000,000 outstanding shares of Series B Convertible Preferred Stock of the Company into 1,318,000 shares of common stock (1.318 shares of common stock for each share of Series B Convertible Preferred Stock converted), in accordance with the terms of such preferred stock and the optional conversion right set forth therein.

The below is a summary of the rights and preferences of the Series B Convertible Preferred Stock:

**Voting Rights.** Until such time, if ever, as the shareholders of the Company have approved the issuance of shares of common stock upon the conversion of the Series B Convertible Preferred Stock ("Stockholder Approval"), the Series B Convertible Preferred Stock only has rights to vote on amendments to the Series B Designation (which are subject to the approval of a simple majority of the holders of Series B Convertible Preferred Stock), and the Protective Provisions, discussed below.

The Series B Convertible Preferred Stock requires the consent of the holders of at least a majority of the issued and outstanding shares of Series B Convertible Preferred Stock to (a) increase or decrease (other than by redemption or conversion) the total number of authorized shares of Series B Convertible Preferred Stock of the Company; (b) adopt or authorize any new designation of any Preferred Stock or amend the Certificate of Incorporation of the Company in a manner which (i) provides any holder of common stock or preferred stock any rights upon a liquidation of the Company which are prior and superior to those of the holders of the Series B Convertible Preferred Stock; or (ii) adversely affect the rights, preferences and privileges of the Series B Convertible Preferred Stock; (c) effect an exchange, or create a right of exchange, cancel, or create a right to cancel, of all or any part of the shares of another class of shares into shares of Series B Convertible Preferred Stock; (d) alter or change the rights, preferences or privileges of the shares of Series B Convertible Preferred Stock so as to affect adversely the shares of such series; and (e) issue any shares of Series A Preferred Stock or Series B Convertible Preferred Stock, other than the Preferred Stock issued pursuant to the Purchase Agreement (collectively, the "Protective Provisions").

After Stockholder Approval, in addition to the above voting rights, each holder of outstanding shares of Series B Convertible Preferred Stock shall be entitled to cast the number of votes in connection with the Series B Convertible Preferred Stock shares held by such holder equal to the number of whole shares of common stock into which the shares of Series B Convertible Preferred Stock held by such holder are convertible as of the record date for determining stockholders entitled to vote on such matter. Fractional votes shall not, however, be permitted and any fractional voting rights available on an as-converted to common stock basis (after aggregating all fractional shares into which shares of Series B Convertible Preferred Stock held by each holder could be converted) shall be rounded down to the nearest whole share. Except as provided by law or by the other provisions of the Certificate of Incorporation or the Series B Designation, holders of Series B Convertible Preferred Stock shall vote together with the holders of common stock as a single class and there shall be no series voting.

**Dividend Rights.** None, except that if the Company declares a dividend or makes a distribution of cash (or any other distribution treated as a dividend under Section 301 of the Internal Revenue Code) on its common stock, each holder of Shares of Series B Convertible Preferred Stock is entitled to participate in such dividend or distribution in an amount equal to the largest number of whole shares of common stock into which all shares of Series B Convertible Preferred Stock held of record by such holder are convertible as of the record date for such dividend or distribution or, if there is no specified record date, as of the date of such dividend or distribution. Notwithstanding the foregoing, holders shall have no right of participation in connection with dividends or distributions made to the common stock stockholders consisting solely of shares of common stock.

**Liquidation Preference.** In the event of any liquidation, dissolution or winding up of the Company, either voluntary or involuntary (each a “Liquidation Event”), the holders of Series B Convertible Preferred Stock are entitled to receive prior and in preference to any distribution of any of the assets of the Company to the holders of the common stock or securities junior to the Series B Convertible Preferred Stock (other than the common stock) by reason of their ownership of such stock, but after any required distribution to any holders of Series B Convertible Preferred Stock, an amount in cash per share of Series B Convertible Preferred Stock for each share of Series B Convertible Preferred Stock held by them equal to the greater of (x) one times the Stated Value; and (y) the total amount of consideration that would have been payable on such share upon a Liquidation Event, had such share of Series B Convertible Preferred Stock been converted into common stock, immediately prior to such Liquidation Event (as applicable, the “Liquidation Preference”). The “Stated Value” is \$17.30 per share of Series B Convertible Preferred Stock, for a total aggregate Liquidation Preference of \$17,300,000 when aggregating all 1,000,000 shares of Series B Convertible Preferred Stock originally issued.

**Conversion Rights.** None prior to Stockholder Approval. After Stockholder Approval, at the option of the holder(s) thereof, each share of Series B Convertible Preferred Stock is convertible into a number of shares of common stock of the Company as equals the Conversion Rate. The “Conversion Rate” shall initially be 0.685 (or 685,000 shares in aggregate, which would represent 40% of the Company’s then outstanding shares of common stock), as equitably adjusted, as applicable for stock splits and recapitalizations; provided that if at any time after the original issuance date of the Series B Convertible Preferred Stock and prior to the Stockholder Approval Date, the Company shall actually issue any additional shares of common stock of the Company (each a “Dilutive Issuance”), the Conversion Rate shall be increased to a value equal to (x)(i) the total outstanding shares of common stock (“Total Outstanding Shares”) on the date immediately following such Dilutive Issuance, divided by (ii) 60%, minus (iii) the Total Outstanding Shares on the date immediately following such Dilutive Issuance, divided by (y) 1,000,000, rounded to the thousands place, as equitably adjusted, as applicable for stock splits and recapitalizations (each a “Dilutive Adjustment”); provided that in no event will the Conversion Rate be greater than ten. The effect of any change in the Conversion Rate shall not be retroactive and shall only apply for conversions of Series B Convertible Preferred Stock following the date of any Dilutive Adjustment. The Conversion Rate is designed to result in the holders of the Series B Convertible Preferred Stock receiving 40% of the then outstanding shares of common stock upon conversion of the Series B Convertible Preferred Stock, subject to a maximum of 10 million shares of common stock, and further subject to such conversion ratio being fixed upon Stockholder Approval. The Conversion Rate of the Series B Convertible Preferred Stock was fixed at 1.318 or 1,318,000 total shares of common stock on December 27, 2024, the Stockholder Approval Date.

Based on the terms of the Series B Convertible Preferred Stock and the Purchase Agreement, and in accordance with FASB ASC 480-10, the Series B Convertible Preferred Stock was accounted for as a liability at its issuance date due to the variable number of shares issuable under the agreement pursuant to the conversion terms, with an initial fair value of \$2,772,695. On the Stockholder Approval Date, the Conversion Rate was fixed at 1.318 or 1,318,000 total shares of common stock. As a result, the estimated fair value of the Series B Convertible Preferred Stock of \$4,350,000 was reclassified within shareholders' equity. During the three months ended March 31, 2025, the Series B Convertible Preferred Stock was fully converted into 1,318,000 shares of common stock.

## NOTE 9 - COMMITMENTS AND CONTINGENCIES

### Litigation and Other Loss Contingencies

The Company records liabilities for loss contingencies arising from claims, assessments, litigation, fines, penalties and other sources when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. The Company has no liabilities recorded for loss contingencies as of March 31, 2025.

### Legal Matters

#### Action Against Former Executive of KBL

On September 1, 2021, the Company initiated legal action in the Chancery Court of Delaware against Dr. Marlene Krauss, the Company's former Chief Executive Officer and director ("Dr. Krauss"), when the Company was known as KBL Merger Corp. IV ("KBL") and two of her affiliated companies, KBL IV Sponsor, LLC and KBL Healthcare Management, Inc. (collectively, the "KBL Affiliates") for, among other things, engaging in unauthorized monetary transfers of the Company's assets, non-disclosure of financial liabilities within the Company's Consolidated Financial Statements, issuing shares of stock without proper authorization; and improperly allowing stockholder redemptions to take place. The Company's complaint alleged multiple causes of action against Dr. Krauss and/or the KBL Affiliates, and sought compensatory damages in excess of \$11,286,570, together with interest, attorneys' fees and costs.

On October 5, 2021, Dr. Krauss and the KBL Affiliates filed an Answer, Counterclaims and Third-Party Complaint against the Company and twelve individuals who are, or were, directors and/or officers of the Company, *i.e.*, Marc Feldmann, Lawrence Steinman, James N. Woody, Teresa DeLuca, Frank Knuettel II, Pamela Marrone, Lawrence Gold, Donald A. McGovern, Jr., Russell T. Ray, Richard W. Barker, Shoshana Shendelman and Ozan Pamir (collectively, the "Third-Party Defendants"). On February 24, 2022, Dr. Krauss filed an amended Answer, Counterclaims and Third-Party Complaint (the "Amended Counterclaims"), which, among other things, dismissed Teresa DeLuca, Frank Knuettel II, Pamela Marrone, Russell T. Ray, Richard W. Barker and Shoshana Shendelman. In essence, the Amended Counterclaims allege that the Company and the remaining Third-Party Defendants made alleged misstatements against Dr. Krauss in SEC filings, failed to register her shares in the Company so that they could be traded, and failed to pay to Dr. Krauss the amounts alleged to be owing under a promissory note in the principal amount of \$371,178, plus an additional \$300,000 under Dr. Krauss's resignation agreement. On April 19, 2022, Dr. Krauss stipulated to dismiss all of her counterclaims against both Donald A. McGovern, Jr. and Lawrence Gold.

On June 25, 2024, Dr. Krauss filed a Motion for partial summary judgment on her claim that the Company failed to register her shares.

#### Action Against the Company by Dr. Krauss

On August 19, 2021, Dr. Krauss initiated legal action in the Chancery Court of Delaware against the Company. The Complaint alleged that the Company was obligated to advance expenses including, attorneys' fees, to Dr. Krauss for the costs of defending against an SEC investigation and Subpoenas, and that the Company is also required to reimburse Dr. Krauss for the costs of bringing this lawsuit against the Company. On September 3, 2021, Dr. Krauss filed an Amended Complaint which further alleged that Dr. Krauss was also allegedly entitled to advancement by the Company of her expenses, including attorneys' fees, for the costs of defending against the Third-Party Complaint in the Tyche action referenced below, and the costs of defending against the Company's own Complaint against Dr. Krauss as described above. On or about September 23, 2021, the Company filed its Answer to the Amended Complaint in which the Company denied each of Dr. Krauss's claims and raised numerous affirmative defenses.

On November 15, 2021, Dr. Krauss filed a Motion for Summary Adjudication as to certain of the issues in the case, which was opposed by the Company. On March 7, 2022, the Court issued a decision denying the Motion in part and granting it in part. The Court then issued an Order implementing such decision on March 29, 2022. The parties subsequently engaged in proceedings as set forth in that Order, and the Company was required to pay a portion of those fees while objecting to the remaining portion of disputed fees. On October 10, 2022 and January 18, 2023, Dr. Krauss filed applications to compel the Company to pay the full amount of fees requested by Dr. Krauss for May-October 2022, and to modify the Court's Order. On May 3, 2023, the Court issued an Order granting both of Dr. Krauss's Applications for payment of attorneys' fees totaling \$714,557, which amount was paid in May 2023.

On February 21, 2025, we entered into a Mutual Settlement and General Release Agreement with Dr. Krauss and KBL IV Sponsor, LLC ("KBL Sponsor") (the "Settlement Agreement"). Pursuant to the Settlement Agreement, the Company agreed to (1) pay \$50,000 within twenty days from February 21, 2025 (the "Cash Payment"), which amount was timely paid, and (2) issue 200,000 shares of restricted common stock within three business days (the "Krauss Shares"), which shares were timely issued. The Krauss Shares include piggyback registration rights for a resale registration statement relative to the Krauss Shares for a period of six (6) months.

The Settlement Agreement also required Dr. Krauss to enter into a Voting Agreement with the Company. Pursuant to the Voting Agreement, which was entered into on February 21, 2025, by Dr. Krauss, the Company, and Blair Jordan, the Company's Chief Executive Officer, solely for the benefit of the Company, Dr. Krauss agreed to vote the Settlement Shares as recommended by the Board of Directors of the Company, at any meeting of stockholders or via any written consent of stockholders, which may occur prior to August 21, 2025. In order to enforce the terms of the Voting Agreement, and solely for the benefit of the Company, Dr. Krauss provided Mr. Jordan (or his assigns) an irrevocable voting proxy to vote the Settlement Shares pursuant to the guidelines set forth above at any meeting of stockholders or via any written consent of stockholders. The Voting Agreement also provides a restriction on Dr. Krauss's sale or transfer of any of the Settlement Shares until August 21, 2025, and provides for mutual general releases of the parties.

The Settlement Agreement required Dr. Krauss to file a dismissal of her court actions within ten days after receipt of the Cash Payment and that the Company, Dr. Krauss and KBL Sponsor dismiss all of their claims against one another with prejudice, each of which requirements have occurred to date.

#### Action Against Tyche Capital LLC

The Company commenced and filed an action against defendant Tyche Capital LLC ("Tyche") in the Supreme Court of New York in the County of New York on April 15, 2021. In its Complaint, the Company alleged claims against Tyche arising out of Tyche's breach of its written contractual obligations to the Company as set forth in a "Guarantee and Commitment Agreement" dated July 25, 2019, and a "Term Sheet for KBL Business Combination With CannBioRex" dated April 10, 2019 (collectively, the "Subject Guarantee"), and claimed that Tyche's breach of the Subject Guarantee caused the Company damages in the amount of at least \$6,776,686.

On or about May 17, 2021, Tyche responded to the Company's Complaint by filing an Answer and Counterclaims against the Company alleging that it was the Company, rather than Tyche, that had breached the Subject Guarantee. Tyche also filed a Third-Party Complaint against six third-party defendants, including three members of the Company's management, Sir Marc Feldmann, Dr. James Woody, and Ozan Pamir (collectively, the "Individual Company Defendants"), claiming that they allegedly breached fiduciary duties to Tyche with regards to the Subject Guarantee.

On November 23, 2021, the Court granted the Company's request to issue an Order of attachment against all of Tyche's shares of the Company's stock that had been held in escrow. In so doing, the Court found that the Company had demonstrated a likelihood of success on the merits of the case based on the facts alleged in the Company's Complaint.

On February 18, 2022, Tyche filed an Amended Answer, Counterclaims and Third-Party Complaint. On August 25, 2022, the Court granted the Company's Motion to Dismiss each of the Individual Company Defendants, and also three of the four Counterclaims brought against the Company, leaving only Tyche's declaratory relief claim. On August 26, 2022, Tyche filed a Motion to vacate or modify the Company's existing attachment Order against Tyche's shares of the Company's stock held in escrow, however, the Court summarily denied such Motion on January 3, 2023. Although Tyche subsequently filed a Notice of Appeal as to that denial, on May 4, 2023, the Appellate Court unanimously affirmed the ruling of the lower Court in the Company's favor.

On January 30, 2023, the Company filed a Notice of Motion for Summary Judgment. In hearings held on September 11 and 19, 2023, the Court granted the Company's Motion, but referred the question as to the amount of the Company's damages against Tyche to a special referee. Tyche filed a Notice of Appeal as to the Court's ruling.

On June 30, 2024, the Company entered into a written Settlement Agreement with Tyche and Ronald Bauer and Samantha Bauer to fully resolve this action with Tyche and the Bauer action referenced below. The Settlement Agreement has been fully signed, and the parties have performed the following terms: forgiveness of loans to the Company by the Bauer Defendants, exoneration of the Company's \$50,000 bond in the Tyche action, complete mutual releases of all claims and counterclaims in both actions, and dismissal of both the Tyche action and the Bauer action in their entireties. The entry into the Settlement Agreement resulted in forgiveness of loans payable to the Bauer Defendants totaling \$81,720, and accrued interest of \$25,171, as well as release of the Company's \$50,000 bond. Pursuant to the Settlement Agreement, the Company cancelled 2,385 shares of common stock previously held by Tyche on January 30, 2025. In addition, Ronald Bauer and Samantha Bauer agreed to indemnify the Company and its subsidiaries from any collection attempts, actions or proceedings brought by Cambridge Capital Ltd. ("Cambridge") and Park Lane Capital, Ltd. ("Park Lane"). Cambridge and Park Lane have made certain loans to the Company or its subsidiaries in the aggregate amount of approximately \$130,000. Cambridge and Park Lane have made a demand for payment and the Company provides no assurance that Ronald and Samantha Bauer will indemnify the Company or that the Company will not be forced to repay such amounts.

#### Action Against Ronald Bauer & Samantha Bauer

The Company and two of its wholly-owned subsidiaries, Katexco Pharmaceuticals Corp. and CannBioRex Pharmaceuticals Corp. (collectively, the "Company Plaintiffs"), initiated legal action against Ronald Bauer and Samantha Bauer, as well as two of their companies, Theseus Capital Ltd. and Astatine Capital Ltd. (collectively, the "Bauer Defendants"), in the Supreme Court of British Columbia on February 25, 2022. The Complaint claims that the Bauer Defendants misappropriated funds and stock shares, engaged in unauthorized stock sales, and obtained improper travel expenses. The Bauer Defendants filed a Response denying the Civil Claim Complaint of the Company on May 6, 2022.

On June 30, 2024, the Company Plaintiffs, Tyche and the Bauer Defendants entered into the Settlement Agreement described above, which fully resolves this action.

#### Declaratory Relief Action Against the Company by AmTrust International

On June 29, 2022, AmTrust International Underwriters DAC ("AmTrust"), which was the premerger directors' and officers' insurance policy underwriter for KBL, filed a declaratory relief action against the Company in the U.S. District Court for the Northern District of California (the "Declaratory Relief Action") seeking a declaration that AmTrust is not obligated to reimburse the Company for fees advanced by the Company to Dr. Krauss and George Hornig under the directors' and officers' insurance policy.

On September 20, 2022, the Company filed its Answer and Counterclaims against AmTrust for bad faith breach of AmTrust's insurance coverage obligations to the Company under the subject insurance policy, seeking at least \$2 million in compensatory damages, and punitive damages. In addition, the Company brought a Third-Party Complaint against its excess insurance carrier, Freedom Specialty Insurance Company ("Freedom") seeking declaratory relief that Freedom will also be required to honor its policy coverage as soon as the amount of AmTrust's insurance coverage obligations to the Company has been exhausted. On October 25, 2022, AmTrust filed its Answer to the Company's Counterclaims and, on October 27, 2022, Freedom filed its Answer to the Third-Party Complaint.

On November 22, 2022, the Company filed a Motion for Summary Adjudication against both AmTrust and Freedom, and on April 21, 2023, the Court issued an Order Granting in Part and Denying in Part the Company's Motion. This Order essentially ruled in favor of the Company on nearly all of the issues in the case, but found there were still issues of disputed facts as to the Change in Control exclusion contained within the policies, which precluded the Court from granting the remainder of the Company's requests for summary adjudication as a matter of law.

On August 4, 2023, the Court granted the Company's request to file a second motion for partial summary judgment, this one being on the issue of whether AmTrust should be required to advance to the Company the defense costs being incurred by Dr. Krauss and Mr. Hornig during the pendency of the case. On February 12, 2024, the Court granted the Company's Motion and ordered that: (a) AmTrust is obligated under its insurance policy to advance to the Company all defense costs in excess of the deductible that the Company has advanced, or will advance, to Dr. Krauss and Mr. Hornig in connection with the SEC Subpoenas, and (b) upon exhaustion of the AmTrust insurance policy, Freedom is obligated to do the same pursuant to its excess liability insurance policy. This Order applies throughout the interim of the case, but does not constitute a final judgment, and both the Company and the two insurers retain their rights to contest all applicable issues at trial, which is scheduled for May 12, 2025.

On April 16, 2024, AmTrust paid the Company \$2.27 million in reimbursement of fees which the Company had advanced to Dr. Krauss and Mr. Hornig, of which the Company received \$1,512,711 after the payment of attorney's fees. On May 9, 2024, AmTrust paid the Company a further \$300,140 in reimbursement of fees advanced by the Company, of which the Company received \$200,093 after the payment of attorney's fees.

The Company, Freedom and AmTrust held a mediation conference on August 21, 2024, during which, the Company agreed to the terms of a settlement with Freedom.

On September 23, 2024, Freedom paid the Company a further \$125,000 in reimbursement of fees advanced by the Company, of which the Company received \$76,639 after the payment of attorney's fees.

Subsequently, the Company and AmTrust held an additional mediation conference.

On, and effective on, April 6, 2025 (the "Effective Date"), the Company entered into a Confidential Settlement Agreement and Release (the "AmTrust Settlement Agreement") with AmTrust, and its wholly-owned subsidiary, AmTrust Financial Services, Inc. ("AFSI"). Pursuant to the AmTrust Settlement Agreement, the Company and AmTrust agreed to resolve the ongoing litigation and disputes discussed above, relating to the Company's pre-merger directors' and officers' insurance policy (the "Coverage Action").

Pursuant to the Settlement Agreement, discussed in greater detail below under *Note 12 Subsequent Events*, the parties agreed to file a joint stipulation of dismissal with prejudice of the Coverage Action, which has been filed to date.

## **Other Commitments**

### *Amendments to Compensation Agreements*

On January 10, 2024, and effective on January 1, 2024, the Company entered into (a) a Fourth Amendment to Amended and Restated Employment Agreement with Dr. James Woody, the then CEO and Director of the Company; (b) a Fourth Amendment to Employment Agreement with Dr. Jonathan Rothbard, the then Chief Science Officer (CSO) of the Company; (c) a Third Amendment to Consulting Agreement with Dr. Lawrence Steinman, the then Executive Chairman of the Company; and (d) a Second Amendment to Consulting Agreement with Prof. Sir Marc Feldmann, the former Executive Co-Chairman of the Company (collectively, the "Amendments"), which each amended the compensation agreements then in place with such individuals.

Pursuant to the Amendments, each of Dr. Woody and Dr. Rothbard, effective as of January 1, 2024, agreed to a reduction of the base salaries set forth in their respective amended employment agreements, by 50%, to \$245,000 per year for Dr. Woody and to \$100,000 per year for Dr. Rothbard, with the amount of such salary reductions (\$20,416 per month for Dr. Woody and \$8,333 per month for Dr. Rothbard) accruing monthly in arrears, to be paid upon the Company raising at least \$5,000,000 in funding subsequent to the date of the Amendments (the “Funding Date”), provided that in the event the Funding Date does not occur prior to March 15, 2025, the amounts accrued will be forgiven in their entirety. These amounts were later forgiven as discussed below.

Also pursuant to the Amendments, each of Dr. Steinman and Sir Marc Feldmann, effective as of January 1, 2024, agreed to a reduction of the base salaries set forth in their respective consulting agreements, by 100%, to \$0 per year for each of Dr. Steinman and Sir Marc Feldmann, with the amount of such salary reductions (\$18,750 per month or \$225,000 per year, for Dr. Steinman and £14,167 per month or £170,000 per year, for Sir Marc Feldmann) accruing monthly in arrears, to be paid on the Funding Date, provided that in the event the Funding Date does not occur prior to March 15, 2025, the amounts accrued will be forgiven in their entirety. Effective on September 5, 2024, the Company’s wholly-owned subsidiary, CBR Pharma and the Company, entered into a Separation and Release Agreement with Sir Marc Feldmann, which was amended to clarify such agreement was effective September 5, 2024 (as amended, the “Feldmann Separation Agreement”).

Under the Feldmann Separation Agreement, the Company agreed to issue Sir Marc Feldmann 57,328 shares of common stock and options to purchase 20,000 shares of common stock with a term of two years and an exercise price of \$1.95 per share, the closing sales price of the Company’s common stock on September 5, 2024, under the Company’s Second Amended and Restated 2022 Omnibus Incentive Plan to satisfy amounts owed to Sir Marc Feldmann in consideration for services previously rendered to CBR Pharma. Under the Feldmann Separation Agreement, Sir Marc Feldmann provided a customary general release to CBR Pharma and the Company, the Company and CBR Pharma provided a release to Sir Marc Feldmann, subject to certain exceptions, and Sir Marc Feldmann also agreed to certain confidentiality, non-disclosure, non-solicitation, non-disparagement, and cooperation covenants in favor of the Company and CBR Pharma. The shares were issued on September 10, 2024.

Also effective on September 5, 2024, the Company entered into an Indemnification Agreement with Sir Marc Feldmann to provide for indemnification to Sir Marc Feldmann under Delaware law. Among other things, consistent with the Company’s Bylaws, the Indemnification Agreement generally requires that the Company (i) indemnify Sir Marc Feldmann from and against all expenses and liabilities with respect to proceedings to which Sir Marc Feldmann may be subject by reason of Sir Marc Feldmann’s service to the Company and its subsidiaries to the fullest extent authorized or permitted by Delaware law and (ii) advance all expenses incurred by Sir Marc Feldmann in connection with the investigation, defense, settlement or appeal of any proceeding, and in connection with any proceeding to enforce Sir Marc Feldmann’s rights under the Indemnification Agreement.

#### *Woody Separation Agreement*

On May 7, 2024, Dr. James N. Woody resigned as Chief Executive Officer (Principal Executive Officer), and as a member of the Board of Directors, of the Company effective the same date, and entered into a Separation and Release Agreement with the Company (the “Woody Separation Agreement”).

Under the Woody Separation Agreement, the Company (a) paid Dr. Woody \$50,000 in cash, less all applicable withholdings and required deductions (the “Severance Cash”); (b) issued Dr. Woody 25,000 fully-vested shares of the Company’s common stock; and (c) provided Dr. Woody the right to earn the Future Contingent Payment (as defined below). The amounts above (except for the amounts payable pursuant to (c), which shall be paid by the 15th day following the date such payment is due as discussed below), are required to be paid within 15 days of the date of Dr. Woody’s resignation (the “Payment Date”). We also agreed to pay Dr. Woody a bonus of \$50,000 (the “Future Contingent Payment”), [A] if we, within the 24 months following the date of Dr. Woody’s resignation, complete any corporate transaction, including but not limited to any merger, reverse merger, acquisition, disposal, joint-venture and/or investment involving the Company (a “Corporate Transaction”), which results in a Change of Control (a “Change of Control” means any Corporate Transaction pursuant to which the ownership of an aggregate of 50.1% or more of the outstanding shares of the Company is held by one or more parties after completing the Corporate Transaction); or [B] if we raise at least \$5 million from any source within 12 months from Dr. Woody’s resignation date. The Future Contingent Payment is to be forfeited from Dr. Woody in the event that we are required to restate any financial statements of the Company for periods prior to Dr. Woody’s resignation date, if Dr. Woody was Chief Executive Officer of the Company during such period(s), or any disclosure made by the Company in any report or filing with the Securities and Exchange Commission, is found by the Company to be materially incorrect or misleading, as determined by the reasonable discretion of the Board of Directors of the Company (each a “Forfeiture Trigger”). In the event a Forfeiture Trigger occurs or is deemed to have occurred, Dr. Woody is also required to promptly repay in full the Severance Cash.

Under the Woody Separation Agreement, Dr. Woody agreed to provide a customary general release to the Company, waived any severance pay that would have been due pursuant to the terms of his employment agreement, agreed to the termination of his employment agreement, and also agreed to certain confidentiality, non-disclosure, non-solicitation, non-disparagement, and cooperation covenants in favor of the Company. The 25,000 fully-vested shares of the Company’s common stock due to Dr. Woody will be issued under the Company’s Second Amended and Restated 2022 Omnibus Incentive Plan. As a result of the separation, the Company had a total of \$237,748 of accrued expenses owed to Dr. Woody waived in full, realizing a gain of \$132,498 during the nine months ended September 30, 2024, which is included in additional paid-in capital on the consolidated statement of stockholders’ equity (deficit) due to the related party nature of the settlement.

On February 5, 2025, the Company entered into a First Amendment to Separation and Release Agreement with Dr. Woody (the “First Amendment”). Pursuant to the First Amendment, Dr. Woody agreed to amend the terms of the Woody Separation Agreement, to terminate the prior requirement of the Company to pay the Future Contingent Payment. Instead, pursuant to the First Amendment, Dr. Woody agreed to accept \$60,000 in shares of restricted common stock of the Company (or 43,166 shares of common stock, based on the closing sales price of the Company’s common stock on February 5, 2025, which closing price was \$1.39 per share, the “Separation Shares”), in lieu of the Future Contingent Payment which obligation was terminated. The Separation Shares include piggyback registration rights for a resale registration statement relative to the Separation Shares for a period of six (6) months.

The First Amendment also required Dr. Woody to enter into a Voting Agreement with the Company. Pursuant to the Voting Agreement, which was entered into on February 5, 2025, by Dr. Woody, the Company, and Blair Jordan, the Company’s Chief Executive Officer, solely for the benefit of the Company, Dr. Woody agreed to vote the Separation Shares as recommended by the Board of Directors of the Company, at any meeting of stockholders or via any written consent of stockholders, which may occur prior to February 5, 2026; the date after August 5, 2025, that Dr. Woody has sold all of the Separation Shares; or the date that the Company terminates the Voting Agreement. In order to enforce the terms of the Voting Agreement, and solely for the benefit of the Company, Dr. Woody provided Mr. Jordan (or his assigns) an irrevocable voting proxy to vote the Separation Shares pursuant to the guidelines set forth above at any meeting of stockholders or via any written consent of stockholders. The Voting Agreement also provides a restriction on Dr. Woody’s sale or transfer of any of the Separation Shares until August 5, 2025.

#### *Appointment of Interim Chief Executive Officer and Consulting Agreement*

Also effective on May 7, 2024, the Board of Directors appointed Mr. Blair Jordan, a then member of the Board of Directors of the Company, as Interim Chief Executive Officer (and subsequently Chief Executive Officer) and Principal Executive Officer of the Company, to fill the vacancy left by Dr. Woody’s resignation. Upon such appointment, Mr. Jordan ceased being the Lead Independent director of the Company, and ceased being a member of the Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee of the Board of Directors.

On May 7, 2024, the Company entered into an Executive Consulting Agreement with Mr. Jordan and Blair Jordan Strategy and Finance Consulting Inc. (an entity owned by Mr. Jordan) (“Jordan Consulting” and the “Jordan Consulting Agreement”). Pursuant to the Jordan Consulting Agreement, the Company agreed to engage Jordan Consulting to provide the services of Mr. Jordan to the Company as Interim Chief Executive Officer of the Company. The Jordan Consulting Agreement has a term through April 30, 2025, unless otherwise terminated pursuant to the terms of the agreement (discussed below) and provides for Mr. Jordan to act as Interim Chief Executive Officer of the Company, and to be paid \$216,000 per year in consideration for services rendered to the Company, plus a \$250,000 bonus in the event that the Company completes a Corporate Transaction which results in a Change of Control. Notwithstanding the above, the Board of Directors, with the recommendation of the Compensation Committee, may grant Mr. Jordan bonuses from time to time in its discretion, in cash or equity. The Jordan Consulting Agreement includes customary confidentiality, non-disclosure and proprietary right requirements of Jordan Consulting and Mr. Jordan, and a prohibition on Jordan Consulting and Mr. Jordan competing against us during the term of the agreement.

The Jordan Consulting Agreement terminates automatically upon the completion of a Corporate Transaction (provided we pay the transaction bonus discussed above). We have the right to terminate the Jordan Consulting Agreement at any time, provided that if we terminate the agreement after 60 days and prior to completion of a Corporate Transaction, then we agreed to pay Jordan Consulting \$75,000 in connection with such termination, within 60 days of such termination.

On February 20, 2025, the Company entered into an Executive Consulting Agreement with Mr. Blair Jordan dated February 21, 2025, and Jordan Consulting (the “Jordan Agreement”). The Jordan Agreement replaced and superseded the Jordan Consulting Agreement.

Pursuant to the Jordan Agreement, the Company agreed to continue to engage Jordan Consulting to provide the services of Mr. Jordan to the Company as Chief Executive Officer of the Company. The Jordan Agreement has a term beginning effective January 1, 2025, and continuing through December 31, 2026, unless otherwise terminated pursuant to the terms of the agreement (discussed below), provided that in the event that the parties have not agreed to an extension or termination of the Jordan Agreement with at least 30 days written notice at the end of the term, the agreement automatically renews for successive terms of one year upon the expiration of the primary term or any renewal.

The Jordan Agreement provides for Mr. Jordan to act as Chief Executive Officer of the Company, and to be paid \$240,000 per year (previously Mr. Jordan was paid \$216,000 per year under the Jordan Consulting Agreement) in consideration for services rendered to the Company (the “Fee”).

The agreement also allows the Company to pay Mr. Jordan or Jordan Consulting an incentive bonus of up to 100% of the Fee per year, in the form of cash or equity, in the discretion of the Compensation Committee and the Board. Any additional bonus payments in 2025, if any, and subsequent bonus payments in 2026 from the Company to the Mr. Jordan or Jordan Consulting, if any, will be based on criteria to be determined by the Compensation Committee of the Board. The Board and Compensation Committee may also pay Mr. Jordan or Jordan Consulting bonuses from time to time in cash or equity, in their sole discretion, with any bonus earned being paid by March 15th of the year following the date it is earned.

The Company also agreed to grant 160,000 shares of restricted common stock to Mr. Jordan under the Company’s Third Amended and Restated 180 Life Sciences Corp. 2022 Omnibus Incentive Plan (the “Incentive Plan”), with such shares evidenced and documented by a Notice of Restricted Stock Grant and Restricted Stock Grant Agreement to be entered into between Mr. Jordan and the Company, and subject to vesting as follows: (a) 80,000 shares vest on January 1, 2026, subject to Mr. Jordan’s continued service to the Company on such vesting date; and (b) 80,000 shares vest on December 31, 2026, subject to Mr. Jordan’s continued service to the Company on such vesting date. In the event that the agreement is terminated by us without “cause” or by Jordan Consulting for “good reason”, the shares and all options and shares then outstanding and scheduled to vest within one year of termination will immediately vest, and (iii) the treatment of the shares and all options and shares then outstanding and scheduled to vest outside of one year from termination will be determined solely by the Compensation Committee.

The Jordan Agreement includes customary confidentiality, non-disclosure and proprietary right requirements of Jordan Consulting and Mr. Jordan, and a prohibition on Jordan Consulting and Mr. Jordan competing against us during the term of the agreement. Jordan Consulting may terminate the Jordan Agreement at any time for “good reason” as described in the Jordan Agreement, subject to certain cure rights; at any time without “good reason”; and upon expiration of the term or any renewal.

The Company may terminate the Jordan Agreement at any time for “just cause” (as described below) and for any reason other than “just cause”. “Just cause” means the occurrence of any of the following events: (i) any material or persistent breach by Jordan Consulting or Mr. Jordan of the terms of the agreement; (ii) the conviction of Jordan Consulting or Mr. Jordan of a felony offence, or the equivalent in a non-American jurisdiction, or of any crime involving moral turpitude, fraud or misrepresentation, or misappropriation of money or property of the Company or any affiliate of the Company; (iii) a willful failure or refusal by Jordan Consulting or Mr. Jordan to satisfy its respective obligations to the Company under the agreement including without limitation, specific lawful directives, reasonably consistent with the agreement, or requests of the Board; (iv) any negligent or willful conduct or omissions of Jordan Consulting or Mr. Jordan that directly results in substantial loss or injury to the Company; (v) fraud or embezzlement of funds or property, or misappropriation involving the Company’s assets, business, customers, suppliers, or employees; (vi) any failure to comply with any of the Company’s written policies and procedures, including, but not limited to, the Company’s Corporate Code of Ethics and Insider Trading Policy, provided that subject to certain limited exceptions, we must first give written notice to Jordan Consulting and Mr. Jordan, as applicable, advising them of the acts or omissions that constitute failure or refusal to perform their obligations and that failure or refusal continues after Jordan Consulting and Mr. Jordan, as applicable, has had thirty (30) days to correct the acts or omissions as set out in the notice, if such acts are correctable.

The Company is also able to terminate the Jordan Agreement at any time, without notice upon: (a) the death or physical or mental incapacity of Mr. Jordan if as a result of which Mr. Jordan is unable to perform services for a period in excess of 60 days; or (b) in the event Mr. Jordan or a related party to Mr. Jordan ceases to own or control 100% of Jordan Consulting.

If the agreement is terminated by Jordan Consulting for “good reason”, or by the Company without “just cause” (other than due to death or disability), Jordan Consultant is required to be paid, in a lump sum on the thirtieth day following such termination, a severance payment equal to (i) half of the then current annualized Fee, in the event such termination occurs during the first twelve months of the agreement and 100% of the then current annualized Fee, in the event such termination occurs after the first twelve months of the Agreement, together with all outstanding expenses and pro-rated Fee (through the date of termination); (ii) any unpaid annual cash bonus in respect of any completed fiscal year that has ended prior to the date of such termination with such amount determined based on actual performance during such fiscal year as determined by the compensation committee; and (iii) immediate vesting of any and all equity or equity-related awards previously awarded. Any equity awards that vest based on various performance metrics will be vested only if such performance metrics have been met at the time of termination of service and will be determined solely by the Compensation Committee.

If the agreement is terminated without “good reason” by Jordan Consulting or for “just cause” by the Company, Jordan Consulting is entitled to the Accrued Liabilities (as defined below), and any equity awards or equity-related awards that are not vested as of the date of termination will be cancelled and forfeited and any vested awards will be exercisable pursuant to their terms.

If the agreement is terminated due to Mr. Jordan’s death or disability, Jordan Consulting or Mr. Jordan’s estate or his beneficiaries, as the case may be, will be entitled to receive (i) any accrued but unpaid Fee through the date of termination, any unpaid or unreimbursed expenses incurred in accordance with the terms of the agreement, (collectively, the “Accrued Liabilities”); (ii) any unpaid annual cash bonus in respect of any completed fiscal year that has ended prior to the date of such termination, with such amount determined based on actual performance during such fiscal year as determined by the Company’s Compensation Committee on the sixtieth day following termination; (iii) a lump sum payment of any non-discretionary annual cash bonus that would have been payable based on actual performance with respect to the year of termination in the absence of Mr. Jordan’s death or disability, pro-rated for the period that Mr. Jordan worked prior to his death or disability, and payable at the same time as the bonus would have been paid in the absence of Mr. Jordan’s death or disability; and (iv) immediate vesting of any and all equity or equity-related awards previously awarded to Jordan Consulting, irrespective of the type of award.

As a condition precedent to payment of any amount or provision of any benefit to Mr. Jordan upon termination (the “Severance Benefits”), Jordan Consulting and Mr. Jordan or Mr. Jordan’s estate, as applicable, shall execute and shall not rescind, a release in favor of the Company and all related companies, individuals, and entities, in a form satisfactory to the Company.

Upon termination of the agreement or for any reason other than “good reason” by Jordan Consulting or the Company without “just cause”, Jordan Consulting and Mr. Jordan agreed that, for a period ending six months from the date of termination, Jordan Consulting and Mr. Jordan shall not (except on behalf of the Company or with the prior written consent of the Company), directly or indirectly, compete with the Company for a period of one year, neither Mr. Jordan, nor Jordan Consulting shall solicit employees or consultants of the Company, each as discussed in greater detail in the Jordan Agreement.

On February 21, 2025, the Company entered into a Mutual Settlement and General Release Agreement with Dr. Marlene Krauss, the former Chief Executive Officer and director of KBL and KBL IV Sponsor, LLC. Pursuant to the Settlement Agreement, the Company agreed to (1) pay \$50,000 within twenty days from February 21, 2025, and (2) issue 200,000 shares of restricted common stock within three business days, each of which requirements were met. The Settlement Shares include piggyback registration rights for a resale registration statement relative to the Settlement Shares for a period of six (6) months.

The Settlement Agreement also required Dr. Krauss to enter into a Voting Agreement with the Company. Pursuant to the Voting Agreement, which was entered into on February 21, 2025, by Dr. Krauss, the Company, and Blair Jordan, the Company’s Chief Executive Officer, solely for the benefit of the Company, Dr. Krauss agreed to vote the Settlement Shares as recommended by the Board of Directors of the Company, at any meeting of stockholders or via any written consent of stockholders, which may occur prior to August 21, 2025. In order to enforce the terms of the Voting Agreement, and solely for the benefit of the Company, Dr. Krauss provided Mr. Jordan (or his assigns) an irrevocable voting proxy to vote the Settlement Shares pursuant to the guidelines set forth above at any meeting of stockholders or via any written consent of stockholders. The Voting Agreement also provides a restriction on Dr. Krauss’s sale or transfer of any of the Settlement Shares until August 21, 2025, and provides for mutual general releases of the parties.

#### *Appointment of Chief Accounting Officer and Consulting Agreement*

Effective on February 15, 2025, the Company appointed Eric R. Van Lent as the Chief Accounting Officer (Principal Accounting/Financial Officer) of the Company (the “Appointment”), which Appointment was effective as of the same date. As a result of the Appointment, Blair Jordan, the Chief Executive Officer (Principal Executive Officer) of the Company, who had served as the Principal Accounting/Financial Officer of the Company since October 16, 2024, stepped down from such role, also effective on February 15, 2025. Effective on February 15, 2025, the Company entered into an Executive Consulting Agreement dated January 30, 2025 with Mr. Van Lent and EVL Consulting, LLC (an entity owned by Mr. Van Lent) (“EVL Consulting” and the “EVL Consulting Agreement”). Pursuant to the EVL Consulting Agreement, the Company agreed to engage EVL Consulting to provide the services of Mr. Van Lent to the Company as Chief Accounting Officer of the Company. The EVL Consulting Agreement has a term through July 30, 2025, unless otherwise terminated pursuant to the terms of the agreement (discussed below) and provides for Mr. Van Lent to act as Chief Accounting Officer of the Company, and to be paid \$8,000 per month for an average of 10 hours of work per week, with any hours in excess of that amount being compensated at the rate of \$200 per hour, only if preapproved in writing by the Company. Notwithstanding the above, the Board of Directors, with the recommendation of the Compensation Committee, may grant Mr. Van Lent bonuses from time to time in its discretion, in cash or equity. The EVL Consulting Agreement includes customary confidentiality, non-disclosure and proprietary right requirements of EVL Consulting and Mr. Van Lent, and a prohibition on EVL Consulting and Mr. Van Lent competing against us during the term of the agreement.

The Company has the right to terminate the EVL Consulting Agreement at any time, provided that it pays EVL Consulting \$10,000 upon such termination, payable within 60 days of such termination date.

The Company is also able to terminate the EVL Consulting Agreement at any time, without notice upon: (a) the death or physical or mental incapacity of Mr. Van Lent if as a result of which Mr. Van Lent is unable to perform services for a period in excess of 30 days; (b) in the event Mr. Van Lent or a related party to Mr. Van Lent ceases to own or control 100% of EVL Consulting; or (c) “just cause”, which means any of the following events: (i) any material or persistent breach by EVL Consulting or Mr. Van Lent of the terms of the agreement; (ii) the conviction of EVL Consulting or Mr. Van Lent of a felony offence, or the equivalent in a non-American jurisdiction, or of any crime involving moral turpitude, fraud or misrepresentation, or misappropriation of money or property of the Company or any affiliate of the Company; (iii) a willful failure or refusal by EVL Consulting or Mr. Van Lent to satisfy its respective obligations to the Company under the agreement including without limitation, specific lawful directives, reasonably consistent with the agreement, or requests of the Board; (iv) any negligent or willful conduct or omissions of EVL Consulting or Mr. Van Lent that directly results in substantial loss or injury to the Company; (v) fraud or embezzlement of funds or property, or misappropriation involving the Company’s assets, business, customers, suppliers, or employees; (vi) any failure to comply with any of the Company’s written policies and procedures, including, but not limited to, the Company’s Corporate Code of Ethics and Insider Trading Policy, provided that subject to certain limited exceptions, we must first give written notice to EVL Consulting and Mr. Van Lent, as applicable, advising them of the acts or omissions that constitute failure or refusal to perform their obligations and that failure or refusal continues after EVL Consulting and Mr. Van Lent, as applicable, has had thirty (30) days to correct the acts or omissions as set out in the notice.

If the Company terminates the EVL Consulting Agreement for just cause, we are required to pay EVL Consulting any unpaid fees and/or unpaid and unreimbursed expenses accrued but unpaid prior to the effective termination date.

#### *Non-Executive Director Compensation*

Effective on May 7, 2024, the Board of Directors set the compensation payable to non-executive members of the Board of Directors for services on the Board of Directors, at (a) \$50,000 per year for service on the Board; (b) \$15,000 for each Chairperson of a committee of the Board of Directors (provided that only one additional \$15,000 payment shall be made even if the Director chairs multiple committees); and \$25,000 additional for each member of the Strategy and Alternatives Committee of the Board of Directors, provided that effective October 24, 2024, the Board determined that the members of the Strategy and Alternatives, Risk, Safety and Regulatory Committee (which committee was formed by the combination of the Strategy and Alternatives Committee and the Risk, Safety and Regulatory Committee), would not receive any additional consideration for services on such committee other than their standard compensation for service on the Board.

On February 4, 2025, the Board of Directors of the Company appointed independent director Ryan Smith, as Lead Independent Director of the Company, and agreed to pay Mr. Smith an additional \$20,000 per year for his services in such role.

## *Indemnification Agreements*

The Company has entered into Indemnity Agreements (each an “Indemnification Agreement”) with each of its directors and officers (each an “Indemnitee”), to provide for indemnification to the officers and directors under Delaware law. Among other things, consistent with the Company’s Bylaws, each Indemnification Agreement generally requires that the Company (i) indemnify the Indemnitee from and against all expenses and liabilities with respect to proceedings to which Indemnitee may be subject by reason of the Indemnitee’s service to the Company to the fullest extent authorized or permitted by Delaware law and (ii) advance all expenses incurred by the Indemnitee in connection with the investigation, defense, settlement or appeal of any proceeding, and in connection with any proceeding to enforce the Indemnitee’s rights under the Indemnification Agreement. The Indemnification Agreement also establishes various related procedures and processes and generally requires the Company to maintain directors’ and officers’ liability insurance coverage.

## **NOTE 10 - STOCKHOLDERS’ (DEFICIT) EQUITY**

### *Reverse Stock Split during 2024*

On February 16, 2024, at a Special Meeting of the Stockholders of the Company, the stockholders of the Company approved an amendment to the Company’s Second Amended and Restated Certificate of Incorporation, as amended, to effect a reverse stock split of our issued and outstanding shares of our common stock, par value \$0.0001 per share, by a ratio of between one-for-four to one-for-forty, inclusive, with the exact ratio to be set at a whole number to be determined by the Company’s Board of Directors or a duly authorized committee thereof in its discretion, at any time after approval of the amendment and prior to February 16, 2025.

On February 16, 2024, the Company’s Board approved a reverse stock split of the Company’s common stock at a ratio of 1-for-19 (the “Reverse Stock Split”). The Reverse Stock Split was effective on February 28, 2024 and the shares of the Company’s common stock began trading on Nasdaq on a post-split basis on February 28, 2024, with new CUSIP number: 68236V302. No change was made to the trading symbol for the Company’s shares of common stock or public warrants, “ATNF” and “ATNFW”, respectively, in connection with the Reverse Stock Split.

In addition, the number of shares of common stock issuable upon exercise of stock options and other equity awards (including shares reserved for issuance under the Company’s equity compensation plans), and the number of shares of common stock issuable upon exercise of warrants were proportionately adjusted, using the 1-for-19 ratio. In addition, the exercise price for each outstanding stock option and warrant was increased in inverse proportion to the 1-for-19 split ratio such that upon an exercise, the aggregate exercise price payable by the optionee or warrant holder to the Company for the shares subject to the option or warrant will remain approximately the same as the aggregate exercise price prior to the Reverse Stock Split, subject to the terms of such securities.

Further, pursuant to the terms of the Company’s Class K Special Voting Shares (the “Voting Stock”), following the Effective Time, the Voting Stock was convertible into a number of shares of common stock equal to, and votes a number of voting shares equal to, 14 shares; provided that such Class K Special Voting Shares were subsequently converted into 14 shares of common stock on March 14, 2024. As a result of such conversion, there are no longer any Class K Special Voting Shares outstanding. The Company’s Class C Special Voting Shares had converted into common stock in previous reporting periods and there are no longer any Class C Special Voting Shares outstanding.

The rights and privileges of the holders of shares of common stock are substantially unaffected by the Reverse Stock Split.

### Shares issued for Services

On March 7, 2025, the Compensation Committee and the Board approved the grant of 65,000 shares of restricted common stock to each of the current non-executive members of the Board of Directors as long-term compensation which shall vest to the holders thereof at the rate of ½ of such shares on each of July 1, 2025 and December 31, 2025, subject to continued service with the Company on such vesting dates. The Company also granted 30,000 shares of restricted common stock to an attorney which shall vest to the holder thereof at the rate of ½ of such shares on each of July 1, 2025 and December 31, 2025, subject to continued service with the Company on such vesting dates.

### Shares cancelled

On January 30, 2025, the Company cancelled 2,385 shares previously issued to Tyche Capital LLC.

### Stock Options

A summary of the option activity during the three months ended March 31, 2025 is presented below:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Term (Years)	Intrinsic Value
Outstanding, January 1, 2025	21,629	\$ 28.25	2.2	\$ -
Granted	-	-	-	-
Forfeited	(65)	1,501.00	-	-
Outstanding, March 31, 2025	21,564	\$ 23.81	1.9	\$ -
Exercisable, March 31, 2025	21,037	\$ 11.46	1.8	\$ -

A summary of outstanding and exercisable stock options as of March 31, 2025 is presented below:

Stock Options Outstanding		Stock Options Exercisable	
Exercise Price	Number of Shares	Weighted Average Remaining Life in Years	Number of Shares
\$ 1,501.00	65	6.7	65
\$ 516.80	710	7.1	183
\$ 12.73	789	8.4	789
\$ 1.95	20,000	1.4	20,000
	21,564	1.8	21,037

The Company recognized stock-based compensation expense of \$1,584 for the three months ended March 31, 2025, related to the amortization of stock options; expense of \$1,584 is included within general and administrative expenses on the condensed consolidated statements of operations for the three-month period. The Company recognized stock-based compensation expense of \$236,063 for the three months ended March 31, 2024, related to the amortization of stock options; expense of \$234,113 is included within general and administrative expenses on the condensed consolidated statements of operations for the three-month period and expense of \$1,950 is included within research and development expenses on the condensed consolidated statements of operations for the three month period. As of March 31, 2025, there was \$194,1062 of unrecognized stock-based compensation expense related to stock options that will be recognized over the weighted average remaining vesting period of 0.69 years.

## Warrants

A summary of the common stock underlying the warrants activity (including both liability and equity classified instruments) during the three months ended March 31, 2025 is presented below:

	Number of Shares of Common Stock Underlying Warrants	Weighted Average Exercise Price	Weighted Average Remaining Life in Years	Intrinsic Value
Outstanding, January 1, 2025	6,133,476	\$ 18.19	5.1	\$ 1,028,044
Granted	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding, March 31, 2025	6,133,476	\$ 18.19	4.8	\$ -
Exercisable, March 31, 2025	6,133,476	\$ 18.19	4.8	-

A summary of outstanding and exercisable common stock underlying the warrants as of March 31, 2025 is presented below:

Common Stock Underlying Warrants Outstanding		Common Stock Underlying Warrants Exercisable	
Exercise Price	Number of Shares	Weighted Average Remaining Life in Years	Number of Shares
\$ 1,900.00	6,748	0.9	6,748
\$ 2,850.00	6,579	1.4	6,579
\$ 4,370.00	15,794	0.6	15,794
\$ 3.23	4,049	3.9	4,049
\$ 2.28	1,200,000	5.3	1,200,000
\$ 1.68	3,000,000	6.5	3,000,000
\$ 1.50	1,900,138	4.6	1,900,138
	6,133,308	6.3	6,133,308

## Nasdaq Compliance

### Nasdaq Listing Rule Non-Compliance

We have previously been out of compliance with Nasdaq's continued listing requirements due to our failure to maintain a minimum bid price of at least \$1.00 per share for our common stock, which failure was remedied in March 2024.

Also, on October 11, 2023, the Company received written notice from Nasdaq notifying the Company that it was not in compliance with the shareholder approval requirements set forth in Nasdaq Listing Rule 5635(d), which require prior shareholder approval for transactions, other than public offerings, involving the issuance of 20% or more of the pre-transaction shares outstanding at less than the applicable Minimum Price (as defined in Listing Rule 5635(d)(1)(A)), which non-compliance we remedied in December 2023.

Additionally, on November 15, 2023, the Company received a letter from Nasdaq notifying the Company that it was not in compliance with the minimum stockholders' equity requirement for continued listing on the Nasdaq Capital Market. Nasdaq Listing Rule 5550(b)(1) (the "Equity Rule") requires companies listed on the Nasdaq Capital Market to maintain stockholders' equity of at least \$2,500,000. In the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2023, the Company reported a stockholders' deficit of (\$149,327), which is below the minimum stockholders' equity required for continued listing pursuant to the Equity Rule. Additionally, the Company does not meet the alternative Nasdaq continued listing standards under Nasdaq Listing Rules and did not meet the minimum stockholders' equity requirement as of December 31, 2023, March 31, 2024 or June 30, 2024.

Nasdaq provided the Company until January 2, 2024 to submit to Nasdaq a plan to regain compliance. We submitted the plan to regain compliance in a timely manner, and on January 11, 2024, Nasdaq advised the Company that it has determined to grant the Company an extension to regain compliance with the Equity Rule.

The terms of the extension were as follows: on or before May 13, 2024, the Company must have completed certain transactions described in greater detail in the compliance plan, contemplated to result in the Company increasing its stockholders' equity to more than \$2.5 million, and opt for one of the two following alternatives to evidence compliance with the Equity Rule: Alternative 1: The Company must have furnished to the SEC and Nasdaq a publicly available report (e.g., a Form 8-K) including: 1. A disclosure of the Staff's deficiency letter and the specific deficiency(ies) cited; 2. A description of the completed transaction or event that enabled the Company to satisfy the stockholders' equity requirement for continued listing; and 3. An affirmative statement that, as of the date of the report, the Company believed it had regained compliance with the stockholders' equity requirement based upon the specific transaction or event referenced in Step 2; or Alternative 2: The Company must furnish to the SEC and Nasdaq a publicly available report including: 1. Steps 1 & 2 set forth above; 2. A balance sheet no older than 60 days with pro forma adjustments for any significant transactions or event occurring on or before the report date; and 3. That the Company believes it satisfies the stockholders' equity requirement as of the report date. The pro forma balance sheet must have evidenced compliance with the stockholders' equity requirement.

Additionally, in either case the Company was required to disclose that Nasdaq will continue to monitor the Company's ongoing compliance with the stockholders' equity requirement and, if at the time of its next periodic report the Company does not evidence compliance, that it may be subject to delisting.

Separately, on May 14, 2024, the Staff provided us notice of our non-compliance with the audit committee requirements for continued listing on The Nasdaq Capital Market set forth in Listing Rule 5605(c)(2), which requires that listed companies maintain an audit committee of at least three independent directors. Nasdaq provided the Company a cure period in order to regain compliance as follows: until the earlier of the Company's next annual shareholders' meeting or May 7, 2025; or if the next annual shareholders' meeting is held before November 4, 2024, then the Company must evidence compliance no later than November 4, 2024, which non-compliance the Company cured in December 2024.

While the Company was able to undertake some of the transactions described in the Equity Rule compliance plan, it was unable to regain compliance with the Equity Rule prior to the end of the plan period (May 13, 2024). As a result, on May 14, 2024, the Company received a delist determination letter from the Listing Qualifications department of The Nasdaq Stock Market LLC (the "Staff") advising the Company that the Staff had determined that the Company did not meet the terms of the extension. Specifically, the Company did not complete its proposed transactions and was unable to file a Current Report Form 8-K by the May 13, 2024 deadline previously required by the Staff, evidencing compliance with the Equity Rule. On May 17, 2024, the Company requested an appeal of the Staff's delisting determination, and on May 20, 2024, the Staff advised the Company that the delisting action referenced in the Staff's determination letter had been stayed, pending a final written decision by the Nasdaq Hearings Panel ("Panel"). On July 2, 2024, the Company received notice that the Panel had determined to grant the Company's request to continue its listing on The Nasdaq Stock Market, subject to the Company meeting certain conditions, including filing on or before July 31, 2024, a public disclosure describing the transactions undertaken by the Company to achieve compliance with Nasdaq's continued listing rules and demonstrate long-term compliance with the Equity Rule and providing an indication of its equity following those transactions. On July 22, 2024, the Panel granted the Company's request for additional time to achieve compliance with Nasdaq's continued listing rules and demonstrate long-term compliance with the Equity Rule. Specifically, the Hearings Panel subsequently extended that deadline to September 30, 2024, and subsequently extended such deadline further to October 15, 2024, to regain compliance with the Equity Rule and to allow the continued listing of the Company's common stock and warrants on The Nasdaq Stock Market through such date, subject to the Company's compliance with the Equity Rule on or prior to such date.

As a result of the acquisition of the Purchased Assets, issuance of the 1,000,000 shares of Series B Convertible Preferred Stock and Purchase Warrants, on October 4, 2024, we received a letter from Nasdaq confirming that we had regained compliance with the Equity Rule. Nasdaq also advised the Company that in application of Listing Rule 5815(d)(4)(B), the Company will be subject to a mandatory panel monitor for a period of one year from the date of such letter. If, within that one-year monitoring period, the Staff finds that the Company is no longer in compliance with the Equity Rule, then, notwithstanding Rule 5810(c)(2), the Company will not be permitted to provide the Staff with a plan of compliance with respect to such deficiency and the Staff will not be permitted to grant additional time for the Company to regain compliance with respect to such deficiency, nor will the Company be afforded an applicable cure or compliance period pursuant to Rule 5810(c)(3). Instead, the Staff will issue a Delist Determination Letter and the Company will have an opportunity to request a new hearing with the initial Panel or a newly convened Hearings Panel if the initial Panel is unavailable. The Company will have the opportunity to respond/present to the Hearings Panel as provided by Listing Rule 5815(d)(4)(C) and the Company's securities may at that time be delisted from Nasdaq.

If the Company's common stock and public warrants are delisted, it could be more difficult to buy or sell the Company's common stock and public warrants or to obtain accurate quotations, and the price of the Company's common stock and public warrants could suffer a material decline. Delisting could also impair the Company's ability to raise capital and/or trigger defaults and penalties under outstanding agreements or securities of the Company.

#### **NOTE 11 - RELATED PARTIES**

##### **Accounts Payable – Related Parties**

Accounts payable - related parties were \$897,721 and \$684,181 as of March 31, 2025 and December 31, 2024, respectively, and consist of amounts due to certain officers and directors of the Company, as well as deferred compensation for certain executives.

##### **Research and Development Expenses - Related Parties**

Research and Development Expenses – Related Parties of \$135,455 and \$170,542 during the three months ended March 31, 2025 and 2024, respectively, is related to consulting and professional fees paid to current or former officers, directors or greater than 10% investors, or affiliates thereof.

#### **NOTE 12 - SUBSEQUENT EVENTS**

##### *AmTrust Settlement Agreement*

As discussed above under *Note 9 Commitments and Contingencies—Legal Matters—Declaratory Relief Action Against the Company by AmTrust International*, on, and effective on, April 6, 2025, the Company entered into the Settlement Agreement with AmTrust, and its wholly-owned subsidiary, AFSI. Pursuant to the Settlement Agreement, the Company and AmTrust agreed to resolve certain ongoing litigation and disputes relating to the Company's pre-merger directors' and officers' insurance policy.

Pursuant to the terms of the AmTrust Settlement Agreement, the Company agreed to (i) pay AmTrust a cash payment of \$250,000 (the "Settlement Sum") within 20 days of the Effective Date, and (ii) issue AFSI 509,707 shares of the Company's common stock (the "AmTrust Settlement Shares"), within three business days of the Effective Date, which have been issued to date. The AmTrust Settlement Shares were valued at \$575,000 (the "Shares Value"), based on the volume-weighted average price of the Company's common stock over the 30 trading days preceding the Effective Date and are subject to customary anti-dilution protections, including adjustments for stock splits, combinations, and stock dividends. The Company accrued the Settlement Sum as of March 31, 2025, included in Accrued Expenses liabilities on the consolidated balance sheet.

Within ten days after delivery of both the Settlement Sum and the AmTrust Settlement Shares, the parties agreed to file a joint stipulation of dismissal with prejudice of the Coverage Action, which has been filed to date, and was granted on April 30, 2025.

In connection with the settlement, the Company and AmTrust provided each other broad mutual releases of all claims, known and unknown, arising out of or relating to, among other things, the Coverage Action, certain claims relating to an SEC investigation of certain of the Company's pre-merger officers, including Dr. Krauss, a lawsuit filed by the Company against Dr. Krauss, certain cross claims made by the Company against AmTrust, and related insurance claims and matters, including any claims for bad faith, breach of the implied covenant of good faith and fair dealing, or alleged unfair insurance practices. These releases extend to affiliates, officers, directors, employees, agents, and other related parties of both entities. The AmTrust Settlement Agreement expressly provides that it does not release the parties from obligations arising under the AmTrust Settlement Agreement itself.

In connection with the issuance of the AmTrust Settlement Shares and pursuant to the AmTrust Settlement Agreement, the Company agreed to provide AFSI with certain registration rights. Specifically, the Company is obligated to use commercially reasonable efforts to file a registration statement on Form S-1 (or Form S-3, if available) with the SEC within 45 days of the Effective Date (i.e., prior to May 21, 2025) to register the resale of the AmTrust Settlement Shares (the "Resale Registration Statement"). The Company has further agreed to use commercially reasonable efforts to cause the Resale Registration Statement to be declared effective within 60 days following the Effective Date, or, in the event of SEC notice that the Registration Statement will not be reviewed, by the third business day thereafter.

The Company is required to keep the Resale Registration Statement continuously effective until such time as AFSI no longer holds any AmTrust Settlement Shares, and to bear all related costs and expenses in connection with such registration, excluding AFSI's legal fees. Additionally, the Company must provide legal opinion coverage at its expense, if necessary, to enable AFSI to rely on Rule 144 resale exemptions after six months.

If the Company fails to file or cause the Resale Registration Statement to become effective within 105 days after the Effective Date (i.e., prior to July 20, 2025), if the prospectus included in the registration statement can no longer be relied upon, or if the Company fails to maintain the effectiveness of the Resale Registration Statement (each, a "Registration Statement Failure Event"), the Company is required to pay liquidated damages equal to 3.0% of the Shares Value for each such failure and for each month such failure continues, subject to a cap of 33.0% of the Shares Value.

#### *Elray and Luxor Settlement Agreement*

On April 28, 2025, the Company entered into a Settlement and Mutual Release Agreement (the "Elray Settlement Agreement") with Elray Resources, Inc. ("Elray"), and Luxor Capital, LLC ("Luxor"). Elray and Luxor are both controlled by Anthony Brian Goodman, the father of the Company's director, Jay Goodman. The Elray Settlement Agreement and related arrangements discussed below resolved certain disputes which had arisen between the parties relating to among other things, certain potential acquisitions.

Pursuant to the Elray Settlement Agreement: (a) the Company agreed to acquire all 1,318,000 of the shares of its common stock (the "Elray Shares") held by Elray, which were issued in March 2025, upon the conversion of 1,000,000 shares of Series B Convertible Preferred Stock which Elray then held (representing 23.1% of the Company's currently outstanding shares of common stock), in exchange for an aggregate settlement payment of \$1 million, consisting of (i) \$350,000 payable to Elray within five business days of the Elray Settlement Agreement (the "Elray Payment") and (ii) \$650,000 payable to Luxor ("Luxor Payment"). Amounts due to Luxor will be payable by way of 20% of the proceeds raised by the Company in future capital raises until paid in full, but shall be paid no later than April 28, 2026; and (b) the Company, Elray, and Luxor exchanged mutual general releases from claims arising from prior negotiations and agreements, with limited exceptions for obligations under the Elray Settlement Agreement and confidentiality requirements.

In connection with the settlement, Elray agreed to deliver five stock powers authorizing cancellation of the Elray Shares, to be held in escrow and released proportionally at the option of the Company, as settlement payments are made, with all remaining shares canceled once the full amounts of the Elray Payment and Luxor Payment are made. The stock powers are to be released in tranches, with the stock power relating to the initial 461,300 Elray Shares eligible to be released from escrow upon payment of the Elray Payment, and the remaining four stock powers, each providing for the transfer of 214,175 shares, to be released upon the payment by the Company to Luxor of each additional \$162,500. To date, no Elray Shares have been returned to the Company or cancelled.

Luxor also agreed to indemnify the Company against any claims brought by a third party related to certain prior negotiations involving an online casino asset acquisition.

The Elray Settlement Agreement included customary representations and warranties of the parties and confidentiality requirements. The Elray Settlement Agreement also provides a restriction on Elray's sale or transfer of any of the Elray Shares.

The Elray Settlement Agreement also required Elray to enter into a Voting Agreement with the Company. Pursuant to the Voting Agreement, which was entered into on April 28, 2025, by Elray, the Company, and Blair Jordan, the Company's Chief Executive Officer, solely for the benefit of the Company, Elray agreed to vote any Elray Shares which it continued to hold, as recommended by the Board of Directors of the Company, at any meeting of stockholders or via any written consent of stockholders, which may occur prior to April 28, 2026. In order to enforce the terms of the Voting Agreement, and solely for the benefit of the Company, Elray provided Mr. Jordan (or his assigns) an irrevocable voting proxy to vote the Elray Shares pursuant to the guidelines set forth above at any meeting of stockholders or via any written consent of stockholders.

The Elray Settlement Agreement and related transactions were approved by the Board of Directors of the Company, as well as the Company's Audit Committee, with Mr. Jay Goodman abstaining.

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

### CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q ("Report"), including "Management's Discussion and Analysis of Financial Condition and Results of Operations," contains forward-looking statements, within the federal securities laws, including the Private Securities Litigation Reform Act of 1995, regarding future events and the future results of the Company that are based on current expectations, estimates, forecasts, and projections about the industry in which the Company operates and the beliefs and assumptions of the management of the Company. Words such as "expects," "anticipates," "targets," "goals," "projects," "intends," "plans," "believes," "seeks," "estimates," variations of such words, and similar expressions are intended to identify such forward-looking statements. These forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions that are difficult to predict. Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements. Factors that might cause or contribute to such differences include, but are not limited to, those discussed elsewhere in this Report, including under "Risk Factors", and in other reports the Company files with the Securities and Exchange Commission ("SEC"), including the Company's Annual Report on Form 10-K for the year ended December 31, 2024, as filed with the SEC on March 31, 2025 (under the heading "Risk Factors" and in other parts of that report), and include, but are not limited to, statements about:

- The need for additional funding, including that our current cash on hand is expected to last us until only December 2025, if we do not raise funding in the future;
- our ability to create or purchase a front end for our back end blockchain casino intellectual property assets, commercialize our planned iGaming casino, obtain required licenses and customers, and come to mutually agreeable contractual terms with third parties and suppliers, and ultimately generate revenues through such operations;
- expectations for the clinical and preclinical development, manufacturing, regulatory approval, and commercialization of our biotechnology focused product candidates;
- the uncertainties associated with the clinical development and regulatory approval of the Company's drug candidates, including potential delays in the enrollment and completion of clinical trials, issues raised by the U.S. Food and Drug Administration (FDA), the European Medicines Agency (EMA) and the U.K. Medicines and Healthcare products Regulatory Agency (MHRA);
- regulatory developments in the United States and foreign countries;
- our success in retaining or recruiting, or changes required in, our officers, key employees or directors;
- current negative operating cash flows and our potential ability to obtain additional financing to advance our business and the terms of any further financing, which may be highly dilutive and may include onerous terms;
- the accuracy of our estimates regarding expenses, future revenues and capital requirements;
- the Company's reliance on third parties to conduct its clinical trials, enroll patients, and manufacture its preclinical and clinical drug supplies, the ability to come to mutually agreeable terms with such third parties and partners, and the terms of such agreements;
- the terms of the Company's current licensing agreements, and the termination rights associated therewith;
- estimates of patient populations for the Company's planned products;

- unexpected adverse side effects or inadequate therapeutic efficacy of drug candidates that could limit approval and/or commercialization, or that could result in recalls or product liability claims;
- the Company's ability to fully comply with numerous federal, state and local laws and regulatory requirements, as well as rules and regulations outside the United States, that apply to its product development activities;
- challenges and uncertainties inherent in product research and development, including the uncertainty of clinical success and of obtaining regulatory approvals; and uncertainty of commercial success;
- the ability of the Company to execute its plans to develop and market new drug products and the timing and costs of these development programs;
- changing rates of inflation and interest rates, and economic downturns, including potential recessions, as well as macroeconomic, geopolitical, health and industry trends, pandemics, acts of war (including the ongoing Ukraine/Russian conflict, and Israel/Hamas conflict) and other large-scale crises;
- estimates of the sufficiency of our existing capital resources combined with future anticipated cash flows to finance our operating requirements;
- the review and evaluation of strategic transactions and their impact on shareholder value; the process by which the Company engages in evaluation of strategic transactions; the outcome of potential future strategic transactions and the terms thereof;
- our ability to maintain our listing of our common stock and public warrants on the Nasdaq Capital Market;
- the reliance on suppliers of third-party gaming content and the cost of such content, and reliance on third-party service providers for our planned iGaming platform, including but not limited to marketing, customer service and data management services;
- the ability of the Company to obtain gaming licenses and ability to fully comply with numerous federal, state and local laws and regulatory requirements, as well as rules and regulations outside the United States, that apply to the Company's planned iGaming activities;
- the ability of the Company to build or acquire a suitable "front-end" iGaming platform to match the Company's Gaming Technology Platform;
- the Company's reliance on its management;
- the potential effect of economic downturns, recessions, tariffs, changes in interest rates and inflation, and market conditions, including recessions, decreases in discretionary spending and therefore demand for our products, and increases in the cost of capital, related thereto, among other affects thereof, on the Company's operations and prospects as a result of increased inflation, tariffs, increasing interest rates, global conflicts and other events;
- the Company's ability to protect its proprietary information and intellectual property (IP);
- the ability of the Company to compete in the iGaming market;
- the effect of current and future regulation, the Company's ability to comply with regulations (both current and future) and potential penalties in the event it fails to comply with such regulations and changes in the enforcement and interpretation of existing laws and regulations and the adoption of new laws and regulations that may unfavorably impact our business;

- the ability to compete against existing and new competitors;
- the ability to manage expenses associated with sales and marketing and necessary general and administrative and technology investments;
- general consumer sentiment and economic conditions that may affect levels of discretionary customer purchases of the Company’s products, including potential recessions and global economic slowdowns; and
- other risks and uncertainties, including those described under “Risk Factors”, herein.

All forward-looking statements speak only as of the date of the filing of this Report. The reader should not place undue reliance on these forward-looking statements. Although we believe that our plans, intentions and expectations reflected in or suggested by the forward-looking statements we make in this Report are reasonable, we provide no assurance that these plans, intentions or expectations will be achieved. We disclose important factors that could cause our actual results to differ materially from our expectations under “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this Report and our Annual Report on Form 10-K for the year ended December 31, 2024. These cautionary statements qualify all forward-looking statements attributable to us or persons acting on our behalf. Except as required by law, we assume no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future.

#### *General Information*

The following discussion is based upon our unaudited Condensed Consolidated Financial Statements included elsewhere in this Report, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingencies. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this Report, and in other reports we file with the SEC, and in our most recent Annual Report on Form 10-K. All references to years relate to the calendar year ended December 31st of the particular year.

This information should be read in conjunction with the interim unaudited condensed consolidated financial statements and the notes thereto included in this Quarterly Report on Form 10-Q, and the audited financial statements and notes thereto and “Part II. Other Information – Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations”, contained in our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the Securities and Exchange Commission on March 31, 2025 (the “Annual Report”).

Certain capitalized terms used below and otherwise defined below, have the meanings given to such terms in the footnotes to our unaudited condensed consolidated financial statements included above under “Part I – Financial Information” – “Item 1. Financial Statements”.

Our logo and some of our trademarks and tradenames are used in this Report. This Report also includes trademarks, tradenames and service marks that are the property of others. Solely for convenience, trademarks, tradenames and service marks referred to in this Report may appear without the ®, ™ and SM symbols. References to our trademarks, tradenames and service marks are not intended to indicate in any way that we will not assert to the fullest extent under applicable law our rights or the rights of the applicable licensors if any, nor that respective owners to other intellectual property rights will not assert, to the fullest extent under applicable law, their rights thereto. We do not intend the use or display of other companies’ trademarks and trade names to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

The market data and certain other statistical information used throughout this Report are based on independent industry publications, reports by market research firms or other independent sources that we believe to be reliable sources. Industry publications and third-party research, surveys and studies generally indicate that their information has been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information and have not commissioned any such information. We are responsible for all of the disclosures contained in this Report, and we believe these industry publications and third-party research, surveys and studies are reliable. While we are not aware of any misstatements regarding any third-party information presented in this Report, their estimates, in particular, as they relate to projections, involve numerous assumptions, are subject to risks and uncertainties, and are subject to change based on various factors, including those discussed under, and incorporated by reference in, the section entitled “Item 1A. Risk Factors” of this Report. These and other factors could cause our future performance to differ materially from our assumptions and estimates. Some market and other data included herein, as well as the data of competitors as they relate to the Company, is also based on our good faith estimates.

See also “Cautionary Statement Regarding Forward-Looking Statements”, above, which includes information on forward-looking statements used herein and other matters which are applicable to this Report, including, but not limited to this “Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

Unless the context requires otherwise, references to the “Company,” “we,” “us,” “our,” “180 Life,” “180LS” and “180 Life Sciences Corp.” refer specifically to 180 Life Sciences Corp. and its consolidated subsidiaries. References to “KBL” refer to the Company prior to the November 6, 2020 Business Combination.

In addition, unless the context otherwise requires and for the purposes of this Report only:

“CAD” refers to Canadian dollars;

“Exchange Act” refers to the Securities Exchange Act of 1934, as amended;

“£” or “GBP” refers to British pounds sterling;

“SEC” or the “Commission” refers to the United States Securities and Exchange Commission; and

“Securities Act” refers to the Securities Act of 1933, as amended.

#### *Additional Information*

We file annual, quarterly, and current reports, proxy statements and other information with the SEC. Our SEC filings are available to the public over the Internet at the SEC’s website at [www.sec.gov](http://www.sec.gov) and are available for download, free of charge, soon after such reports are filed with or furnished to the SEC, on the “Investors”—“SEC Filings”—“All SEC Filings” page of our website at [www.180lifesciences.com](http://www.180lifesciences.com). Copies of documents filed by us with the SEC are also available from us without charge, upon oral or written request to our Secretary, who can be contacted at the address and telephone number set forth on the cover page of this Report. Our website address is [www.180lifesciences.com](http://www.180lifesciences.com). The information on, or that may be accessed through, our website is not incorporated by reference into this Report and should not be considered a part of this Report.

#### *Going Concern and Management Liquidity Plans*

As of March 31, 2025, we had an accumulated deficit of \$143,892,576 and working capital of \$86,956, and for the three months ended March 31, 2025, a net loss of \$2,369,232 and cash used in operating activities of \$853,723. The accompanying condensed consolidated financial statements have been prepared assuming the Company will continue as a going concern. As we are not generating revenues, we need to raise a significant amount of capital in order to pay our debts and cover our operating costs. While the Company raised capital in July 2022, December 2022, April 2023, August 2023, November 2023, October 2024 and December 2024, there is no assurance that we will be able to raise additional needed capital or that such capital will be available under favorable terms.

We are subject to all the substantial risks inherent in the development of a new business enterprise within an extremely competitive industry. Due to the absence of a long-standing operating history and the emerging nature of the markets in which we compete, we anticipate operating losses until we can successfully implement our business strategy, which includes all associated revenue streams. We may never ever achieve profitable operations or generate significant revenues.

We currently have a minimum monthly cash requirement spend of approximately \$252,000. We believe that in the aggregate, we will require significant additional capital funding to operationalize and commercially launch our Gaming Technology Platform (defined below), complete the disposition of our remaining biotechnology assets (either by sale or discontinuation), repay debt obligations, provide capital expenditures for additional equipment and development costs, payment obligations, office space and systems for managing the business, and cover other operating costs until our planned revenue streams from products are fully-implemented and begin to offset our operating costs, if ever.

Since our inception, we have funded our operations with the proceeds from equity and debt financing. We have experienced liquidity issues due to, among other reasons, our limited ability to raise adequate capital on acceptable terms. We have historically relied upon the issuance of equity and promissory notes that are convertible into shares of our common stock to fund our operations and have devoted significant efforts to reduce that exposure. We anticipate that we will need to issue equity to fund our operations and repay our outstanding debt for the foreseeable future. If we are unable to achieve operational profitability, or we are not successful in securing other forms of financing, we will have to evaluate alternative actions to reduce our operating expenses and conserve cash. Our current cash balance is only expected to be sufficient to fund our planned business operations through approximately December 2025. If additional capital is not available, we may not be able to pursue our planned business operations, may be forced to change our planned business operations, or may take other actions that could adversely impact our stockholders, including seeking bankruptcy protection.

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. Accordingly, the consolidated financial statements do not include any adjustments relating to the recoverability of assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The consolidated financial statements included in this Report also include a going concern footnote.

Additionally, wherever possible, our Board of Directors will attempt to use non-cash consideration to satisfy obligations. In many instances, we believe that the non-cash consideration will consist of restricted shares of our common stock, preferred stock or warrants to purchase shares of our common stock. Our Board of Directors has authority, without action or vote of the shareholders, but subject to Nasdaq rules and regulations (which generally require shareholder approval for any transactions which would result in the issuance of more than 20% of our then outstanding shares of common stock or voting rights representing over 20% of our then outstanding shares of stock), to issue all or part of the authorized but unissued shares of common stock, preferred stock or warrants to purchase such shares of common stock. In addition, we may attempt to raise capital by selling shares of our common stock, possibly at a discount to market in the future. These actions will result in dilution of the ownership interests of existing shareholders, may further dilute the common stock book value, and that dilution may be material. Such issuances may also serve to enhance existing management's ability to maintain control of us, because the shares may be issued to parties or entities committed to supporting existing management.

## Organization of MD&A

Our Management's Discussion and Analysis of Financial Condition and Results of Operations (the "MD&A") is provided in addition to the accompanying condensed consolidated financial statements and notes to assist readers in understanding our results of operations, financial condition, and cash flows. MD&A is organized as follows:

- **Business Overview and Recent Events.** A summary of the Company's business and certain material recent events.
- **Significant Financial Statement Components.** A summary of the Company's significant financial statement components.
- **Results of Operations.** An analysis of our financial results comparing the three months ended March 31, 2025 and 2024.
- **Liquidity and Capital Resources.** An analysis of changes in our balance sheets and cash flows and discussion of our financial condition.
- **Critical Accounting Estimates.** Accounting estimates that we believe are important to understanding the assumptions and judgments incorporated in our reported financial results and forecasts.

## Business Overview

### iGaming Assets

We are planning to strategically enter into the online gaming industry, utilizing the Purchased Assets (defined below), i.e., our "back-end" gaming platform acquired in September 2024, which incorporates blockchain technology and full cryptocurrency operability (the "Gaming Technology Platform"). The Company plans to use this technology platform to establish a blockchain-based business aimed at the global iGaming market. Initially focusing on B2C (business-to-consumer) online casinos, the Company also plans to expand into a B2B (business-to-business) model, offering a seamless blockchain-enabled technology platform for gaming operators worldwide. In addition, management has identified certain global iGaming industry characteristics and trends that they believe make potential acquisition opportunities attractive. Management believes that the combination of the Gaming Technology Platform and the strength of a Nasdaq listing make the Company an attractive consolidation vehicle for the iGaming industry, and plan to work to identify potential acquisitions (although no targets exist at present).

### Planned iGaming Casino Operations

On September 29, 2024, we entered into an Asset Purchase Agreement (the "Purchase Agreement") with Elray Resources, Inc. ("Elray"). Pursuant to the Purchase Agreement, Elray agreed to sell us certain source code and intellectual property relating to an online blockchain casino (the "Purchased Assets") in consideration for 1,000,000 shares of then newly designated Series B Convertible Preferred Stock (the "Preferred Stock") and warrants to purchase 3,000,000 shares of common stock of the Company (the "Purchase Warrants"). The acquisition of the Purchased Assets was completed on September 30, 2024. The Purchase Agreement restricts Elray, in perpetuity, from copying, selling, assigning, hypothecating, or otherwise transferring the Purchased Assets to any other party, without the prior written consent of the Company, and provides for the Company to be the sole owner of the Purchased Assets, except that Elray shall be authorized to retain and use the Purchased Assets for its own benefit and utilize such assets to provide SaaS solutions and hosted casino solutions to third party companies.

In order to monetize the Purchased Assets, the Company will require a front end (the "Front-End"). We are planning to strategically enter into the online gaming industry, utilizing the Purchased Assets, i.e., our newly acquired "back-end" gaming platform, which incorporates blockchain technology and cryptocurrency operability (the "Gaming Technology Platform"). The Company plans to use this technology platform to establish a blockchain-based business aimed at the global iGaming market, focusing initially only on the cryptocurrency market and in the future, potentially the traditional fiat currency wagering market. Initially focusing on B2C (business-to-consumer) online casinos, the Company also plans to expand into a B2B (business-to-business) model, offering a seamless blockchain-enabled technology platform for gaming operators worldwide. In addition, management has identified certain global iGaming industry characteristics and trends that they believe make potential acquisition opportunities attractive. Management believes that the combination of the Gaming Technology Platform and the strength of a Nasdaq listing make the Company an attractive consolidation vehicle for the iGaming industry, and plans to work to identify potential acquisitions (although no targets exist at present).

Other than the Purchase Agreement and a consulting agreement with a technology consultant, the Company has not entered into any material agreements in connection with the iGaming business to date.

Management believes that the estimated costs to commercialize an online iGaming casino can vary significantly, depending on the jurisdiction and the scale of the operation, but some key expenses are universal (and somewhat fixed), while others are variable and depend on decisions made by management around business strategy. Costs that management expects to incur, given that the Company has already acquired the Gaming Technology Platform, are expected to include the following: first, sourcing a front-end player interface involves either purchasing or developing a customized platform. Off-the-shelf solutions from iGaming software developers typically start at around \$100,000, but can increase dramatically for bespoke or highly tailored platforms. Second, partnerships with game providers require initial setup fees, licensing, and revenue-sharing agreements. These costs may range from \$10,000 to over \$100,000 per game, depending on the scope of the partnership and the range of games offered. Third, management believes that ensuring a smooth user experience, quality design, and strong cybersecurity are essential, which can also add to the initial outlay, with estimated costs of around \$500,000 to acquire a sufficient number of games for our planned platform.

Based on research undertaken by management to date, an online casino requires a robust marketing budget, often requiring at least \$1-2 million in the first year to build brand recognition through digital advertising, influencer partnerships, affiliate programs, and promotions. Establishing legal and regulatory compliance frameworks adds another layer of cost. In regulated markets, obtaining licenses from gaming authorities can range from \$50,000 to over \$200,000 per jurisdiction, depending on the region, with ongoing costs for renewal. Legal and regulatory consultants, particularly in complex markets, will require ongoing fees, which could be \$20,000 to \$100,000 annually. Hiring experienced senior staff like a Chief Compliance Officer, legal experts, and marketing heads will further add to the budget. Salaries for top-tier executives can range from \$250,000 to \$300,000 annually, making human resources one of the largest ongoing expenses. Regulatory assistance to navigate licensing audits and compliance can add up to another \$100,000 annually. Together, these elements make the initial commercialization of an online iGaming casino a significant but potentially lucrative investment.

In total, management believes that the initial cost to fully commercialize the Gaming Technology Platform, with a license in one key jurisdiction, ten games and an adequate marketing and administrative budget, ranges from \$3 million to more than \$5 million.

#### Legacy Biotechnology Programs

We currently have two legacy biotechnology programs that are focused on different diseases or medical conditions, and that target different factors, molecules or proteins. Due to restrictions in the Company's resources, the Company has slowed down research and development activities significantly in the SCA platform (discussed below) and the anti-TNF platform (discussed below), and the Company as discussed below, the Company's license agreement relating to the  $\alpha 7nAChR$  platform (discussed below) was terminated in November 2024.

The Company is currently evaluating all options to monetize its existing life science assets, in addition to exploring other strategic alternatives to maximize value for its stockholders. Our legacy biotechnology programs include:

- fibrosis and anti-tumor necrosis factor ("TNF"); and
- drugs which are derivatives of cannabidiol ("CBD") or cannabigerol ("CBG") analogues ("SCAs").

The license agreement with Stanford University covering  $\alpha 7nAChR$  was terminated effective November 23, 2024. After a careful review of the Company's intellectual property portfolio as part of the Company's ongoing strategic review process, the Company decided to move in a different direction and returned the intellectual property to Stanford University.

## Recent Events

On, and effective on, April 6, 2025 (the “Effective Date”), the Company entered into a Confidential Settlement Agreement and Release (the “AmTrust Settlement Agreement”) with AmTrust, and its wholly-owned subsidiary, AmTrust Financial Services, Inc. (“AFSI”). Pursuant to the AmTrust Settlement Agreement, the Company and AmTrust agreed to resolve the ongoing litigation and disputes discussed above, relating to the Company’s pre-merger directors’ and officers’ insurance policy, as discussed in greater detail above under *Note 12 Subsequent Events—AmTrust Settlement Agreement*, in the footnotes to our unaudited condensed consolidated financial statements included above under “Part I – Financial Information” – “Item 1. Financial Statements”.

On April 28, 2025, the Company entered into a Settlement and Mutual Release Agreement (the “Elray Settlement Agreement”) with Elray Resources, Inc. (“Elray”), and Luxor Capital, LLC (“Luxor”). Elray and Luxor are both controlled by Anthony Brian Goodman, the father of the Company’s director, Jay Goodman. The Elray Settlement Agreement and related arrangements discussed below resolved certain disputes which had arisen between the parties relating to among other things, certain potential acquisitions. Pursuant to the Elray Settlement Agreement: (a) the Company agreed to acquire all 1,318,000 of the shares of its common stock (the “Elray Shares”) held by Elray, which were issued in March 2025, upon the conversion of 1,000,000 shares of Series B Convertible Preferred Stock which Elray then held (representing 23.1% of the Company’s currently outstanding shares of common stock), in exchange for an aggregate settlement payment of \$1 million, consisting of (i) \$350,000 payable to Elray within five business days of the Elray Settlement Agreement (the “Elray Payment”) and (ii) \$650,000 payable to Luxor (“Luxor Payment”). Amounts due to Luxor will be payable by way of 20% of proceeds raised by the Company in future capital raises until paid in full, but shall be paid no later than April 28, 2026; and (b) the Company, Elray, and Luxor exchanged mutual general releases from claims arising from prior negotiations and agreements, with limited exceptions for obligations under the Elray Settlement Agreement and confidentiality requirements. The Elray Settlement Agreement is discussed in greater detail above under *Note 12 Subsequent Events—Elray and Luxor Settlement Agreement*, in the footnotes to our unaudited condensed consolidated financial statements included above under “Part I – Financial Information” – “Item 1. Financial Statements”.

## Significant Financial Statement Components

### Research and Development

To date, our wholly-owned subsidiary, 180 Life Corp.’s (“180’s”) research and development expenses have related primarily to discovery efforts and preclinical and clinical development of its three product platforms: (1) fibrosis and anti-TNF, (2) drugs which are derivatives of CBD, and (3)  $\alpha 7nAChR$  (which has been transferred back to Stanford University). Research and development expenses consist primarily of costs associated with those three product platforms, which include:

- expenses incurred under agreements with 180’s collaboration partners and third-party contract organizations, investigative clinical trial sites that conduct research and development activities on its behalf, and consultants;
- costs related to production of clinical materials, including fees paid to contract manufacturers;
- laboratory and vendor expenses related to the execution of preclinical and clinical trials;
- employee-related expenses, which include salaries, benefits, and stock-based compensation; and
- facilities and other expenses, which include expenses for rent and maintenance of facilities, depreciation and amortization expense and other supplies.

We expense all research and development costs in the periods in which they are incurred. We accrue for costs incurred as services are provided by monitoring the status of each project and the invoices received from our external service providers. We adjust our accrual as actual costs become known. When contingent milestone payments are owed to third parties under research and development arrangements or license agreements, the milestone payment obligations are expensed when the milestone results are achieved.

Research and development activities are important for both our legacy biotechnology assets as well as our new focus on iGaming. For our legacy biotech assets, expenditures are limited to those which are deemed necessary to preserve the value of this legacy intellectual property. This includes, in the case of the SCA asset, having funded a pharma-kinetic study, while the 180 intellectual property (IP) has been in care and maintenance mode. The costs for ongoing work, if any, on the biotechnology IP are expected to be circa \$150,000; management has not yet determined that these additional expenses will be required prior to monetization of this asset. In respect of our new focus on iGaming, the research and development costs relate to evaluation of content for our proposed iGaming operation (populating our front-end), potential development costs associated with the Gaming Technology software acquired, and potential development costs associated with a front-end, when acquired.

The duration, costs and timing of the iGaming related research and development will depend on a variety of factors, including, but not limited to, the following:

- availability of “for purchase” front-end user interfaces, and their fitness for the purpose of establishing an operating online casino;
- availability of suitable content (i.e., games and sports betting books); and
- the state of regulatory, technological and commercial development in the iGaming industry generally, and specifically in those markets where the Company chooses to operate.

We will determine which development objectives to pursue and fund in response to the commercial potential of both our proposed online casino, as well as general industry dynamics.

Because the iGaming industry is rapidly evolving, particularly with respect to technological and regulatory change, we cannot estimate the actual amounts necessary to successfully complete the development and commercialization of various products or whether, or when, we may achieve profitability.

#### ***General and Administrative***

General and administrative expenses consist primarily of salaries and other staff-related costs, including stock-based compensation for shares of common stock issued and options granted to founders, directors, and personnel in executive, commercial, finance, accounting, legal, investor relations, facilities, business development, and human resources functions that include vesting conditions.

Other significant general and administrative costs include costs relating to overhead costs, legal fees relating to corporate and patent matters, litigation, SEC filings, insurance, investor relations costs, fees for accounting and consulting services, and other general and administrative costs. General and administrative costs are expensed as incurred, and we accrue amounts for services provided by third parties related to the above expenses by monitoring the status of services provided and receiving estimates from our service providers and adjusting our accruals as actual costs become known.

It is expected that the general and administrative expenses will increase over the next several years to support our continued research and development activities related to the iGaming business (as described above), the launch of commercial iGaming operations and the increased costs of operating as a public company. These increases are anticipated to include increased costs related to the hiring of additional personnel, developing commercial infrastructure, fees to outside consultants, lawyers and accountants, and increased costs associated with being a public company, as well as expenses related to services associated with maintaining compliance with Nasdaq listing rules and SEC requirements, insurance and investor relations costs.

#### ***Other Income***

Other income primarily represents fees earned for research and development work performed for other companies, some of which are related parties.

### ***Interest Expense***

Interest expense consists primarily of interest expense related to debt instruments.

### ***Change in Fair Value of Derivative Liabilities***

Change in fair value of derivative liabilities represents the non-cash change in fair value of derivative liabilities during the reporting period. Losses resulting from changes in fair value of derivative liabilities during the three months ended March 31, 2024, were driven by increases in stock price during the periods, resulting in a higher fair value of the underlying liability.

## **CONSOLIDATED RESULTS OF OPERATIONS**

***For the Three Months Ended March 31, 2025 Compared to the Three Months Ended March 31, 2024***

	<b>For the Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Operating Expenses:</b>		
Research and development expense	\$ 240,905	\$ 365,186
Research and development - related parties	135,455	170,542
General and administrative	1,996,608	1,556,740
Total Operating Expenses	2,372,968	2,092,468
Loss From Operations	(2,372,968)	(2,092,468)
<b>Other (Expense) Income:</b>		
Other income	6,391	1,039,364
Interest expense	(2,655)	(16,449)
Change in fair value of derivative liabilities	-	(191)
Gain on settlement of liabilities	-	-
Total other income, net	3,736	1,022,724
<b>Loss Before Income Taxes</b>	<b>(2,369,232)</b>	<b>(1,069,744)</b>
Income tax benefit	-	-
<b>Net Loss</b>	<b>\$ (2,369,232)</b>	<b>\$ (1,069,744)</b>

### **Research and Development**

We incurred research and development expenses of \$240,905 for the three months ended March 31, 2025, compared to \$365,186 for the three months ended March 31, 2024, representing a decrease in research and development expenses of \$124,281 or 34%. The decrease in research and development expense was mainly due to an overall decrease in research and development (R&D) program spending based on Company resource allocation.

### **Research and Development – Related Parties**

We incurred research and development expenses – related parties of \$135,455 for the three months ended March 31, 2025, compared to \$170,542 for the three months ended March 31, 2024, representing a decrease of \$35,087, or 21%. The decrease is attributable to the decrease of related party consulting expenses in the 2025 period.

### General and Administrative

We incurred general and administrative expenses of \$1,996,608 and \$1,556,740 for the three months ended March 31, 2025 and 2024, respectively, representing an increase of \$439,868 or 28% for the 2025 period, compared to the 2024 period. The increase resulted from an increase in stock-based compensation expense of approximately \$343,000 associated with new awards to the Company's directors and officers in the current period, and legal fees of \$410,000 from the Company's settlement negotiations and other contractual work which were offset by reduced professional fees of approximately \$26,000 from lower consulting and accounting fees from the Company's reduced operational activity, reduced insurance expense of \$54,000 and reduced salaries expense of approximately \$269,000 from reduced headcount in connection with lower overall operations in the current period.

### Other Income (Expense), Net

We incurred other income, net of \$3,736 during the three months ended March 31, 2025, as compared to other income, net of \$1,022,724 for the three months ended March 31, 2024, representing a decrease in other income, net of \$1,018,988 or 100%. The decrease is primarily attributable to certain one-time amounts due to contractors related to certain R&D programs that were forgiven; as a result, the Company reduced its accounts payable and accrued liabilities accounts by \$588,506 and \$450,859, respectively, during the three months ended March 31, 2024, and recorded the forgiven amounts as other income for a total of \$1,039,364.

### Net Loss

We had a net loss of \$2,369,232 for the three months ended March 31, 2025, compared to a net loss of \$1,069,744 for the three months ended March 31, 2024, representing an increase in net loss of \$1,299,488 or 121%, for the reasons discussed above.

### **Liquidity and Capital Resources**

As of March 31, 2025 and December 31, 2024, we had cash balances of \$3,724,527 and \$4,585,141, respectively, and working capital of \$86,956 and \$1,636,486, respectively, largely due to a decrease in cash related to cash used in operations.

For the three months ended March 31, 2025 and 2024, cash used in operating activities was \$853,723 and \$1,033,417, respectively. Our cash used in operations for the three months ended March 31, 2025 was primarily attributable to our net loss of \$2,369,232, adjusted for non-cash expenses in the aggregate amount of \$577,584, as well as \$937,925 of net cash used to fund changes in the levels of operating assets and liabilities. Our cash used in operations for the three months ended March 31, 2024 was primarily attributable to our net loss of \$1,069,744, adjusted for non-cash expenses in the aggregate amount of \$259,829, as well as \$223,502 of net cash used to fund changes in the levels of operating assets and liabilities.

For the three months ended March 31, 2025, cash used in financing activities was \$3,320 and cash used in financing activities was \$264,394 for the three months ended March 31, 2024. Cash used in financing activities during the three months ended March 31, 2025 was due to repayments of loans in the amount of \$3,320. Cash used in financing activities during the three months ended March 31, 2024 was due to repayments of loans in the amount of \$264,883, offset by proceeds of \$489 from the exercise of certain pre-funded warrants.

Our iGaming business may never achieve full commercialization and our drug product candidates may never achieve commercialization (in the form of a sale of the intellectual property), and we anticipate that we will continue to incur losses for the foreseeable future. We expect that our research and development expenses, general and administrative expenses, and capital expenditures will continue to increase. As a result, until such time, if ever, as we are able to generate substantial product revenue, we expect to finance our cash needs through a combination of equity offerings, debt financings or other capital sources, including potentially collaborations, licenses and other similar arrangements, which may not be available on favorable terms, if at all. The sale of additional equity or debt securities, if accomplished, may result in dilution to our then stockholders. Our primary uses of capital are, and we expect will continue to be, compensation and related expenses, certain third-party clinical research and development services, certain third party service providers, including but not limited to marketing, content, and management services in respect of our iGaming operations, certain license payments, intellectual property maintenance costs or milestone obligations that may arise, laboratory and related supplies, clinical costs, potential manufacturing costs, legal and other regulatory expenses and general overhead costs.

Our material cash requirements and time periods of such requirements from known contractual and other obligations include milestone and royalty payments related to license agreements with Oxford University and Yisum, payments related to D&O insurance, payments to consultants and payments related to outside consulting firms, such as legal counsel, auditors, accountants, etc.

Further, our operating plans may change, and we may need additional funds to meet operational needs and capital requirements for launching our iGaming operations, and research and development activities related to both certain biotechnology assets as well as in respect of our proposed iGaming operations. We currently have no credit facility or committed sources of capital. Because of the numerous risks and uncertainties associated with the development and commercialization of our iGaming operations, and in terms of monetizing our biotechnology product candidates, we are unable to estimate the amounts of increased capital outlays and operating expenditures associated with our current and anticipated product development programs.

We have not yet achieved profitability and expect to continue to incur cash outflows from operations. It is expected that our research and development and general and administrative expenses will continue to increase and, as a result, we will eventually need to raise additional capital to fund our operations. If we are unable to obtain adequate funds on reasonable terms, we may be required to significantly curtail or discontinue operations or obtain funds by entering into financing agreements on unattractive terms. Our operating needs include the planned costs to operate our business, including amounts required to fund working capital and capital expenditures. As of December 31, 2024, the conditions outlined above indicated that there was a substantial doubt about our ability to continue as a going concern within one year after the financial statement issuance date. However, in April 2023, August 2023, November 2023, October 2024 and December 2024, the Company raised additional capital of approximately \$2.7 million, \$2.7 million, \$0.8 million, \$3.3 million, and \$2.6 million, respectively, and with current cash on hand of approximately \$2.6 million as of May 15, 2025, the Company expects to be able to continue as a going concern through December 2025.

Our consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”), which contemplate continuation of the Company as a going concern and the realization of assets and satisfaction of liabilities in the normal course of business. The carrying amounts of assets and liabilities presented in the consolidated financial statements do not necessarily purport to represent realizable or settlement values. The consolidated financial statements do not include any adjustment that might result from the outcome of this uncertainty.

## **Recent Financing Transactions**

### *Warrant Inducement Agreement and Related Transactions*

On October 16, 2024, we entered into a warrant inducement agreement (the “Inducement Agreement”) with a holder (the “Holder”) of warrants to purchase up to 477,058 shares of common stock and (i) warrants to purchase up to 16,138 shares of common stock issued in July 2022; (ii) warrants to purchase up to 135,339 shares of common stock issued in December 2022; (iii) warrants to purchase up to 82,668 shares of common stock issued in April 2023; and (iv) warrants to purchase up to 242,915 shares of common stock issued in August 2023, each with an exercise price of \$3.23 per share (collectively, the “Exercised Warrants”), pursuant to which the Holder agreed to exercise for cash the Exercised Warrants to purchase an aggregate of 950,069 shares of common stock at an exercise price of \$3.48 per share (\$0.25 greater than the \$3.23 per share exercise price of such Exercised Warrants) during the period from the date of the Inducement Agreement until 1:15 p.m., Eastern Time, on October 16, 2024. On October 16 and 17, 2024, the Exercised Warrants were exercised in full for cash by the Holder and the Company received \$3,306,240 before deducting financial advisory fees and other expenses payable by us.

In consideration of the Holder’s agreement to exercise the Exercised Warrants in accordance with the Inducement Agreement, the Company agreed to issue new unregistered Warrants to Purchase Shares of Common Stock (the “New Warrants”) to purchase a number of shares of common stock equal to 200% of the number of shares of common stock issued upon exercise of the Exercised Warrants, i.e., warrants to purchase up to 1,900,138 shares of common stock (the “New Warrant Shares”). The New Warrants were immediately exercisable and have a term of exercise of five years.

The New Warrants will have an exercise price of \$1.50 per share. The exercise price and the number of shares of common stock issuable upon exercise of each New Warrant are subject to appropriate adjustments in the event of certain stock dividends and distributions, stock splits, stock combinations, reclassifications or similar events affecting the common stock. In addition, in certain circumstances, upon a fundamental transaction, a holder of New Warrants will be entitled to receive, upon exercise of the New Warrants, the kind and amount of securities, cash or other property that such holder would have received had they exercised the New Warrants immediately prior to the fundamental transaction.

The Company may not affect the exercise of New Warrants, and the applicable Holder will not be entitled to exercise any portion of any such New Warrant, which, upon giving effect to such exercise, would cause the aggregate number of shares of common stock beneficially owned by the holder of such New Warrant (together with its affiliates) to exceed 4.99% or 9.99%, as applicable, of the number of shares of common stock outstanding immediately after giving effect to the exercise, as such percentage ownership is determined in accordance with the terms of such New Warrants.

The Company engaged A.G.P./Alliance Global Partners (“A.G.P.”) to provide exclusive financial services in connection with the transactions summarized above and, pursuant to a Financial Advisory Agreement between the Company and A.G.P., paid A.G.P. a financial advisory fee of \$232,000, and an alternative transaction fee of \$100,000. In addition, we reimbursed A.G.P. for its accountable legal expenses in connection with the exercise of the Exercised Warrants and the issuance of the Inducement Warrants of \$65,000 and \$10,000 non-accountable expenses. In addition, we paid A.G.P. \$29,923, half of the financial advisory fees due in connection with a December 2023 warrant inducement. As of October 31, 2024, a total of \$436,923 related to the aforementioned transaction has been paid to A.G.P. and there is no balance outstanding.

#### December 2024 Offering

On December 27, 2024, we entered into a Securities Purchase Agreement with certain accredited investors, including the Holder (the “SPA”). Pursuant to the terms of the SPA, the Company agreed to sell, in a registered direct offering, an aggregate of 1,200,000 shares of the Company’s common stock (the “December 2024 Shares”) and, in a concurrent private placement, warrants to purchase up to 1,200,000 shares of common stock (the “December 2024 Warrants”). The combined purchase price per December 2024 Share and December 2024 Warrant was \$2.41. The offerings closed on December 30, 2024.

The December 2024 Warrants were immediately exercisable on their grant date at an exercise price of \$2.28 per share and expire five and a half years following the initial exercise date.

Pursuant to a placement agency agreement dated as of December 27, 2024, between the Company and Maxim Group LLC (the “Placement Agent”), the Company engaged the Placement Agent to act as the Company’s sole placement agent in connection with the registered direct offering. Pursuant to the placement agency agreement, the Company agreed to pay the Placement Agent a cash fee equal to seven percent (7.0%) of the gross proceeds received by the Company from the sale of the December 2024 Shares and December 2024 Warrants and to reimburse the Placement Agent for certain of its expenses in an aggregate amount of \$50,000.

The net proceeds to the Company from the registered direct offering and concurrent private placement, after deducting the placement agent’s fees and expenses and the Company’s offering expenses were approximately \$2.6 million. The Company intends to use the net proceeds from the transactions for working capital and general corporate purposes, which may include operationalizing and developing the Gaming Technology Platform and capital expenditures.

#### **Critical Accounting Estimates**

The Company’s condensed consolidated financial statements are prepared in accordance with accounting principles that are generally accepted in the United States. The preparation of these condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of its assets, liabilities, revenue and expenses. The Company has identified certain estimates as critical to its business operations and the understanding of its past or present results of operations related to intangible assets. These estimates are considered critical because they had a material impact, or they have the potential to have a material impact, on the Company’s condensed consolidated financial statements and because they require management to make significant judgments, assumptions or estimates. The Company believes that the estimates, judgments and assumptions made when accounting for the items described below were reasonable, based on information available at the time they were made. However, actual results may differ from those estimates, and these differences may be material.

### *Long-Lived Asset Impairment*

We assess our long-lived assets, including intangible assets, for impairment at least annually, or earlier if there are indications that the fair value of the Company's reporting units may not exceed their carrying value. This assessment involves significant judgment regarding future cash flow, discount rates, market conditions and other factors. If our estimates are not accurate, they could result in material adjustments to the consolidated financial statements. During the year ended December 31, 2024, the Company determined that its licensed R&D patents and related technology assets were fully impaired due to the Company's shift in strategy to focus on its blockchain casino technology assets acquired in September 2024. Accordingly, we recognized an impairment loss of \$1,526,542 during the year ended December 31, 2024.

### **Recently Issued Accounting Pronouncements**

Management does not believe that any recently issued, but not yet effective, accounting pronouncements, if currently adopted, would have a material effect on the Company's unaudited condensed consolidated financial statements.

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

Pursuant to Item 305(e) of Regulation S-K (§ 229.305(e)), the Company is not required to provide the information required by this Item as it is a "smaller reporting company," as defined by Rule 229.10(f)(1).

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

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

We have established and maintain a system of disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed in our reports filed with the SEC pursuant to the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Commission and that such information is accumulated and communicated to our management, including our Interim Chief Executive Officer (CEO) (principal executive officer) and Chief Accounting Officer (CAO) (principal financial and accounting officer), as appropriate, to allow timely decisions regarding required disclosures.

The Company's management evaluated, with the participation of our principal executive officer and principal financial and accounting officer, the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act, as of the end of the period covered by this Report.

In designing and evaluating our disclosure controls and procedures, management recognizes that any disclosure controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Based on their evaluation, our principal executive officer and principal financial and accounting officer concluded that, as of March 31, 2025, our disclosure controls and procedures were not effective to provide assurance at a reasonable level that the information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial and accounting officer, as appropriate, to allow timely decisions regarding required disclosures as of March 31, 2025.

A material weakness is a control deficiency or combination of control deficiencies, that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. As a company with limited accounting resources, a significant amount of management's time and attention has been and will be diverted from our business to ensure compliance with these regulatory requirements.

Our management plans to establish procedures to monitor and evaluate the effectiveness of our internal controls over financial reporting on an ongoing basis and is committed to taking further action and implementing necessary enhancements or improvements. Management expects to complete an assessment of the design and operating effectiveness of its internal controls over financial reporting during the second half of 2025. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Remediation Plan**

Management continues to take steps to develop and enhance its internal controls over financial reporting, and has implemented the following controls to remediate the above material weakness:

- Implement an added layer of technical review by an internal financial reporting director for one time significant entries to ensure appropriate classification is assessed.

Management will consider the material weakness to be fully remediated once the controls have been operating effectively for sufficient contiguous reporting periods, and after Management has validated the effective operation of the controls through testing.

#### **Inherent Limitations on Effectiveness of Controls and Procedures**

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

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

There have been no changes in our internal control over financial reporting that occurred during the three months ended March 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II - OTHER INFORMATION

### Item 1. Legal Proceedings.

From time to time, we may be a party to litigation that arises in the ordinary course of our business. The impact and outcome of litigation, if any, 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. We believe the ultimate resolution of any such current proceeding will not have a material adverse effect on our continued financial position, results of operations or cash flows.

Such current litigation or other legal proceedings are described in, and incorporated by reference in, this “Item 1. Legal Proceedings” of this Form 10-Q from, “Part I – Item 1. Financial Statements” in the Notes to Condensed Consolidated Financial Statements in “Note 9 – Commitments and Contingences”, under the heading Legal Matters. The Company believes that the resolution of currently pending matters will not individually or in the aggregate have a material adverse effect on our financial condition or results of operations. However, assessment of the current litigation or other legal claims could change in light of the discovery of facts not presently known to the Company or by judges, juries or other finders of fact, which are not in accord with management’s evaluation of the possible liability or outcome of such litigation or claims.

Additionally, the outcome of litigation is inherently uncertain. If one or more legal matters were resolved against the Company in a reporting period for amounts in excess of management’s expectations, the Company’s financial condition and operating results for that reporting period could be materially adversely affected.

### Item 1A. Risk Factors.

There have been no material changes from the risk factors previously disclosed in Part I, Item 1A of the Company’s Form 10-K for the year ended December 31, 2024, filed with the Commission on March 31, 2025 (the “Form 10-K”), under the heading “Risk Factors”, except as discussed below, and investors should review the risks provided in the Form 10-K, and below, prior to making an investment in the Company. The business, financial condition and operating results of the Company can be affected by a number of factors, whether currently known or unknown, including but not limited to those described in the Form 10-K, under “Risk Factors” and below, any one or more of which could, directly or indirectly, cause the Company’s actual financial condition and operating results to vary materially from past, or from anticipated future, financial conditions and operating results. Any of these factors, in whole or in part, could materially and adversely affect the Company’s business, financial condition, operating results and stock price.

The risk factors below which we have marked with an asterisk (\*) reflect substantive changes from, or additions to, the risks described in our Annual Report on Form 10-K for the year ended December 31, 2024.

***We will need additional capital which may not be available on commercially acceptable terms, if at all, which raises questions about our ability to continue as a going concern.\****

The Company has not generated any revenues and has incurred significant losses since inception. As of March 31, 2025, the Company had an accumulated deficit of \$143,892,576 and working capital of \$86,956, and for the three months ended March 31, 2025, a net loss of \$2,369,232 and cash used in operating activities of \$853,723. The Company expects to invest a significant amount of capital to commercialize its iGaming assets and fund research and development. On September 29, 2024, the Company acquired certain source code and intellectual property relating to an online blockchain casino and plans to build and launch a fully operational casino operation as part of its future operations. The Company expects to invest a significant amount of capital to fund the development and operation of this business. As a result, the Company expects that its operating expenses will increase significantly, and consequently will require significant revenues to become profitable. Even if the Company does become profitable, it may not be able to sustain or increase profitability on a quarterly or annual basis. The Company cannot predict when, if ever, it will be profitable. As of May 15, 2025, we had cash on hand of approximately \$2.6 million, including certain funds with certain restrictions on use (including, restrictions on repaying existing indebtedness) which we expect will last us until December 2025. Our Consolidated Financial Statements included herein have been prepared assuming we will continue as a going concern. As we are not generating revenues, we need to raise a significant amount of capital in order to pay our debts and cover our operating costs. While we have raised funds in the past through debt and the sale of equity, there is no assurance that we will be able to raise additional needed capital or that such capital will be available under favorable terms.

We are subject to all the substantial risks inherent in the development of a new business enterprise within an extremely competitive industry. Due to the absence of a long-standing operating history and the emerging nature of the markets in which we compete, we anticipate operating losses until we can successfully implement our business strategy, which includes all associated revenue streams. We may never achieve profitable operations or generate significant revenues.

We currently have a monthly cash requirement of approximately \$252,000. We believe that in the aggregate, we will require significant additional capital funding to support and expand our iGaming assets, the research and development and marketing of our products, fund future clinical trials, repay debt obligations, provide capital expenditures for additional equipment and development costs, payment obligations, office space and systems for managing the business, and cover other operating costs until our planned revenue streams from products are fully-implemented and begin to offset our operating costs, if ever.

Since our inception, we have funded our operations with the proceeds from equity and debt financing. We have experienced liquidity issues due to, among other reasons, our limited ability to raise adequate capital on acceptable terms. We have historically relied upon the sale of equity and debt funding that is convertible into shares of our common stock to fund our operations and have devoted significant efforts to reduce that exposure. We anticipate that we will need to issue equity to fund our operations and fund our operating expenses for the foreseeable future. If we are unable to achieve operational profitability or we are not successful in securing other forms of financing, we will have to evaluate alternative actions to reduce our operating expenses and conserve cash.

These conditions raise substantial doubt about our ability to continue as a going concern. The Consolidated Financial Statements included herein have been prepared in accordance with accounting principles generally accepted in the United States on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. Accordingly, the Consolidated Financial Statements included herein do not include any adjustments relating to the recoverability of assets and classification of liabilities that might be necessary should we be unable to continue as a going concern. The Consolidated Financial Statements included herein also include a going concern footnote.

Additionally, wherever possible, the Board of Directors will attempt to use non-cash consideration to satisfy obligations. In many instances, we believe that the non-cash consideration will consist of restricted shares of our common stock, preferred stock or warrants to purchase shares of our common stock. The Board of Directors has authority, without action or vote of the stockholders, but subject to Nasdaq rules and regulations (which generally require stockholder approval for any transactions which would result in the issuance of more than 20% of our then outstanding shares of common stock or voting rights representing over 20% of our then outstanding shares of stock, subject to certain exceptions), to issue all or part of the authorized but unissued shares of common stock, preferred stock or warrants to purchase such shares of common stock. In addition, we may attempt to raise capital by selling shares of our common stock, possibly at a discount to market in the future. These actions will result in dilution of the ownership interests of existing stockholders, may further dilute common stock book value, and that dilution may be material. Such issuances may also serve to enhance existing management's ability to maintain control of us, because the shares may be issued to parties or entities committed to supporting existing management.

*We currently have an illiquid and volatile market for our common stock, and the market for our common stock is and may remain illiquid and volatile in the future.\**

We currently have a highly sporadic, illiquid and volatile market for our common stock, which market is anticipated to remain sporadic, illiquid and volatile in the future. During the last 52 weeks our common stock has traded as high as \$17.75 per share and as low as \$0.66 per share. The market price of our common stock may continue to be highly volatile and subject to wide fluctuations. Our financial performance, government regulatory action, tax laws, interest rates, and market conditions in general could have a significant impact on the future market price of our common stock, including the below:

- “short squeezes”;
- comments by securities analysts or other third parties, including blogs, articles, message boards and social and other media;
- large stockholders exiting their position in our securities or an increase or decrease in the short interest in our securities;
- actual or anticipated fluctuations in our financial and operating results;
- changes in foreign currency exchange rates;
- the commencement, enrollment or results of our planned or future clinical trials of our product candidates or those of our competitors;
- the success of competitive drugs or therapies;
- regulatory or legal developments in the U.S. and other countries;
- the success of competitive products or technologies;
- developments or disputes concerning patent applications, issued patents or other proprietary rights;
- the recruitment or departure of key personnel;
- the level of expenses related to our iGaming operations, product candidates or clinical development programs;
- our ability to economically source third party suppliers for our iGaming operations, including but not limited to content developers (including providers of games of chance used in online casinos, and/or sports book technology providers), marketing, technology and operational services providers;
- litigation matters, including amounts which may or may not be recoverable pursuant to our officer and director insurance policies, regulatory actions affecting the Company and the outcome thereof;
- actual or anticipated changes in estimates as to financial results, development timelines or recommendations by securities analysts;
- disputes or other developments relating to proprietary rights, including patents, litigation matters and our ability to obtain patent protection for our technologies;
- the timing and outcome of our plans to commercialize our iGaming intellectual property;
- significant lawsuits, including patent or stockholder litigation;
- variations in our financial results or those of companies that are perceived to be similar to us;
- changes in the structure of healthcare payment systems, including coverage and adequate reimbursement for any approved drug which could impact our ability to monetize our existing biotechnology assets;

- market conditions in the pharmaceutical and life sciences sectors;
- market conditions in the global iGaming sector;
- regulatory developments in the global iGaming sector, including but not limited to the U.S., Canada and other foreign jurisdictions where the Company does or may seek to do business;
- changes in taxation regimes in respect of iGaming specifically, and flows of capital more generally, which may impact the ability of the Company to operate, or operate economically, in one or all such locations;
- general economic, political, and market conditions and overall fluctuations in the financial markets in the U.S. and abroad; and
- investors' general perception of us and our business.

Our common stock is listed on the Nasdaq Capital Market under the symbol "ATNF." Our stock price may be impacted by factors that are unrelated or disproportionate to our operating performance. The stock markets in general have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the trading price of our common stock. Additionally, general economic, political and market conditions, such as recessions, inflation, war, interest rates or international currency fluctuations may adversely affect the market price of our common stock. Due to the limited volume of our shares which trade, we believe that our stock prices (bid, ask and closing prices) may not be related to our actual value, and not reflect the actual value of our common stock. You should exercise caution before making an investment in us.

Stock markets in general and our stock price in particular have recently experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies and our company. For example, during 2022, the closing sales prices of our common stock ranged from a post-split adjusted high of \$1,482.04 per share to a low of \$23.56 per share, during fiscal 2023, the closing sales prices of our common stock ranged from a high of \$100.70 per share to a low of \$3.21 per share and during fiscal 2024, the closing sales prices of our common stock ranged from a post-split adjusted high of \$6.47 per share to a low of \$1.18 per share. During this time, we do not believe that we have experienced any material changes in our financial condition or results of operations that would explain such price volatility or trading volume; however, we have sold equity which was dilutive to existing stockholders. These broad market fluctuations may adversely affect the trading price of our securities. Additionally, these and other external factors have caused and may continue to cause the market price and demand for our common stock to fluctuate substantially, which may limit or prevent our stockholders from readily selling their shares of our common stock and may otherwise negatively affect the liquidity of our common stock.

Additionally, as a result of the illiquidity of our common stock, investors may not be interested in owning our common stock because of the inability to acquire or sell a substantial block of our common stock at one time. Such illiquidity could have an adverse effect on the market price of our common stock. In addition, a shareholder may not be able to borrow funds using our common stock as collateral because lenders may be unwilling to accept the pledge of securities having such a limited market. An active trading market for our common stock may not develop or, if one develops, may not be sustained.

In the past, many companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and divert our management's attention from other business concerns, which could seriously harm our business.

***Elray Resources, Inc., beneficially owns a significant percentage of our common stock and as such may be able to exercise significant voting control over us, which could limit other stockholders' abilities to influence corporate matters and could delay or prevent a change in corporate control.\****

Elray beneficially owns 1,318,000 shares of common stock, 23.1% of our total voting shares; however such shares are subject to the Voting Agreement, discussed in greater detail above under *Note 12 Subsequent Events—Elray and Luxor Settlement Agreement*, in the footnotes to our unaudited condensed consolidated financial statements included above under “**Part I – Financial Information**” – “**Item 1. Financial Statements**”, pursuant to which Elray provided Blair Jordan, our Chief Executive Officer and director the right to vote such shares (as discussed in greater detail below), and also holds warrants to purchase up to 3,000,000 shares of common stock with an exercise price of \$1.68 per share, which if exercised for cash, would result in Elray holding 4,318,000 voting shares, or 49.7% of our then total voting shares. As a result, Elray, if it exercises its warrants, could have a significant influence on the stockholder vote. Consequently, it could have the ability to influence matters affecting our stockholders and therefore exercise significant control in determining the outcome of a number of corporate transactions or other matters, including (i) making amendments to our certificate of incorporation; (ii) whether to approve the issuance additional shares of common stock and preferred stock, including to itself; (iii) election of directors; and (iv) any merger or significant corporate transactions, including with itself or other related parties. As a potential investor in the Company, you should keep in mind that even if you own shares of our common stock and wish to vote them at annual or special stockholder meetings, your shares may have little effect on the outcome of corporate decisions due to Elray's potential ownership. The interests of Elray may not coincide with our interests or the interests of other stockholders.

Mr. Jay Goodman, a director of the Company, is the adult son of Mr. Anthony Brian Goodman, who serves as the Chief Executive Officer of Elray and is deemed to beneficially own the securities held by Elray in the Company.

Elray may have interests, with respect to its Company securities, that are different from other investors and the concentration of voting power held by Elray may have an adverse effect on the price of our common stock.

In addition, this concentration of ownership might adversely affect the market price of our common stock by: (1) delaying, deferring or preventing a change of control of our Company; (2) impeding a merger, consolidation, takeover or other business combination involving our Company; or (3) discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company.

***Pursuant to certain Voting Agreements previously entered into, stockholders holding an aggregate of 1,561,166 voting shares or 27.4% of our outstanding voting shares have agreed to vote such shares as recommended by the Board of Directors of the Company, at any meeting of stockholders or via any written consent of stockholders.***

On February 5, 2025, the Company, the Mr. Blair Jordan, our Chief Executive Officer and Director, and Dr. James Woody, entered into a Voting Agreement, whereby Dr. Woody agreed to vote a total of 43,166 shares of the Company's common stock, as recommended by the Board of Directors of the Company, at any meeting of stockholders or via any written consent of stockholders, which may occur prior to February 5, 2026, the date after August 5, 2025, that Dr. Woody has sold all of the shares, or the date that the Company terminates the Voting Agreement. In order to enforce the terms of the Voting Agreement, Dr. Woody provided Mr. Jordan (or his assigns), solely for the benefit of the Company, an irrevocable voting proxy to vote the 43,166 shares pursuant to the guidelines set forth above at any meeting of stockholders or via any written consent of stockholders.

On February 21, 2025, the Company, Mr. Jordan and Dr. Marlene Krauss, entered into a Voting Agreement, whereby Dr. Krauss agreed to vote a total of 200,000 shares of the Company's common stock, as recommended by the Board of Directors of the Company, at any meeting of stockholders or via any written consent of stockholders, which may occur prior to August 21, 2025. In order to enforce the terms of the Voting Agreement, Dr. Krauss provided Mr. Jordan (or his assigns), solely for the benefit of the Company, an irrevocable voting proxy to vote the 200,000 shares pursuant to the guidelines set forth above at any meeting of stockholders or via any written consent of stockholders.

On April 28, 2025, the Company, Mr. Jordan and Elray entered into a Voting Agreement, whereby Elray agreed to vote a total of 1,318,000 shares of the Company's common stock, as recommended by the Board of Directors of the Company, at any meeting of stockholders or via any written consent of stockholders, which may occur prior to April 28, 2026. In order to enforce the terms of the Voting Agreement, Elray provided Mr. Jordan (or his assigns), solely for the benefit of the Company, an irrevocable voting proxy to vote the 1,318,000 shares pursuant to the guidelines set forth above at any meeting of stockholders or via any written consent of stockholders.

In aggregate, a total of 1,561,166 shares of voting stock or 27.4% of our outstanding voting stock are subject to the Voting Agreements discussed above.

Consequently, the Board of Directors has the ability to influence matters affecting our stockholders and therefore exercise significant control in determining the outcome of a number of corporate transactions or other matters, including (i) making amendments to our certificate of incorporation; (ii) whether to approve the issuance of additional shares of common stock and preferred stock; (iii) election of directors; and (iv) any merger or significant corporate transactions. In addition, this concentration of voting rights might adversely affect the market price of our common stock by: (1) delaying, deferring or preventing a change of control of our Company; (2) impeding a merger, consolidation, takeover or other business combination involving our Company; or (3) discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company.

***We owe a significant amount of money to the University of Oxford, which funds we do not have. The university may take action against us to enforce their rights to payment in the future, which could have a material adverse effect on us and our operations.***

Due to recent financial constraints, the Company has been unable to timely pay amounts due to the University of Oxford (“Oxford”), the licensor of the majority of the Company’s licenses and patents and the Company’s research partner. Oxford alleges that an aggregate of approximately \$1.3 million is owed from the Company and one of its subsidiaries to Oxford under the terms of licenses and agreements with Oxford and related parties. The Company is currently in ongoing discussions with Oxford to reduce that amount and enter into a payment plan with regards to the amounts owed; however, no definitive terms or extensions have been agreed to date. Oxford has also notified the Company that it is not willing to discuss any new projects or arrangements until all outstanding invoices have been paid or a payment plan has been agreed to; has engaged a law firm to seek the collection of the amounts owed, together with interest; and has threatened legal proceedings against us. While we are hopeful that we can come to mutually agreeable terms regarding a settlement, payment plan, and/or extension, with Oxford, we may not have sufficient funds to pay amounts due to Oxford in the near term, if at all, and Oxford may take action against us, including filing legal proceedings against us seeking amounts due and interest, attempting to terminate their relationship with us, and/or filing a wind-up petition against one of the Company’s subsidiaries in the U.K. If Oxford were to take legal action against us or terminate their relationship with us, we may be forced to scale back our business plan and/or seek bankruptcy protection. We may be subject to litigation and damages for our failure to pay amounts due to Oxford, and may be forced to pay interest and penalties, which funds we do not currently have. We plan to seek to raise funding in the future to support our operations, and to pay amounts due to Oxford, through a combination of equity offerings, debt financing or other capital sources, including potentially collaborations, licenses and other similar arrangements, which may not be available on favorable terms, if at all. The sale of additional equity or debt securities, if accomplished, may result in dilution to our then stockholders. The Company believes that due to the Company’s move into the online gaming/casino industry, Oxford may face certain additional challenges and constraints in continuing its contractual relationship with the Company due to potential Economic, Social and Governance restrictions imposed by Oxford. Such challenges and constraints may result in Oxford terminating or otherwise exiting its contractual relationship with the Company, potentially with limited notice or recourse by the Company, including terminating prior licenses, while seeking immediate repayment of amounts currently due.

***If we make any acquisitions, they may disrupt or have a negative impact on our business.***

If we make acquisitions in the future, funding permitting, which may not be available on favorable terms, if at all, we could have difficulty integrating the acquired company’s assets, personnel and operations with our own. We do not anticipate that any acquisitions or mergers we may enter into in the future would result in a change of control of the Company. In addition, the key personnel of the acquired business may not be willing to work for us. We cannot predict the effect expansion may have on our core business. Regardless of whether we are successful in making an acquisition, the negotiations could disrupt our ongoing business, distract our management and employees and increase our expenses. In addition to the risks described above, acquisitions are accompanied by a number of inherent risks, including, without limitation, the following:

- the difficulty of integrating acquired products, services or operations;
- the potential disruption of the ongoing businesses and distraction of our management and the management of acquired companies;
- difficulties in maintaining uniform standards, controls, procedures and policies;

- the potential impairment of relationships with employees and customers as a result of any integration of new management personnel;
- the potential inability or failure to achieve additional sales and enhance our customer base through cross-marketing of the products to new and existing customers;
- the effect of any government regulations which relate to the business acquired;
- potential unknown liabilities associated with acquired businesses or product lines, or the need to spend significant amounts to retool, reposition or modify the marketing and sales of acquired products or operations, or the defense of any litigation, whether or not successful, resulting from actions of the acquired company prior to our acquisition; and
- potential expenses under the labor, environmental and other laws of various jurisdictions.

Our business could be severely impaired if and to the extent that we are unable to succeed in addressing any of these risks or other problems encountered in connection with an acquisition, many of which cannot be presently identified. These risks and problems could disrupt our ongoing business, distract our management and employees, increase our expenses and adversely affect our results of operations.

\* \* \* \* \*

Separately, the risk factor from the Form 10-K entitled “*We may not receive any additional amounts under our pre-merger directors’ and officers’ insurance policy in connection with certain litigation matters and may be forced to repay \$2.57 million previously received*”, is no longer a material risk to the Company, as the Company has entered into a settlement agreement with AmTrust, as discussed in greater detail above under *Note 12 Subsequent Events—AmTrust Settlement Agreement*, in the footnotes to our unaudited condensed consolidated financial statements included above under “Part I – Financial Information” – “Item 1. Financial Statements”.

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

### ***Recent Sales of Unregistered Securities***

There have been no sales of unregistered securities during the quarter ended March 31, 2025, and for the period from April 1, 2025, to the filing date of this report which have not previously been reported in a Current Report on Form 8-K.

### ***Purchases of Equity Securities by the Issuer and Affiliated Purchasers***

None.

## **Item 3. Defaults upon Senior Securities.**

None.

## **Item 4. Mine Safety Disclosures.**

Not applicable.

**Item 5. Other Information.**

- (c) *Rule 10b5-1 Trading Plans.* Our directors and executive officers may from time to time enter into plans or other arrangements for the purchase or sale of our shares that are intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or may represent a non-Rule 10b5-1 trading arrangement under the Exchange Act. During the quarter ended March 31, 2025, none of the Company's directors or officers (as defined in Rule 16a-1(f)) adopted or terminated any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement."

**Item 6. Exhibits.**

The following exhibits are filed herewith or incorporated by reference herein:

No.	Description
10.1#	<a href="#">Third Amendment to 180 Life Sciences Corp. 2022 Omnibus Incentive Plan (filed as Exhibit 10.1 to the registrant's Current Report on Form 8-K filed on December 31, 2024 and incorporated by reference herein)</a>
10.2#	<a href="#">Third Amended and Restated 180 Life Sciences Corp. 2022 Omnibus Incentive Plan (filed as Exhibit 10.2 to the registrant's Current Report on Form 8-K filed on December 31, 2024 and incorporated by reference herein)</a>
10.3#	<a href="#">First Amendment to Separation and Release Agreement dated February 5, 2025, between 180 Life Sciences Corp. and James N. Woody (filed as Exhibit 10.1 to the registrant's Current Report on Form 8-K filed on February 7, 2025 and incorporated by reference herein)</a>
10.4#	<a href="#">Voting Agreement dated February 5, 2025, between 180 Life Sciences Corp., James N. Woody and Blair Jordan (filed as Exhibit 10.2 to the registrant's Current Report on Form 8-K filed on February 7, 2025 and incorporated by reference herein)</a>
10.5	<a href="#">Mutual Settlement and General Release Agreement dated February 21, 2025, between 180 Life Sciences Corp., Marlene Krauss, and KBL IV Sponsor, LLC (filed as Exhibit 10.1 to the registrant's Current Report on Form 8-K filed on February 25, 2025 and incorporated by reference herein)</a>
10.6#	<a href="#">Voting Agreement dated February 21, 2025, between 180 Life Sciences Corp., Dr. Marlene Krauss and Blair Jordan (filed as Exhibit 10.2 to the registrant's Current Report on Form 8-K filed on February 25, 2025 and incorporated by reference herein)</a>
10.7#	<a href="#">Executive Consulting Agreement entered into on February 15, 2025 and effective January 30, 2025, by and between 180 Life Sciences Corp., Eric Van Lent and EVL Consulting, LLC (filed as Exhibit 10.1 to the registrant's Current Report on Form 8-K filed on February 21, 2025 and incorporated by reference herein)</a>
10.8#	<a href="#">Executive Consulting Agreement dated February 21, 2025, by and between 180 Life Sciences Corp., Blair Jordan and Blair Jordan Strategy and Finance Consulting Inc. (filed as Exhibit 10.2 to the registrant's Current Report on Form 8-K filed on February 21, 2025 and incorporated by reference herein)</a>
10.9#	<a href="#">Form of Notice of Restricted Stock Grant and Restricted Stock Grant Agreement (February 2025 Officer and Director Grants) (filed as Exhibit 10.3 to the registrant's Current Report on Form 8-K filed on February 21, 2025 and incorporated by reference herein)</a>
10.10	<a href="#">Confidential Settlement Agreement and Release dated April 6, 2025, between 180 Life Sciences Corp., AmTrust International Underwriters DAC and AmTrust Financial Services, Inc. (filed as Exhibit 10.1 to the registrant's Current Report on Form 8-K filed on April 9, 2025 and incorporated by reference herein)</a>

10.11	<a href="#">Settlement and Mutual Release Agreement dated and effective April 28, 2025, is by and between 180 Life Sciences Corp., Elray Resources, Inc. and Luxor Capital, LLC (filed as Exhibit 10.1 to the registrant's Current Report on Form 8-K filed on April 30, 2025 and incorporated by reference herein)</a>
10.12#	<a href="#">Voting Agreement dated April 28, 2025, between 180 Life Sciences Corp., Elray Resources, Inc. and Blair Jordan (filed as Exhibit 10.2 to the registrant's Current Report on Form 8-K filed on April 30, 2025 and incorporated by reference herein)</a>
31.1*	<a href="#">Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act</a>
31.2*	<a href="#">Certification of Principal Accounting Officer pursuant to Section 302 of the Sarbanes-Oxley Act</a>
32.1**	<a href="#">Certification of Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act</a>
32.2**	<a href="#">Certification of Principal Accounting Officer Pursuant to Section 906 of the Sarbanes-Oxley Act</a>
101.INS*	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document*
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Inline XBRL for the cover page of this Quarterly Report on Form 10-Q, included in the Exhibit 101 Inline XBRL Document Set

\* Filed herewith.

\*\* Furnished herewith.

# Management contract or compensatory plans or arrangements.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

### 180 LIFE SCIENCES CORP.

Date: May 15, 2025

By: /s/ Blair Jordan  
Blair Jordan  
Chief Executive Officer  
(Principal Executive Officer)

Date: May 15, 2025

By: /s/ Eric R. Van Lent  
Eric R. Van Lent  
Chief Accounting Officer  
(Principal Financial and Accounting Officer)

**Certification of Chief Executive Officer**

I, Blair Jordan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of 180 Life Sciences Corp. (the “registrant”);
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, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(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: May 15, 2025

/s/ Blair Jordan

Blair Jordan  
Chief Executive Officer  
(Principal Executive Officer)

**Certification of Principal Financial Officer**

I, Eric R. Van Lent, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of 180 Life Sciences Corp. (the “registrant”);
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, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(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: May 15, 2025

/s/ Eric R. Van Lent

Eric R. Van Lent  
Chief Accounting Officer  
(Principal Financial/Accounting Officer)

**Certification of Chief Executive Officer**  
**Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of**  
**The Sarbanes-Oxley Act of 2002**

I, Blair Jordan, certify, as of the date hereof, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of 180 Life Sciences Corp. on Form 10-Q for the quarter ended March 31, 2025, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Form 10-Q fairly presents in all material respects the financial condition and results of operations of 180 Life Sciences Corp. at the dates and for the periods indicated.

Dated: May 15, 2025

*/s/ Blair Jordan*

\_\_\_\_\_  
Blair Jordan

Chief Executive Officer

(Principal Executive Officer)

*A signed original of this written statement required by Section 906 has been provided to 180 Life Sciences Corp. and will be retained by 180 Life Sciences Corp. and furnished to the Securities and Exchange Commission or its staff upon request.*

**Certification of Principal Financial Officer**  
**Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of**  
**The Sarbanes-Oxley Act of 2002**

I, Eric R. Van Lent, certify, as of the date hereof, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of 180 Life Sciences Corp. on Form 10-Q for the quarter ended March 31, 2025, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Form 10-Q fairly presents in all material respects the financial condition and results of operations of 180 Life Sciences Corp. at the dates and for the periods indicated.

Dated: May 15, 2025

*/s/ Eric R. Van Lent*

Eric R. Van Lent

Chief Accounting Officer

(Principal Financial/Accounting Officer)

*A signed original of this written statement required by Section 906 has been provided to 180 Life Sciences Corp. and will be retained by 180 Life Sciences Corp. and furnished to the Securities and Exchange Commission or its staff upon request.*