

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

**FORM 10-Q**

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

For the quarterly period ended **January 31, 2026**

OR

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

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

Commission file number: **001-36564**

**SafeSpace Global Corporation**

(Exact Name of Registrant as Specified in its Charter)

**Nevada**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**85-1173741**  
(I.R.S. Employer  
Identification No.)

**311 S. Weisgarber Road**  
**Knoxville, TN 37919**  
(Address of Principal Executive Offices)

Registrant's telephone number, including area code: **(865) 237-4448**

(Former Name, Former Address and Former Fiscal year, if Changed Since Last Report)

Securities registered pursuant to Section 12(b) of the Act: **None**

Securities registered pursuant to section 12(g) of the Act:

**Common Stock, \$0.001 par value**  
(Title of class)

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

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

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

Large accelerated filer   
Non-accelerated filer

Accelerated filer   
Smaller reporting company   
Emerging growth company

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities 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 March 12, 2026, there were 189,429,097 shares of common stock of the Registrant outstanding.

Documents Incorporated by Reference: **None.**

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Unless the context clearly indicates otherwise, when used in this report “we,” “us,” “our,” or “our Company” refers to SafeSpace Global Corporation and, if applicable, our subsidiaries.

### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This Quarterly Report on Form 10-Q (this “Report”) contains “forward-looking statements” within the meaning of the Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Forward-looking statements discuss matters that are not historical facts. Because they discuss future events or conditions, forward-looking statements may include words such as “anticipate,” “believe,” “estimate,” “intend,” “could,” “should,” “would,” “may,” “seek,” “plan,” “might,” “will,” “expect,” “predict,” “project,” “forecast,” “potential,” “continue,” negatives thereof or similar expressions. These forward-looking statements are found at various places throughout this Report and include information concerning: possible or assumed future results of our operations; business strategies; future cash flows; financing plans; plans and objectives of management; any other statements regarding future operations, future cash needs, business plans and future financial results; and any other statements that are not historical facts.

From time to time, forward-looking statements also are included in our other periodic reports on Form 8-K, in our press releases, in our presentations, on our website and in other materials released to the public. Any or all the forward-looking statements included in this Report and in any other reports or public statements made by us are not guarantees of future performance and may turn out to be inaccurate. These forward-looking statements represent our intentions, plans, expectations, assumptions, and beliefs about future events and are subject to risks, uncertainties, and other factors. Many of those factors are outside of our control and could cause actual results to differ materially from the results expressed or implied by those forward-looking statements. Considering these risks, uncertainties and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than we have described. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Report. All subsequent written and oral forward-looking statements concerning other matters addressed in this Report and attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this Report.

Except to the extent required by law, we undertake no obligation to update or revise any forward-looking statements, whether resulting from new information, future events, a change in events, conditions, circumstances, or assumptions underlying such statements, or otherwise.

For discussion of factors that we believe could cause our actual results to differ materially from expected and historical results see “ITEM 1A – RISK FACTORS” included in our most recent Annual Report on Form 10-K for the year ended July 31, 2025 as filed with the United States Securities and Exchange Commission on October 29, 2025.

## PART I – FINANCIAL INFORMATION

### Item 1. FINANCIAL STATEMENTS.

#### Index to Financial Statements

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**SAFESPACE GLOBAL CORPORATION**  
**INTERIM CONSOLIDATED BALANCE SHEETS**

	<b>January 31, 2026</b>	<b>July 31, 2025</b>
	<b>(Unaudited)</b>	
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 3,861,070	\$ 7,546,390
Prepaid expenses	99,087	94,044
Total current assets	3,960,157	7,640,434
<b>OTHER ASSETS:</b>		
Property and equipment, net	427,761	-
Intangibles, net	1,259,075	290,469
Total assets	\$ 5,646,993	\$ 7,930,903
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued expenses	\$ 265,334	\$ 315,707
Accounts payable and accrued expenses, related party	-	7,831
Payroll related liabilities	55,391	42,473
Total current and total liabilities	320,725	366,011
<b>STOCKHOLDERS' EQUITY:</b>		
Common stock par value \$0.001; 200,000,000 shares authorized; 189,315,763 and 185,497,862 shares issued and outstanding as of January 31, 2026 and July 31, 2025, respectively	189,316	185,498
Additional paid-in capital	28,832,162	28,332,617
Accumulated deficit	(23,695,210)	(20,953,223)
Total stockholders' equity	5,326,268	7,564,892
Total liabilities and stockholders' equity	\$ 5,646,993	\$ 7,930,903

*See accompanying notes to the interim consolidated financial statements.*

**SAFEPACE GLOBAL CORPORATION**  
**INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited)

	<b>For the Three Months</b>		<b>For the Six Months Ended</b>	
	<b>Ended</b>		<b>January 31,</b>	
	<b>2026</b>	<b>2025</b>	<b>2026</b>	<b>2025</b>
<b>REVENUE, NET</b>	\$ -	\$ -	\$ -	\$ -
<b>OPERATING EXPENSES:</b>				
Selling, general and administrative	1,153,857	470,227	2,336,872	814,014
Stock-based compensation	-	624,365	503,362	880,747
Depreciation Expense	9,505	-	9,505	-
Amortization of intangibles	689	123,597	1,378	177,951
Impairment of intangibles	-	30,547	-	46,225
<b>Total operating expenses</b>	<b>1,164,051</b>	<b>1,248,736</b>	<b>2,851,117</b>	<b>1,918,937</b>
<b>OPERATING LOSS</b>	<b>(1,164,051)</b>	<b>(1,248,736)</b>	<b>(2,851,117)</b>	<b>(1,918,937)</b>
<b>OTHER INCOME (EXPENSE):</b>				
Interest expense	-	(17,700)	-	(31,637)
Interest Income	42,101	-	109,130	-
<b>Total other income (expense)</b>	<b>42,101</b>	<b>(17,700)</b>	<b>109,130</b>	<b>(31,637)</b>
<b>NET LOSS</b>	<b>\$ (1,121,950)</b>	<b>\$ (1,266,436)</b>	<b>\$ (2,741,987)</b>	<b>\$ (1,950,574)</b>
<b>NET LOSS PER COMMON SHARE</b>				
Basic and diluted	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.02)
<b>WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING</b>				
Basic and diluted	188,051,290	110,265,231	186,831,829	95,457,614

*See accompanying notes to the interim consolidated financial statements.*

**SAFEPACE GLOBAL CORPORATION**  
**INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
(Unaudited)

**Six Months Ended January 31, 2026**

	<u>Common Stock</u>		<u>Additional Paid-In Capital</u>	<u>Accumulate d Deficit</u>	<u>Total Stockholders' Equity</u>
	<u>Shares</u>	<u>Amount</u>			
	<b>Balances at July 31, 2025</b>	185,497,862	\$ 185,498	\$ 28,332,617	\$ (20,953,223)
Net loss				(1,620,037)	(1,620,037)
Stock-based compensation	2,013,334	2,013	552,981		554,994
<b>Balances at October 31, 2025</b>	<u>187,511,196</u>	<u>187,511</u>	<u>28,885,598</u>	<u>(22,573,260)</u>	<u>6,499,849</u>
Net loss				(1,121,950)	(1,121,950)
Stock-based compensation	1,804,567	1,805	(53,436)	-	(51,631)
<b>Balances at January 31, 2026</b>	<u>189,315,763</u>	<u>\$ 189,316</u>	<u>\$ 28,832,162</u>	<u>\$ (23,695,210)</u>	<u>\$ 5,326,268</u>

**Six Months Ended January 31, 2025**

	<u>Common Stock</u>		<u>Additional Paid-In Capital</u>	<u>Common Stock Subscribe d</u>	<u>Accumulat ed Deficit</u>	<u>Total Stockhold ers' Equity</u>
	<u>Shares</u>	<u>Amount</u>				
	<b>Balances at July 31, 2024</b>	79,853,696	\$ 79,854	\$15,941,603	\$ -	\$ (16,314,652)
Net loss					(684,138)	(684,138)
Shares issued for cash	22,320,000	22,320	2,209,680	-	-	2,232,000
Receipt of cash deposits on stock subscription agreements	-	-	-	220,000	-	220,000
Stock-based compensation	2,750,000	2,750	253,631	-	-	256,381
Shares issued for settlement of accrued expenses	281,240	281	27,843	-	-	28,124
Activity for the three months ended October 31, 2024	<u>25,351,240</u>	<u>25,351</u>	<u>2,491,154</u>	<u>220,000</u>	<u>(684,138)</u>	<u>2,052,367</u>
Net loss					(1,266,436)	(1,266,436)
Shares issued for cash	39,045,514	39,046	4,727,854	(220,000)	-	4,546,900
Shares issued for services	60,000	60	8,340	-	-	8,400
Receipt of cash deposits on subscriptions	-	-	-	756,000	-	756,000
Shares issued for settlement	500,000	500	(500)	-	-	-
Common stock subscribed	-	-	-	452,000	-	452,000
Stock subscriptions receivable	-	-	-	(452,000)	-	(452,000)
Stock-based compensation	5,250,000	5,250	619,116	-	-	624,366
Activity for the three months ended January 31, 2025	<u>44,855,514</u>	<u>44,856</u>	<u>5,354,810</u>	<u>536,000</u>	<u>(1,266,436)</u>	<u>4,669,230</u>

**Balances at January 31, 2025**

<u>150,060,450</u>	<u>\$ 150,061</u>	<u>\$23,787,567</u>	<u>\$ 756,000</u>	<u>(18,265,226)</u>	<u>\$6,428,402</u>
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**SAFEPACE GLOBAL CORPORATION**  
**INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

**For the Six Months Ended January 31,**

2026

2025

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net loss	\$ (2,741,987)	\$ (1,950,574)
Adjustments to reconcile loss to net cash used in operating activities:		
Amortization expense	1,378	177,951
Depreciation expense	9,505	-
Stock-based compensation	503,362	880,747
Shares issued for services	-	8,400
Amortization of debt discount	-	4,662
Impairment of intangibles	-	46,225
Changes in operating assets and liabilities:		
Accounts receivable, net-	-	(14,000)
Prepaid expenses and other current assets	(5,043)	-
Accounts payable and accrued expenses	(218,944)	(27,770)
Accounts payable and accrued expenses, related party	(7,831)	(39,561)
Payroll related liabilities	12,918	12,918
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>(2,446,642)</u>	<u>(873,002)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Cash paid for capital expenditures	(1,238,678)	-
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<u>(1,238,678)</u>	<u>-</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Proceeds from issuance of common stock	-	6,998,900
Cash deposits on stock subscription agreements	-	756,000
Restricted cash	-	(756,000)
Principle payments on related party note payable	-	(92,195)
Proceeds from related party loans	-	-
Payments of amounts owed to related parties	-	(3,049)
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<u>-</u>	<u>6,903,656</u>

Net change in cash and cash equivalents	(3,685,320)	6,030,654
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<b>Cash and cash equivalents, beginning of period</b>	<u>7,546,390</u>	<u>175,562</u>
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<b>Cash and cash equivalents, end of period</b>	<u>\$ 3,861,070</u>	<u>\$ 6,206,216</u>
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**SIGNIFICANT NON-CASH INVESTING AND FINANCING ACTIVITIES**

Capital expenditures included in accrued expense	168,571	54,362
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*See accompanying notes to the interim consolidated financial statements.*



**SAFEPACE GLOBAL CORPORATION**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**January 31, 2026**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

SafeSpace Global Corporation (collectively the “Company,” “we,” “our” or “us”) is a multimodal AI technology solutions company with a dedicated team focused on driving safety innovation across multiple industries. We are currently marketing products and solutions that utilize advanced AI monitoring tools to enhance resident safety, reduce the risk of injuries, and improve overall care efficiency.

***Basis of Presentation***

The accompanying interim consolidated financial statements include those of SafeSpace Global Corporation. We have prepared the accompanying interim consolidated financial statements in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and pursuant to the rules and regulations of the United States Securities and Exchange Commission (the “SEC”). Accordingly, they do not contain all information and footnotes required by U.S. GAAP for annual financial statements. In the opinion of the Company’s management, the accompanying interim consolidated financial statements contain all of the adjustments necessary (consisting only of normal recurring accruals) to fairly present the financial position of the Company as of January 31, 2026 and the results of operations and cash flows for the periods presented. The results of operations for the six months ended January 31, 2026 are not necessarily indicative of the operating results for the full fiscal year or any future period. These interim consolidated financial statements should be read in conjunction with the financial statements and related notes thereto included in the Company’s Annual Report on Form 10-K for the year ended July 31, 2025 filed with the SEC on October 29, 2025.

***Consolidation Policy***

Our consolidated financial statements are consolidated in accordance with U.S. GAAP and include our accounts and the accounts of our wholly owned subsidiaries. We eliminate all intercompany transactions from our financial results.

***Business Combinations***

We account for business combinations under the acquisition method of accounting. The acquisition method requires that the acquired assets and liabilities, including contingencies, be recorded at fair value determined on the acquisition date and that changes thereafter be reflected in income (loss). The estimation of fair values of the assets and liabilities assumed involves several estimates and assumptions that could differ materially from the actual amounts recorded. The results of the acquired businesses are included in our results from operations beginning from the day of acquisition.

***Allowance for Credit losses***

In accordance with ASC 326, Financial Instruments – Credit Losses, we recognize an allowance for credit losses on acquired financial assets with credit deterioration since origination. The allowance of credit losses is measured based on the Current Expected Credit Loss (CECL) model, which requires an estimate of the expected credit losses over the life of the financial asset. This estimate considers historical loss information, current conditions, and reasonable and supportable forecasts. The allowance for credit losses, if any, is recorded as a reduction to the carrying amount of the financial asset, with a corresponding charge to earnings.

***Risk and Uncertainties***

Factors that could affect our future operating results and cause actual results to vary materially from management’s expectation include, but are not limited to: our ability to maintain and secure adequate capital to fund our operations and fully develop our product(s); our ability to source strong opportunities with sufficient risk adjusted returns; acceptance of the terms and conditions of our licenses and/or the acceptance of our royalties and fees; the nature and extent of competition from other companies that may reduce market share and create pressure on pricing and investment return expectations; changes in the projects in which we plan to invest which result from factors beyond our control, including, but not limited to, a change in circumstances, capacity and economic impacts; changes in laws, regulations, accounting, taxation, and other requirements affecting our operations and business. Negative developments in these or other risk factors could have a significant adverse effect on our financial position, results of operations and cash flows.

### ***Use of Estimates***

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. We base our estimates on experience and various other assumptions that are believed to be reasonable under the circumstances. We evaluate our estimates and assumptions on a regular basis and actual results may differ from those estimates.

### ***Reclassifications***

Certain prior period amounts may be reclassified to conform to current period presentation with no changes to previously reported net loss or stockholders' equity.

### ***Cash and Cash Equivalents***

We consider all highly liquid short-term investments with a maturity of three months or less at the time of purchase to be cash equivalents. The Company minimizes its credit risk associated with cash by periodically evaluating the credit quality of its primary financial institution. The balance at times may exceed federally insured limits. No loss has been experienced and management does not believe we are exposed to any significant credit risk.

### ***Accounts Receivable***

Accounts receivable are stated at the amount management expects to collect from outstanding customer balances. Credit is extended to customers based on an evaluation of their financial condition and other factors. Interest is not accrued on overdue accounts receivable. The Company does not require collateral.

Management periodically assesses the Company's accounts receivable and, if necessary, establishes an allowance for estimated uncollectible amounts. The Company provides an allowance for doubtful accounts based upon a review of the outstanding accounts receivable, historical collection information and existing economic conditions. Accounts determined to be uncollectible are charged to operations when that determination is made.

### ***Concentration of Credit Risk***

Financial instruments that potentially expose the Company to credit risk consist of demand deposits with a financial institution. The Company is exposed to credit risk on its cash and cash equivalents in the event of default by the financial institution to the extent account balances exceed the amount insured by the FDIC, which is \$250,000.

### ***Fair Value of Financial Instruments***

Fair value is defined as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants. A fair value hierarchy has been established for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

Level 1 Inputs – Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity can access at the measurement date.

Level 2 Inputs – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These might include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (such as interest rates, volatilities, prepayment speeds, credit risks, etc.) or inputs that are derived principally from or corroborated by market data by correlation or other means.

Level 3 Inputs – Unobservable inputs for determining the fair values of assets or liabilities that reflect an entity’s own assumptions about the assumptions that market participants would use in pricing the assets or liabilities.

Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and borrowings. The fair value of current financial assets and current financial liabilities approximates their carrying value because of the short-term maturity of these financial instruments.

### ***Property and Equipment***

Property and equipment are stated at cost, net of accumulated depreciation. Expenditures for major additions and improvements are capitalized while minor replacements and maintenance and repairs, which do not improve or extend the life of such assets, are charged to operations as incurred. Disposals are removed at cost less accumulated depreciation, and any resulting gain or loss is reflected in the interim consolidated statements of operations. Depreciation is calculated using the straight-line method which depreciates the assets over the estimated useful lives of the depreciable assets ranging from five to seven years.

### ***Intangible Assets***

Intangible assets consist of patents, our website and the costs of software developed for internal use. Certain payroll and stock-based compensation costs incurred are allocated to the intangible assets. We determine the amount of costs to be capitalized based on the time spent by employees or outside contractors on the projects. Intangible assets are amortized on a straight-line basis over their expected useful lives, which approximate 20-years for patents, 3-years for internally developed software and 2-years for website related cost. Intangible assets that are subject to amortization are evaluated for impairment at least annually, and additionally whenever events or changes in circumstances indicate that it is more likely than not that an asset may be impaired. The impairment test for indefinite-lived intangible assets consists of a comparison of the fair value of the intangible asset with its carrying amount. An impairment loss would be recognized for the amount by which the carrying value exceeds the fair value of the asset. There were not any intangible asset impairment charges recorded during the six months ended January 31, 2026. We recognized a \$46,225 intangible asset impairment charge during the six months ended January 31, 2025.

Intangibles, net was \$1,259,075 and \$290,469 as of January 31, 2026 and July 31, 2025, respectively. See *Note 4 - Intangibles, Net*.

### ***Derivative Liability***

Options, warrants, convertible notes, or other contracts, if any, are evaluated to determine if those contracts, or embedded components of those contracts, qualify as derivatives to be separately accounted for in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 815, “*Derivatives and Hedging*,” (paragraph 815-10-05-4 and Section 815-40-25). The result of this accounting treatment is that the fair value of the embedded derivative is marked-to-market each balance sheet date and recorded as either an asset or a liability. The change in fair value is recorded in the consolidated statements of operations as other income or expense. Upon conversion, exercise or cancellation of a derivative instrument, the instrument is marked to fair value at the date of conversion, exercise, or cancellation and then the related fair value is reclassified to equity.

In circumstances where the embedded conversion option in a convertible instrument is required to be bifurcated, and there are also other embedded derivative instruments in the convertible instrument that are required to be bifurcated, the bifurcated derivative instruments are accounted for as a single, compound derivative instrument.

The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is re-assessed at the end of each reporting period. Equity instruments that are initially classified as equity that become subject to reclassification are reclassified to liability at the fair value of the instrument on the reclassification date. Derivative instrument liabilities will be classified in the balance sheet as current or non-current based on whether net-cash settlement of the derivative instrument is expected within 12 months of the balance sheet date.

The Company adopted Section 815-40-15 of the FASB ASC (*“Section 815-40-15”*) to determine whether an instrument (or an embedded feature) is indexed to the Company’s own stock. Section 815-40-15 provides that an entity should use a two-step approach to evaluate whether an equity-linked financial instrument (or embedded feature) is indexed to its own stock, including evaluating the instrument’s contingent exercise and settlement provisions.

We utilize a binomial option pricing model to compute the fair value of the derivative liability and to mark to market the fair value of the derivative liability at each balance sheet date. We record the change in the fair value of the derivative liability as other income or expense in the consolidated statements of operations.

We had no derivative assets or liabilities as of January 31, 2026 and July 31, 2025.

### ***Related Parties***

The Company follows subtopic ASC 850-10 for the identification of related parties and disclosure of related party transactions. Pursuant to Section 850-10-20, the related parties include: (a) affiliates of the Company (*“Affiliate”* means, with respect to any specified person, any other person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such person, as such terms are used in and construed under Rule 405 under the Securities Act); (b) entities for which investments in their equity securities would be required, absent the election of the fair value option under the Fair Value Option Subsection of Section 825-10-15, to be accounted for by the equity method by the investing entity; (c) trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management; (d) principal owners of the Company; (e) management of the Company; (f) other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests; and (g) other parties that can significantly influence the management or operating policies of the transacting parties or that have an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

### ***Contract Liabilities***

The Company receives payments from customers based upon contractual billing schedules. Contract liabilities include payments received in advance of performance under the contract. Contract assets include amounts related to the Company’s contractual right to consideration for completed performance obligations not yet invoiced. Our contract assets and liabilities are reported on an individual contract basis at the end of each reporting period. Contract liabilities are classified as current or noncurrent based on the timing of when we expect to recognize revenue. The Company expects to recognize all outstanding contract liabilities over the next 12 months. The Company has recorded \$17,274 as of January 31, 2026 and July 31, 2025, respectively in accrued expenses related to contract liabilities.

### ***Contract Combination***

The Company may execute more than one contract or agreement with a single customer. The Company evaluates whether the agreements were negotiated as a package with a single objective, whether the amount of consideration to be paid in one agreement depends on the price and/or performance of another agreement, or whether the goods or services promised in the agreements represent a single performance obligation. The conclusions reached can impact the allocation of the transaction price to each performance obligation and the timing of revenue recognition related to those arrangements. The Company applied the revenue model to a portfolio of contracts with similar characteristics where we expected that the financial statements would not differ materially from applying it to the individual contracts within that portfolio.

## ***Revenue Recognition***

The Company's revenue recognition policy is to recognize revenue in accordance with ASC 606, "*Revenue from Contracts with Customers*." The Company follows the five-step model provided by ASC Topic 606 in order to recognize revenue in the following manner: 1) Identify the contract; 2) Identify the performance obligations of the contract; 3) Determine the transaction price of the contract; 4) Allocate the transaction price to the performance obligations; and 5) Recognize revenue. An entity recognizes revenue for the transfer of promised goods or services to customers in an amount that reflects the consideration for which the entity expects to be entitled in exchange for those goods or services.

Often contracts contain more than one performance obligation. Performance obligations are the unit of accounting for revenue recognition and generally represent the distinct goods or services that are promised to the customer. Revenue is recognized net of any taxes collected and subsequently remitted to governmental authorities. If we determine that we have not satisfied a performance obligation, we defer recognition of the revenue until the performance obligation is satisfied. The agreements are generally non-cancellable or contain significant penalties for early cancellation, although customers typically have the right to terminate their contracts for cause if we fail to perform material obligations. However, if non-standard acceptance periods, non-standard performance criteria, or cancellation or right of refund terms are required, revenue is recognized upon the satisfaction of such criteria.

## ***Advertising and Marketing***

Advertising and marketing costs are expensed as incurred in accordance with ASC 720-35, "*Advertising Costs*." We incurred advertising and marketing costs of \$74,584 and \$90,257 for the six months ended January 31, 2026 and 2025, respectively, which are included in selling, general and administrative expenses on the interim consolidated financial statements.

## ***Stock-Based Compensation***

The Company accounts for stock-based compensation in accordance with ASC Topic 718, "*Compensation – Stock Compensation*" ("ASC 718") which establishes financial accounting and reporting standards for stock-based employee compensation. It defines a fair value-based method of accounting for an employee stock option or similar equity instrument. The Company accounts for compensation cost for stock option plans, if any, in accordance with ASC 718.

Stock-based payments, excluding restricted stock, are valued using a Black-Scholes option pricing model. Grants of stock-based payment awards issued to non-employees for services rendered have been recorded at the fair value of the stock-based payment, which is the more readily determinable value. The grants are amortized on a straight-line basis over the requisite service periods, which is generally the vesting period. If an award is granted, but vesting does not occur, any previously recognized compensation cost is reversed in the period related to the termination of service. Stock-based compensation expense is included in cost of goods sold or selling, general and administrative expenses, depending on the nature of the services provided, in the interim consolidated statements of operations. Stock-based payments issued to placement agents are classified as a direct cost of a stock offering and are recorded as a reduction in additional paid-in capital.

The Company recognizes all forms of stock-based payments, including stock option grants, warrants and restricted stock grants, at their fair value on the grant date, which are based on the estimated number of awards that are expected to vest. See *Note 9 - Stock-Based Compensation*.

## ***Income Taxes***

We use the asset and liability method of accounting for income taxes in accordance with Topic 740, "*Income Taxes*". Under this method, income tax expense is recognized for the amount of: (1) taxes payable or refundable for the current year and (2) deferred tax consequences of temporary differences resulting from matters that have been recognized in an entity's financial statements or tax returns. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the results of operations in the period that includes the enactment date. A valuation allowance is provided to reduce the deferred tax assets reported if based on the weight of the available positive and negative evidence, it is more likely than not some portion or all of the deferred tax assets will not be realized.

ASC Topic 740-10-30 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC Topic 740-10-40 provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. We have no material uncertain tax positions for any of the reporting periods presented.

### ***Net Loss Per Common Share***

We determine basic loss per share and diluted loss per share in accordance with the provisions of ASC 260, "Earnings Per Share." Basic loss per share excludes dilution and is computed by dividing earnings available to common stockholders by the weighted-average number of common shares outstanding for the period. The calculation of diluted income loss per share is similar to that of basic earnings per share, except the denominator is increased, if the earnings are positive, to include the number of additional common shares that would have been outstanding if all potentially dilutive common shares had been exercised.

### ***Recent Accounting Pronouncements***

In November 2024, the FASB issued ASU 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses, which improves financial reporting by requiring public entities to disclose additional information about specific expense categories in the notes of the financial statements at interim and annual reporting period. ASU 2024-03 is effective for all public entities for annual reporting periods beginning after *December 15, 2026*, and interim reporting periods beginning after *December 15, 2027*. The Company is currently evaluating the effect of adopting this ASU.

In December, 2023, the FASB issued ASU No. 2023-09 "Income Taxes (Topic 740): Improvements to Income Tax Disclosures" which requires two primary enhancements of 1) disaggregated information on a reporting entity's effective tax rate reconciliation, and 2) information on income taxes paid. For public business entities, the new requirements will be effective for annual periods beginning after December 15, 2024. The guidance will be applied on a prospective basis with the option to apply the standard retrospectively. Early adoption is permitted. The Company is currently assessing the pronouncement and its impact on its income tax disclosures and related cash flow disclosures, but it does not impact the Company's results of operations, or financial condition.

### **NOTE 2 - GOING CONCERN**

The accompanying consolidated financial statements have been prepared in conformity with U.S. GAAP, which contemplates continuation of the Company as a going concern. The Company had net losses of \$2,741,987 for the six months ended January 31, 2026 and \$1,950,574 for the six months ended January 31, 2025. The Company now has significant working capital, however, we have a history of losses, an accumulated deficit, and have not generated cash from our operations to support a meaningful and ongoing business plan. It is management's opinion that these conditions raise substantial doubt about the Company's ability to continue as a going concern.

In view of these matters, our ability to continue as a going concern is dependent upon the continuing marketing and sales of our product to achieve a level of profitability. We intend to finance our future development activities and our working capital needs from the sale of private and public equity securities with possible additional funding from other traditional financing sources, including term notes, until such time that funds provided by operations are sufficient to fund working capital requirements. Although the Company believes in the viability of management's strategy to generate sufficient revenue, control costs and the ability to raise additional capital, there can be no assurances to that effect. Therefore, the accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classifications of liabilities that might be necessary should we be unable to continue as a going concern.

### **NOTE 3 - PROPERTY AND EQUIPMENT, NET**

Property and equipment, net consisted of the following at January 31, 2026 and July 31, 2025:

	<b>January 31, 2026</b>	<b>July 31, 2025</b>
Equipment	\$ 446,189	\$ 8,923
Less: accumulated depreciation	(18,428)	(8,923)
<b>Total property and equipment, net</b>	<b>\$ 427,761</b>	<b>\$ -</b>

Depreciation expense for the six months ended January 31, 2026 and 2025 was \$9,505 and \$0, respectively.

**NOTE 4 - INTANGIBLES, NET**

Intangibles, net consisted of the following at January 31, 2026 and July 31, 2025:

	<b>As of January 31, 2026</b>			
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Reserve for Impairment</b>	<b>Net</b>
Software	\$ 627,440	\$ (627,440)	\$ -	\$ -
Intangible assets in-process	1,222,579	-	-	1,222,579
Patents	46,312	(9,816)	-	36,496
Website	8,785	(8,785)	-	-
<b>Total intangibles</b>	<b>\$ 1,905,116</b>	<b>\$ (646,041)</b>	<b>\$ -</b>	<b>\$ 1,259,075</b>

**As of July 31, 2025**

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Reserve for Impairment</b>	<b>Net</b>
Software	\$ 627,440	\$ (627,440)	\$ -	\$ -
Intangible assets in-process	252,595	-	-	252,595
Patents	55,137	(8,438)	(8,825)	37,874
Website	8,785	(8,785)	-	-
<b>Total intangibles</b>	<b>\$ 943,957</b>	<b>\$ (644,663)</b>	<b>\$ (8,825)</b>	<b>\$ 290,469</b>

Amortization expense for the six months ended January 31, 2026 and 2025 was \$1,378 and \$177,951 respectively.

Intangibles are amortized over their estimated useful lives of 2 to 20 years. As of January 31, 2026, the weighted average remaining useful life of intangibles assets in-service being amortized was approximately fifteen (15) years. We expect the remaining aggregate amortization expense for each of the five succeeding fiscal years to be as follows:

2026	\$ 1,378
2027	1,378
2028	1,378
2029	1,378
2030	1,378
Thereafter	29,606
<b>Total expected amortization expense</b>	<b>\$ 36,496</b>

**NOTE 5 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES**

Accounts payable and accrued expenses consisted of the following at January 31, 2026 and July 31, 2025:

	<b>January 31, 2026</b>	<b>July 31, 2025</b>
Accounts payable	\$ 21,880	\$ 94,893
Accrued expenses	243,453	220,814
<b>Accounts payable and accrued expenses</b>	<b>\$ 265,334</b>	<b>\$ 315,707</b>

**NOTE 6 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES, RELATED PARTY**

	<b>January 31, 2026</b>	<b>July 31, 2025</b>
Accounts payable, related party	\$ -	\$ 2,339
Accrued expenses, related party	-	5,492
<b>Accounts payable and accrued expenses, related party</b>	<b>\$ -</b>	<b>\$ 7,831</b>

**NOTE 7 - PAYROLL RELATED LIABILITIES**

Payroll related liabilities consisted of the following at January 31, 2026 and July 31, 2025:

	<b>January 31, 2026</b>	<b>July 31, 2025</b>
Accrued officers' payroll	\$ 38,754	\$ 25,836
Payroll taxes payable	16,637	16,637
<b>Total payroll related liabilities</b>	<b>\$ 55,391</b>	<b>\$ 42,473</b>

## NOTE 8 - COMMON STOCK

At January 31, 2026 and July 31, 2025, we had 189,315,763 and 185,497,862 shares of common stock outstanding, respectively. During the six months ended January 31, 2026, we issued 3,817,901 shares for compensation. During the fiscal year ended July 31, 2025, we issued 105,644,166 unregistered shares of our common stock, of which 92,626,548 shares were issued for cash, 2,034,155 shares for a loan modification fee, 493,463 were issued for conversion of debt and related accrued interest, 1,160,000 shares were issued for services and 9,330,000 were issued for compensation

On August 1, 2025, we issued 100,000 unregistered shares of our common stock to a consultant pursuant to the terms of their consulting agreement. The shares were issued upon the vesting of shares from a restricted stock award dated August 1, 2024, at an estimated grant date fair value of \$0.052 per share on such issuance date.

On August 1, 2025, we issued 250,000 unregistered shares of our common stock to a consultant pursuant to the terms of their consulting agreement. The shares were issued upon the vesting of shares from a restricted stock award dated August 1, 2025, at an estimated grant date fair value of \$0.604 per share on such issuance date.

On August 1, 2025, we issued 250,000 unregistered shares of our common stock to a consultant pursuant to the terms of their consulting agreement. The shares were issued upon the vesting of shares from a restricted stock award dated August 1, 2025, at an estimated grant date fair value of \$0.592 per share on such issuance date.

On August 25, 2025, we issued 333,334 unregistered shares of our common stock to a member of our Board of Directors as compensation for serving on the Board and for providing certain other business advisory services at an estimated grant date fair value of \$0.068 per share on such issuance date.

On August 31, 2025, we issued 200,000 unregistered shares of our common stock to a consultant pursuant to the terms of their consulting agreement. The shares were issued upon the vesting of shares from a restricted stock award dated September 1, 2023, at an estimated grant date fair value of \$0.024 per share on such issuance date.

On September 19, 2025, we issued 100,000 unregistered shares of our common stock to a consultant pursuant to the terms of their consulting agreement. The shares were issued upon the vesting of shares from a restricted stock award dated August 1, 2025, at an estimated grant date fair value of \$0.355 per share on such issuance date.

On September 24, 2025, we issued 30,000 unregistered shares of our common stock to a consultant pursuant to the terms of their consulting agreement. The shares were issued upon the vesting of shares from a restricted stock award dated March 24, 2025, at an estimated grant date fair value of \$0.188 per share on such issuance date.

On October 19, 2025, we issued 250,000 unregistered shares of our common stock to a consultant pursuant to the terms of their consulting agreement. The shares were issued upon the vesting of shares from a restricted stock award dated October 19, 2020, at an estimated grant date fair value of \$0.033 per share on such issuance date.

On October 24, 2025, we issued 500,000 unregistered shares of our common stock to a consultant pursuant to the terms of their consulting agreement. The shares were issued upon the vesting of shares from a restricted stock award dated October 24, 2024, at an estimated grant date fair value of \$0.113 per share on such issuance date.

On November 15, 2025, we issued 29,041 unregistered shares of our common stock to a consultant pursuant to the terms of their consulting agreement. The shares were issued upon the vesting of shares from a restricted stock award dated August 1, 2024, at an estimated grant date fair value of \$0.052 per share on such issuance date.

On November 15, 2025, we issued 83,836 unregistered shares of our common stock to a consultant pursuant to the terms of their consulting agreement. The shares were issued upon the vesting of shares from a restricted stock award dated January 13, 2025, at an estimated grant date fair value of \$0.125 per share on such issuance date.

On November 15, 2025, we issued 100,000 unregistered shares of our common stock to a consultant pursuant to the terms of their consulting agreement. The shares were issued upon the vesting of shares from a restricted stock award dated November 15, 2024, at an estimated grant date fair value of \$0.188 per share on such issuance date.

On December 1, 2025, we issued 100,000 unregistered shares of our common stock to a consultant pursuant to the terms of their consulting agreement. The shares were issued upon the vesting of shares from a restricted stock award dated December 2, 2024, at an estimated grant date fair value of \$0.110 per share on such issuance date.

On December 2, 2025, we issued 100,000 unregistered shares of our common stock to a consultant pursuant to the terms of their consulting agreement. The shares were issued upon the vesting of shares from a restricted stock award dated December 2, 2024, at an estimated grant date fair value of \$0.110 per share on such issuance date.

On December 4, 2025, we issued 100,000 unregistered shares of our common stock to a consultant pursuant to the terms of their consulting agreement. The shares were issued upon the vesting of shares from a restricted stock award dated December 4, 2024, at an estimated grant date fair value of \$0.084 per share on such issuance date.

On December 15, 2025, we issued 316,895 unregistered shares of our common stock to a consultant pursuant to the terms of their consulting agreement. The shares were issued upon the vesting of shares from a restricted stock award dated January 2, 2025, at an estimated grant date fair value of \$0.107 per share on such issuance date.

On January 1, 2026, we issued 250,000 unregistered shares of our common stock to a consultant pursuant to the terms of their consulting agreement. The shares were issued upon the vesting of shares from a restricted stock award dated November 1, 2025, at an estimated grant date fair value of \$0.169 per share on such issuance date.

On January 1, 2026, we issued 250,000 unregistered shares of our common stock to a consultant pursuant to the terms of their consulting agreement. The shares were issued upon the vesting of shares from a restricted stock award dated November 1, 2025, at an estimated grant date fair value of \$0.105 per share on such issuance date.

On January 2, 2026, we issued 100,000 unregistered shares of our common stock to an employee pursuant to the terms of their employment agreement. The shares were issued upon the vesting of shares from a restricted stock award dated November 1, 2025, at an estimated grant date fair value of \$0.107 per share on such issuance date.

On January 5, 2026, we issued 100,000 unregistered shares of our common stock to a consultant pursuant to the terms of their consulting agreement. The shares were issued upon the vesting of shares from a restricted stock award dated December 2, 2024, at an estimated grant date fair value of \$0.090 per share on such issuance date.

On January 8, 2026, we issued 100,000 unregistered shares of our common stock to a consultant pursuant to the terms of their consulting agreement. The shares were issued upon the vesting of shares from a restricted stock award dated January 6, 2025, at an estimated grant date fair value of \$0.110 per share on such issuance date.

On January 8, 2026, we issued 74,795 unregistered shares of our common stock to a consultant pursuant to the terms of their consulting agreement. The shares were issued upon the vesting of shares from a restricted stock award dated March 17, 2025, at an estimated grant date fair value of \$0.220 per share on such issuance date.

On January 20, 2026, we issued 100,000 unregistered shares of our common stock to an employee pursuant to the terms of their employment agreement. The shares were issued upon the vesting of shares from a restricted stock award dated January 20, 2025, at an estimated grant date fair value of \$0.135 per share on such issuance date.

## **NOTE 9 - STOCK-BASED COMPENSATION**

Our stock-based compensation programs are long-term retention awards that are intended to attract, retain, and provide incentives for employees, officers and directors, and to align stockholder and employee interest. We utilize grants of both stock options and warrants and restricted stock to achieve those goals.

### Summary of Stock Options and Warrants

During the six months ended January 31, 2026 and 2025, we recorded no compensation expense related to stock options and warrant, respectively.

The following table summarizes our options and warrant activity for the six months ended January 31, 2026 and fiscal year ended July 31, 2025:

	January 31, 2026		July 31, 2025	
	Number of Options and Warrants	Weighted Average Exercise Price	Number of Options and Warrants	Weighted Average Exercise Price
Balance at beginning of year	2,250,000	\$ 0.22	6,350,000	\$ 0.21
Cancelled			(1,500,000)	0.10
Expired	(1,000,000)	0.40	(2,600,000)	0.20
Balance at end of period	1,250,000	\$ 0.07	2,250,000	\$ 0.22
Options and warrants exercisable	1,250,000	\$ 0.07	2,250,000	\$ 0.22

### Summary of Restricted Stock Grants

During the six months ended January 31, 2026 and 2025, we recorded compensation expense related to restricted stock grants of \$503,362 and \$880,747, respectively. During the three months ended January 31, 2026, the company reclassified \$51,632 to selling, general and administration related to stock forfeitures. The grant date fair value of restricted stock awards during the six months ended January 31, 2026 and 2025 was \$526,236 and \$857,553, respectively.

The following table summarizes our restricted stock activity for the six months ended January 31, 2026 and fiscal year ended July 31, 2025:

	January 31, 2026	July 31, 2025
Balance at beginning of period	11,630,000	4,000,000
Granted	1,173,836	13,280,000
Expired / Cancelled	(3,692,604)	(2,650,000)
Released	(3,817,901)	(3,000,000)
Balance at end of period	5,293,331	11,630,000

### **NOTE 10 - RELATED PARTY TRANSACTIONS**

The Company has periodically obtained loans from related parties, primarily shareholders for which there are no formal written commitment for continued support by shareholders or others. Amounts loaned primarily relate to amounts paid to vendors. The loans are considered temporary in nature and have not been formalized by any written agreement. As of January 31, 2026 and July 31, 2025, related parties were owed \$0 and \$2,339, respectively, which are included in Accounts payable and accrued expenses, related party on the consolidated balance sheets (See *Note 6 - Accounts Payable and Accrued Expenses, Related Party*). The amounts owed are payable on demand and carry no interest. The amounts and terms of the related party loans may not necessarily be indicative of the amounts and terms that would have been incurred had comparable transactions been entered into with independent third parties.

For compensation after August 1, 2023, we entered into a Non-Employee Chief Executive Officer Engagement Agreement (the "Contract CEO Agreement") with Platinum Equity Advisors, LLC ("Platinum Equity"), a related party, to provide the services of our CEO and Chairman of the Board of Directors. Platinum Equity Advisors, LLC is a related party, is our largest shareholder, and is owned 100% by the spouse of our CEO and Charman of our Board of Directors. At January 31, 2026 and July 31, 2025, we owed Platinum Equity \$0 and \$5,492, respectively, for amounts related to the Contract CEO Agreement. The amount owed is included in Accounts payable and accrued expenses, related party on the interim consolidated balance sheets (See *Note 6 - Accounts Payable and Accrued Expenses, Related Party*).

For the six months ending January 31, 2026, the Company recognized \$61,359 in office rent expense included in “Selling, general and administrative” on our consolidated statements of operations related to a month-to-month sublease agreement for use of certain office space. There was \$25,577 in office rent expense recognized for the six months ending January 31, 2025.

## **NOTE 11 - COMMITMENTS AND CONTINGENCIES**

### ***Operating Leases***

The Company has lease agreements for certain personal and real property with initial lease terms of 12 months or less that are not recorded on the balance sheet. Our lease agreements do not include any significant renewal options. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

### ***Employment and Consulting Agreements***

On January 31, 2024, we entered into a Non-Employee Chief Executive Officer Engagement Agreement (the “Contract CEO Agreement”) with Platinum Equity Advisors, LLC (“Platinum”) to provide the services of Scott M. Boruff as Chief Executive Officer and Chairman of the Board of Directors of the Company for a term of three (3) years. Effective as of August 1, 2023, the Company shall pay Platinum an annual base fee of \$102,000. The initial base fee is intended to compensate Platinum for a time commitment of up to 1/3 of the CEO’s time, attention, skill and best efforts to the Company. At the discretion of the Board of Directors, the base fee may be increased to a maximum annual amount of \$306,000 to better reflect the value of any future increases in the CEO’s time commitment to the Company. Effective August 1, 2024, the board set the base fee at \$240,000 annually. If the Contract CEO Agreement is terminated by us without cause or by Platinum for good reason, we are obligated to pay Platinum severance equal to three (3) months base fee and any other earned but unpaid compensation. In addition, if at any time during the term of the Contract CEO Agreement Platinum is terminated by us without cause within two years after a Change in Control of our company, or in the 90 days prior the Change in Control at the request of the acquiror, we are obligated to pay Platinum an amount equal to 2.99 times the annual base fee. “Change in Control” is defined in the Contract CEO Agreement to mean the acquisition by any person of beneficial ownership of our securities representing greater than 50% of the combined voting power of our then outstanding voting securities. Platinum is eligible for equity awards and other benefits as approved by the Board of Directors. On January 29, 2025, the agreement was updated, and the executive became entitled to a 5% override on any and all Company sales, including initial sales and subsequent recurring sales. No overrides will be considered earned by the Company until the amount is collected from the customer. On October 1, 2025, the annual compensation was increased to \$315,000.

On January 31, 2024, in connection with the appointment of Susan A. Reyes, MD as Chief Medical Officer of the Company, the Company and Dr. Reyes entered into an employment agreement (the “Reyes Employment Agreement”) with an initial term of Three (3) years. Effective as of August 1, 2023, the Company shall pay Dr. Reyes a base salary at the rate of \$24,000 per annum. The initial base salary is intended to compensate Dr. Reyes for a fractional devotion of her time, attention, skill and best efforts to the Company. At the discretion of the Chief Executive Officer, the base salary may be increased to a maximum annual amount of \$92,000 to better reflect the value of any future increases in Dr. Reyes’ time commitment to the Company. In the event Dr. Reyes’ employment with the Company is terminated without cause, Dr. Reyes shall be entitled to a severance payment equal to her currently in effect base salary for one (1) full year. If Dr. Reyes is terminated without cause within two (2) years of a change in control upon request of the acquiror, Dr. Reyes shall be entitled to a severance payment in an amount equal to 2.99 times the annualized base salary she is then earning. In addition, Dr. Reyes is eligible for equity awards and other benefits as approved by the Board of Directors.

On January 1, 2025, we entered into a Non-Employee President & Chief Strategy Officer Engagement Agreement with All Things New Ventures, LLC to engage Dustin M. Hillis to provide the services of President & Chief Strategy Officer to the Company for a term of Three (3) years. The Company shall pay Mr. Hillis an annual base fee of \$100,000, to be paid in equal monthly payments. In addition to the base fee, Mr. Hillis will be paid a commission on certain new and recurring business sales. In the event Mr. Hillis' employment with the Company is terminated without cause, Mr. Hillis shall be entitled to a severance payment equal to his currently in effect base salary plus overrides for one (1) full year. If Mr. Hillis is terminated without cause within two (2) years of a change in control upon request of the acquiror, Mr. Hillis shall be entitled to a severance payment in an amount equal to 2.99 times the annualized base salary plus overrides he is then earning. In addition, Mr. Hillis is eligible for equity awards and other benefits as approved by the Board of Directors. Mr. Hillis became entitled to a 5% override on any and all Company sales, including initial sales and subsequent recurring sales. No overrides will be considered earned by the Company until the amount is collected from the customer. A First Amendment was signed effective April 1, 2025, and the annual base fee was increased to \$150,000 paid in equal monthly payments. On October 1, 2025, the annual compensation was increased to \$225,000.

On April 10, 2025, we appointed Mr. Anand Ijju, as our Chief Technology Officer (CTO). Mr. Ijju's employment with the Company will begin on May 1, 2025. Mr. Ijju entered into a three-year agreement with the Company. As compensation, the Company agreed to pay Mr. Ijju an annual salary of \$150,000 and Mr. Ijju is entitled to discretionary bonuses as may be awarded from time to time by the Company's Board of Directors. As additional compensation the Company granted Mr. Ijju a stock grant of 500,000 shares of the Company's common stock. The stock grant shall be non-qualified and shall become vested annually over three years beginning on May 1, 2026. Mr. Ijju is entitled to participate in any employee benefit plans, programs and arrangements of the Company in effect during the engagement period which are generally available to other senior executives of the Company (including, without limitation, group medical insurance plans, life insurance plans, and 401(k) plans), subject to and on a consistent basis with the terms, conditions and overall administration of such plans, programs and arrangements.

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

On February 26, 2026, the Company entered into a new noncancelable operating lease agreement with Stocking 51, LLC for office space located at 5016 Centennial Boulevard, Suite 300, Nashville, Tennessee. The lease provides for approximately 4,883 rentable square feet and has a term of sixty-nine (69) full calendar months commencing on August 1, 2026 and expiring on April 30, 2032. The Company has access to the premises beginning on the Lease Effective Date, subject to the terms of the agreement, excluding the obligation to pay rent until the commencement date. Base rent payments begin at approximately \$7,187 per month and increase periodically over the lease term, reaching approximately \$16,275 per month in the final lease year. In addition to base rent, the Company is responsible for its proportionate share of operating costs and property taxes as defined in the agreement. The Company paid a security deposit of \$38,412.93 and is eligible to receive a tenant improvement allowance of \$48,830.

## **Item 2. MANagements Discussion and Analysis of Financial Condition and Results of Operations.**

THE FOLLOWING DISCUSSION OF OUR PLAN OF OPERATION AND RESULTS OF OPERATIONS SHOULD BE READ IN CONJUNCTION WITH THE FINANCIAL STATEMENTS AND RELATED NOTES TO THE FINANCIAL STATEMENTS INCLUDED ELSEWHERE IN THIS REPORT. THIS DISCUSSION CONTAINS FORWARD-LOOKING STATEMENTS THAT RELATE TO FUTURE EVENTS OR OUR FUTURE FINANCIAL PERFORMANCE. THESE STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT MAY CAUSE OUR ACTUAL RESULTS, LEVELS OF ACTIVITY, PERFORMANCE OR ACHIEVEMENTS TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, LEVELS OF ACTIVITY, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY THESE FORWARD-LOOKING STATEMENTS. THESE FORWARD-LOOKING STATEMENTS ARE SUBJECT TO NUMEROUS RISKS AND UNCERTAINTIES, INCLUDING OUR ABILITY TO COMMERCIALIZE NEW PRODUCTS, HIRE AND RETAIN KEY PERSONNEL, AND SECURE SUFFICIENT FUNDING TO EXECUTE OUR GROWTH PLAN. IF OUR ASSUMPTIONS REGARDING PLANNED EXPENDITURES OR REVENUE GENERATION PROVE INACCURATE, WE MAY NEED TO ADJUST OUR STRATEGIC TIMELINE OR RESOURCE ALLOCATION, WHILE WE BELIEVE THESE PATENTS PROVIDE MEANINGFUL PROTECTION FOR CERTAIN ASPECTS OF OUR TECHNOLOGY, THERE IS NO GUARANTEE THAT THEY WILL PREVENT ALL COMPETITORS FROM DEVELOPING SIMILAR PRODUCTS, FAILURE TO COMPLY WITH THE FAMILY EDUCATIONAL RIGHTS AND PRIVACY ACT (“FERPA”) COULD LIMIT OR DELAY OUR ABILITY TO DEPLOY SAFESCHOOL™ IN CERTAIN JURISDICTIONS, IMPACT CUSTOMER ADOPTION, OR EXPOSE THE COMPANY TO REGULATORY RISK AND OTHER FACTORS INCLUDE, AMONG OTHERS, THOSE LISTED UNDER “FORWARD-LOOKING STATEMENTS” AND “RISK FACTORS” AND THOSE INCLUDED ELSEWHERE IN THIS REPORT.

### **Overview**

SafeSpace Global Corporation (collectively the “Company,” “we,” “our” or “us”) is a multimodal AI technology solutions company with a dedicated team focused on driving safety innovation across multiple industries. We are currently marketing products and solutions that utilize advanced AI tools to monitor and enhance resident safety, reduce the risk of injuries, and improve overall care efficiency.

### **Strategy**

Our primary objective is to expand the adoption of our life-saving multimodal AI technology across both existing and emerging verticals. These include senior living, education, transportation, and corrections—with future expansion planned into commercial infrastructure and high-risk institutional settings. To support this growth, we have strengthened our development team with senior IT architects, AI specialists, and systems engineers who are accelerating product innovation and market deployment on a global scale. A key pillar of this strategy is our dedicated sales force, which brings both deep domain knowledge and a shared commitment to leveraging AI to save lives. This integrated team is actively driving customer engagement, market penetration, and adoption of our multimodal safety solutions across diverse environments.

### **Financial and Operating Results**

As of the date of this filing, the Company has approximately \$2,900,000 in cash and cash equivalents from recent private placements. Management believes this adequately supports the Company’s five-year strategic plan enabling strategic initiatives, such as acquisitions, investments in advanced AI technology, and the expansion of its technology development team. SafeSpace Global Corporation remains committed to driving innovation in healthcare technology, with a focus on solutions that enhance safety, efficiency, and patient outcomes across various care settings.

Highlights and achievements include:

- We renewed and broadened our partnership with Signature HealthCARE, a multi-state senior living and post-acute care operator, to scale our multimodal AI safety platform across its communities. The expansion is intended to strengthen proactive resident safety, standardize reporting and safety practices portfolio-wide, and support staffing efficiency in a labor-constrained environment.
- We secured a new partnership with Wayman Place (Longwood, FL) to implement our non-wearable elopement detection solution in its assisted living community, underscoring continued demand for resident-centric safety technology that preserves dignity and independence.

We believe these arrangements advance our senior living strategy by promoting platform adoption that consolidates key safety functions—such as elopement detection, real-time alerts, visitor safety, investigation support, and staff workflow tools—into a single secure dashboard, reducing manual monitoring and improving response times.



## Results of Operations

### *Three Months Ending January 31, 2026 Compared to the Three Months Ending January 31, 2025*

#### *Revenues*

Our business did not produce revenue during the three-month periods ending January 31, 2026 or 2025.

#### *Operating Expenses*

The table below presents a comparison of our operating expenses for the three months ending January 31, 2026 and 2025:

	<b>For the Three Months Ending January 31,</b>		<b>\$ Variance</b>	<b>%Variance</b>
	<b>2026</b>	<b>2025</b>		
Officers' compensation	\$ 344,783	\$ 140,687	\$ 204,096	145%
Salaries and wages	152,823	-	152,823	-%
Bonuses and incentives	25,957	-	25,957	-%
Contract labor	153,378	30,942	122,436	396%
Professional fees	214,620	48,291	166,329	344%
Insurance	88,748	-	88,748	-%
Software development	9,999	38,885	(28,886)	(74)%
Sales support	14,270	-	14,270	-%
Travel and entertainment	90,151	60,388	29,763	49%
Advertising and marketing	32,467	72,572	(40,105)	(55)%
Rent expense	30,679	15,458	15,221	98%
Office expense	45,886	46,002	(116)	-%
Other	(49,904)	17,002	(66,609)	(394)%
Total selling, general & administrative	1,153,857	470,227	735,262	145%
Stock-based compensation	-	624,365	(624,365)	(100)%
Amortization expense	689	123,597	(122,908)	(99)%
Depreciation expense	9,505	-	9,505	-%
Impairment of intangibles	-	30,547	(30,547)	(100)%
<b>Total Operating Expenses</b>	<b>\$ 1,164,051</b>	<b>\$ 1,248,736</b>	<b>\$ (84,685)</b>	<b>(7)%</b>

*Officers' compensation* - Officers' compensation increased \$204,096, or 145%, compared to the prior-year period. The increase was primarily attributable to higher executive compensation from the addition of executive leadership personnel and annual compensation increases.

*Salaries and wages* - Salaries and wages increased \$152,823 compared to the prior-year period, which had no comparable expense. The increase was primarily attributable to the addition of finance, accounting, and administrative personnel during the current quarter.

*Bonuses and incentives* - Bonuses and incentives increased \$25,957 compared to the prior-year period, which had no comparable expense. The increase reflects performance-based incentive compensation recognized during the current quarter.

*Contract labor* - Contract labor increased \$122,436, or 396%, compared to the prior-year period. The increase was primarily attributable to the engagement of contract operational, finance, accounting, and administrative personnel to support expanded business activities.

*Professional Fees* - Professional fees increased \$166,329, or 344%, compared to the prior-year period. The increase was primarily due to higher legal, accounting, and IT support fees incurred during the current quarter.

*Insurance* - Insurance expense increased to \$88,748 compared to the prior-year period, which had no comparable expense. The increase reflects the addition of corporate insurance policies, including directors' and officers' insurance, as well as other business coverage obtained during the current period.

*Software Development* – Software development expenses decreased \$28,886, or 74%, compared to the prior-year period. The decrease was primarily attributable to the capitalization of certain in-process development project costs during the current quarter.

*Sales support* – Sales support expenses increased \$14,270 compared to the prior-year period, which had no comparable expense. The increase reflects the addition of sales support activities during the current quarter.

*Travel and entertainment* – Travel and entertainment expense increased \$29,763, or 49%, compared to the prior-year period. The increase was primarily due to increased business travel by senior management and business development personnel.

*Advertising and Marketing* - Advertising and marketing expense decreased \$40,105, or 55%, compared to the prior-year period. The decrease reflects reduced marketing campaigns and promotional activities during the current quarter.

*Rent expense* – Rent expense increased \$15,221, or 98%, compared to the prior-year period. The increase was primarily due to the addition of rent expense from space in the Nashville area recognized during the current quarter.

*Office expense* - Office expense decreased \$116 and in line with expenses in the same period in the prior year.

*Other* - Other expenses decreased \$66,609 or 394% over the same period in the prior period and primarily reflects the reclassification of \$51,632 to selling, general and administration related to stock forfeitures from stock-based compensation.

*Stock-based Compensation* - Stock-based compensation expense decreased \$466,930, or 75%, compared to the prior-year period. The decrease was primarily attributable to the forfeiture and cancellation of certain restricted stock awards during the current quarter.

*Amortization expense* - Amortization expense decreased \$122,908, or 99%, compared to the prior-year period. The decrease was primarily due to the full amortization of previously capitalized software development costs.

*Depreciation expense* - Depreciation expense increased \$9,505 compared to the prior-year period, which had no comparable expense. The increase reflects property and equipment placed in service during the current quarter.

*Impairment of intangibles* – Impairment of intangibles decreased \$30,547 compared to the prior-year period. There was no impairment expense recorded during the current quarter.

#### ***Other Income (Expense)***

The table below presents a comparison of our other income (expense) for the three months ending January 31, 2026 and 2025:

	<b>For the Three Months Ending January 31,</b>		<b>\$ Change</b>	<b>%Change</b>
	<b>2026</b>	<b>2025</b>		
Interest income	\$ 42,101	\$ -	\$ 42,101	-%
Interest expense	-	(17,700)	17,700	100%
<b>Total Other Income (Expense)</b>	<b>\$ 42,101</b>	<b>\$ (17,700)</b>	<b>\$ 59,801</b>	<b>(338)%</b>

*Interest income* - Interest income increased \$42,101 for the three months ended January 31, 2026, resulting from interest earned from our outstanding cash balances. We had no interest income during the three months ending January 31, 2025.

*Interest Expense* - Interest expense decreased \$17,700 over the prior year. Interest expense decreased due to the payoff of all outstanding debt.

#### ***Six Months Ending January 31, 2026 Compared to the Six Months Ending January 31, 2025***

##### ***Revenues***

Our business did not produce revenue during the six-month periods ending January 31, 2026 and 2025.

## Operating Expenses

The table below presents a comparison of our operating expenses for the six months ending January 31, 2026 and 2025:

	For the Six Months Ending January 31,		\$ Variance	%Variance
	2026	2025		
Officers' compensation	\$ 652,764	\$ 277,919	\$ 374,845	135%
Salaries and wages	306,029	-	306,029	100%
Bonuses and incentives	40,957	-	40,957	100%
Contract labor	267,880	66,953	200,927	300%
Professional fees	467,818	120,713	347,105	288%
Insurance	157,611	-	157,611	100%
Software development	20,777	72,591	(51,814)	(71)%
Sales support	17,060	-	17,060	100%
Travel and entertainment	179,872	85,143	94,729	111%
Advertising and marketing	74,584	90,257	(15,673)	(17)%
Rent expense	61,359	25,577	35,782	140%
Office expense	86,177	57,620	28,557	50%
Other	3,984	17,240	(13,256)	(77)%
Total selling, general & administrative	2,336,872	814,014	1,522,858	187%
Stock-based compensation	503,362	880,747	(377,385)	(43)%
Amortization expense	1,378	177,951	(176,573)	(99)%
Depreciation expense	9,505	-	9,505	100%
Impairment of intangibles	-	46,225	(46,225)	-%
<b>Total Operating Expenses</b>	<b>\$ 2,851,117</b>	<b>\$ 1,918,937</b>	<b>\$ 932,180</b>	<b>59%</b>

*Officers' compensation* - Officers' compensation increased \$374,845, or 135%, compared to the prior year period. The increase was primarily attributable to higher executive compensation resulting from the addition of executive leadership personnel and annual compensation increases during the current period.

*Bonuses and incentives* - Bonuses and incentives increased \$40,957 compared to the prior year period, which had no comparable expense. The increase reflects performance-based incentive compensation recognized during the current period.

*Salaries and wages* - Salaries and wages increased \$306,029 compared to the prior year period, which had no comparable expense. The increase was primarily attributable to the conversion of certain contract personnel to employee status and the addition of finance, accounting, and administrative personnel to support expanded operations during the current period.

*Contract labor* - Contract labor increased \$200,927, or 300%, compared to the prior year period. The increase was primarily attributable to the engagement of independent contractors to support operational, administrative, and development initiatives during the current period.

*Professional Fees* - Professional fees increased \$347,105, or 288%, compared to the prior year period. The increase was primarily due to higher legal, accounting, and IT support fees, including costs associated with regulatory compliance and reporting requirements during the current period.

*Insurance* - Insurance expense increased to \$157,611 compared to the prior year period, which had no comparable expense. The increase reflects the addition of corporate insurance policies, including directors' and officers' insurance, as well as other business coverage obtained during the current period.

*Software Development* – Software development expenses decreased \$51,814, or 71%, compared to the prior year period. The decrease was primarily attributable to the capitalization of certain in-process development project costs and changes in the timing of development activities during the current period.

*Sales support* – Sales support expenses increased \$17,060 compared to the prior year period, which had no comparable expense. The increase reflects expanded sales support activities during the current period.

*Travel and entertainment* – Travel and entertainment expense increased \$94,729, or 111%, compared to the prior year period. The increase was primarily due to increased business travel by senior management and expanded business development efforts during the current period.

*Advertising and Marketing* - Advertising and marketing expenses decreased \$15,673, or 17%, compared to the prior year period. The decrease reflects reduced marketing campaigns and promotional activities during the current period.

*Rent expense* – Rent expense increased \$35,782, or 140%, compared to the prior-year period. The increase was primarily due to the addition of leased office space and rent expense from space in the Nashville area during the current period.

*Office expense* - Office expense increased \$28,557, or 50%, compared to the prior year period. The increase reflects higher general office-related costs associated with expanded operations during the current period.

*Other* - Other expenses decreased \$13,256, or 77%, compared to the prior year period. The decrease reflects lower miscellaneous operating expenses during the current period.

*Stock-based Compensation* - Stock-based compensation expense decreased \$377,385, or 19%, compared to the prior year period. The decrease reflects lower expense recognized during the current period due to the forfeiture, cancellation, or near completion of amortization of certain equity awards granted in prior periods.

*Amortization expense*- Amortization expense decreased \$176,573, or 99%, compared to the prior year period. The decrease was primarily due to the full amortization of previously capitalized software development costs.

*Depreciation expense* - Depreciation expense increased \$9,505 compared to the prior year period, which had no comparable expense. The increase reflects property and equipment placed in service during the current period.

*Impairment of intangibles* – Impairment of intangibles decreased \$46,225 compared to the prior-year period. There was no impairment expense recorded during the current period.

***Other Income (Expense)***

The table below presents a comparison of our other income (expense) for the six months ended January 31, 2026 and 2025:

	<b>For the Six Months Ended January 31,</b>		<b>\$ Variance</b>	<b>% Variance</b>
	<b>2026</b>	<b>2025</b>		
Interest income	\$ 109,130	\$ -	\$ 109,130	-%
Interest expense	-	(31,637)	31,637	100%
<b>Total</b>	<b>\$ 109,130</b>	<b>\$ (31,637)</b>	<b>\$ 140,767</b>	<b>(445)%</b>

*Interest income* - Interest income increased \$109,130 for the six months ended January 31, 2026, resulting from interest earned from our outstanding cash balances. We had no interest income during the six months ended January 31, 2025.

*Interest Expense* - Interest expense decreased \$31,637 over the same period in the prior year due to a decrease in the average outstanding debt balance during this same period in the prior period.

## **Liquidity and Capital Resources**

### ***Working Capital***

The following table summarizes our working capital for the six months ended January 31, 2026 and fiscal year ended July 31, 2025:

	<b>January 31, 2026</b>	<b>July 31, 2025</b>
Current assets	\$ 3,960,157	\$ 7,640,434
Current liabilities	(320,725)	(366,011)
Working capital surplus (deficiency)	<u>\$ 3,639,432</u>	<u>\$ 7,274,432</u>

Current assets for the period ending January 31, 2026 decreased \$3,680,277 as compared to the fiscal year ended July 31, 2025. The decrease is primarily due to \$2,851,117 in operating expenses experienced during the current period.

Current liabilities for the period ending January 31, 2026 decreased \$45,286 as compared to the fiscal year ended July 31, 2025. The decrease is primarily due to decreases in accounts payable and accrued expenses over the comparable period.

### ***Net Cash Used by Operating Activities***

We currently do not have a revenue source and will continue to have negative cash flow from operations for the near future. The factors in determining operating cash flows are largely the same as those that affect net earnings, except for non-cash expenses such as depreciation and amortization, stock-based compensation, and impairment of intangibles, which affect earnings but do not affect operating cash flow. Net cash used by operating activities was \$2,446,642 for the six months ending January 31, 2026, as compared to net cash used by operating activities of \$873,002 for the comparable prior period. The increase in cash used by operating activities is primarily attributable to an increase in operating costs and the payment of accounts payable and accrued expenses, related party items.

### ***Net Cash Used by Investing Activities***

Net cash used by investing activities for the development of in-process software and computers and equipment was \$1,238,678 for the six months ending January 31, 2026. We did not incur net cash used in investing activities during the comparable prior period.

### ***Net Cash Provided by Financing Activities***

The company had no net cash provided by financing activities for the six months ending January 31, 2026. Net cash provided by financing activities was \$6,903,656 for the six months ending January 31, 2025, and was primarily due to the receipt of proceeds from the sale of our common stock..

## **Critical Accounting Policies and Estimates**

Our consolidated financial statements and related public financial information are based on the application of U.S. GAAP. U.S. GAAP requires the use of estimates; assumptions, judgments and subjective interpretations of accounting principles that have an impact on the assets, liabilities, revenues and expense amounts reported. These estimates can also affect supplemental information contained in our external disclosures including information regarding contingencies, risk and financial condition. We believe our use of estimates and underlying accounting assumptions adhere to U.S. GAAP and are consistently and conservatively applied. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results may differ materially from these estimates under different assumptions or conditions. We continue to monitor significant estimates made during the preparation of our financial statements.

Our significant accounting policies are summarized in Note 1 of our consolidated financial statements.

We believe the following critical policies impact our more significant judgments and estimates used in preparation of our consolidated financial statements.

### ***Business Combinations***

We account for business combinations under the acquisition method of accounting. The acquisition method requires that the acquired assets and liabilities, including contingencies, be recorded at fair value determined on the acquisition date and that changes thereafter be reflected in income (loss). The estimation of fair values of the assets and liabilities assumed involves several estimates and assumptions that could differ materially from the actual amounts recorded. The results of the acquired businesses are included in our results from operations beginning from the day of acquisition.

### ***Risk and Uncertainties***

Factors that could affect our future operating results and cause actual results to vary materially from management's expectation include, but are not limited to: our ability to maintain and secure adequate capital to fund our operations and fully develop our product(s); our ability to source strong opportunities with sufficient risk adjusted returns; acceptance of the terms and conditions of our licenses and/or the acceptance of our royalties and fees; the nature and extent of competition from other companies that may reduce market share and create pressure on pricing and investment return expectations; changes in the projects in which we plan to invest which result from factors beyond our control, including, but not limited to, a change in circumstances, capacity and economic impacts; changes in laws, regulations, accounting, taxation, and other requirements affecting our operations and business. Negative developments in these or other risk factors could have a significant adverse effect on our financial position, results of operations and cash flows.

### ***Use of Estimates***

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. We base our estimates on experience and various other assumptions that are believed to be reasonable under the circumstances. We evaluate our estimates and assumptions on a regular basis and actual results may differ from those estimates.

### ***Fair Value of Financial Instruments***

Fair value is defined as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants. A fair value hierarchy has been established for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

Level 1 Inputs - Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity can access at the measurement date.

Level 2 Inputs - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These might include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (such as interest rates, volatilities, prepayment speeds, credit risks, etc.) or inputs that are derived principally from or corroborated by market data by correlation or other means.

Level 3 Inputs - Unobservable inputs for determining the fair values of assets or liabilities that reflect an entity's own assumptions about the assumptions that market participants would use in pricing the assets or liabilities.

Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and borrowings. The fair value of current financial assets and current financial liabilities approximates their carrying value because of the short-term maturity of these financial instruments.

### ***Intangible Assets***

Intangible assets consist of patents, our website, and the costs of software developed for internal use. Certain payroll and stock-based compensation costs incurred are allocated to the intangible assets. We determine the amount of costs to be capitalized based on the time spent by employees or outside contractors on the projects. Intangible assets are amortized over their expected useful life on a straight-line basis. We evaluate the useful lives of these assets on an annual basis and test for impairment whenever events or changes in circumstances occur that could impact the recoverability of these assets. If the estimate of an intangible asset's remaining life is changed, the remaining carrying value of the intangible asset is amortized prospectively over the revised remaining useful life.

### ***Impairment of Long-Lived Assets***

Long-lived assets such as property, equipment, and identifiable intangibles are reviewed for impairment at least annually or whenever facts and circumstances indicate that the carrying value may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the fair value of the asset. The fair value is determined based on estimates of future cash flows, market value of similar assets, if available, or independent appraisals, if required. If the carrying amount of the long-lived asset is not recoverable, an impairment loss is recognized for the difference between the carrying amount and fair value of the asset.

### ***Derivative Liability***

Options, warrants, convertible notes, or other contracts, if any, are evaluated to determine if those contracts, or embedded components of those contracts, qualify as derivatives to be separately accounted for in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 815, "*Derivatives and Hedging*," (paragraph 815-10-05-4 and Section 815-40-25). The result of this accounting treatment is that the fair value of the embedded derivative is marked-to-market each balance sheet date and recorded as either an asset or a liability. The change in fair value is recorded in the consolidated statements of operations as other income or expense. Upon conversion, exercise or cancellation of a derivative instrument, the instrument is marked to fair value at the date of conversion, exercise, or cancellation and then the related fair value is reclassified to equity.

In circumstances where the embedded conversion option in a convertible instrument is required to be bifurcated, and there are also other embedded derivative instruments in the convertible instrument that are required to be bifurcated, the bifurcated derivative instruments are accounted for as a single, compound derivative instrument.

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

The Company adopted Section 815-40-15 of the FASB ASC (*“Section 815-40-15”*) to determine whether an instrument (or an embedded feature) is indexed to the Company’s own stock. Section 815-40-15 provides that an entity should use a two- step approach to evaluate whether an equity-linked financial instrument (or embedded feature) is indexed to its own stock, including evaluating the instrument’s contingent exercise and settlement provisions.

We utilize a binomial option pricing model to compute the fair value of the derivative liability and to mark to market the fair value of the derivative at each balance sheet date. We record the change in the fair value of the derivative as other income or expense in the consolidated statements of operations.

### ***Related Parties***

The Company follows subtopic ASC 850-10 for the identification of related parties and disclosure of related party transactions. Pursuant to Section 850-10-20, the related parties include: (a) affiliates of the Company (*“Affiliate”* means, with respect to any specified person, any other person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such person, as such terms are used in and construed under Rule 405 under the Securities Act); (b) entities for which investments in their equity securities would be required, absent the election of the fair value option under the Fair Value Option Subsection of Section 825-10-15, to be accounted for by the equity method by the investing entity; (c) trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management; (d) principal owners of the Company; (e) management of the Company; (f) other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests; and (g) other parties that can significantly influence the management or operating policies of the transacting parties or that have an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

### ***Contract Liabilities***

The Company receives payments from customers based upon contractual billing schedules. Contract liabilities include payments received in advance of performance under the contract. Contract assets include amounts related to the Company’s contractual right to consideration for completed performance obligations not yet invoiced. Our contract assets and liabilities are reported on an individual contract basis at the end of each reporting period. Contract liabilities are classified as current or noncurrent based on the timing of when we expect to recognize revenue. The Company expects to recognize all outstanding contract liabilities over the next 12 months.

### ***Contract Combination***

The Company may execute more than one contract or agreement with a single customer. The Company evaluates whether the agreements were negotiated as a package with a single objective, whether the amount of consideration to be paid in one agreement depends on the price and/or performance of another agreement, or whether the goods or services promised in the agreements represent a single performance obligation. The conclusions reached can impact the allocation of the transaction price to each performance obligation and the timing of revenue recognition related to those arrangements. The Company applied the revenue model to a portfolio of contracts with similar characteristics where we expected that the financial statements would not differ materially from applying it to the individual contracts within that portfolio.

### ***Revenue Recognition***

Revenue is recognized under ASC 606, *“Revenue from Contracts with Customers”* using the modified retrospective method. Under this method, the Company follows the five-step model provided by ASC Topic 606 in order to recognize revenue in the following manner: 1) Identify the contract; 2) Identify the performance obligations of the contract; 3) Determine the transaction price of the contract; 4) Allocate the transaction price to the performance obligations; and 5) Recognize revenue. An entity recognizes revenue for the transfer of promised goods or services to customers in an amount that reflects the consideration for which the entity expects to be entitled in exchange for those goods or services. The Company’s revenue recognition policies remained unchanged as a result of the adoption of ASC 606, and there were no significant changes in business processes or systems.

## ***Stock-Based Compensation***

The Company accounts for stock-based compensation in accordance with ASC Topic 718, “*Compensation – Stock Compensation*” (“ASC 718”) which establishes financial accounting and reporting standards for stock-based employee compensation. It defines a fair value-based method of accounting for an employee stock option or similar equity instrument. The Company accounts for compensation cost for stock option plans, if any, in accordance with ASC 718.

Stock-based payments, excluding restricted stock, are valued using a Black-Scholes option pricing model. Grants of stock-based payment awards issued to non-employees for services rendered have been recorded at the fair value of the stock-based payment, which is the more readily determinable value. The grants are amortized on a straight-line basis over the requisite service periods, which is generally the vesting period. If an award is granted, but vesting does not occur, any previously recognized compensation cost is reversed in the period related to the termination of service. Stock-based compensation expenses are included in cost of goods sold or selling, general and administrative expenses, depending on the nature of the services provided, in the consolidated statements of operations. Stock-based payments issued to placement agents are classified as a direct cost of a stock offering and are recorded as a reduction in additional paid in capital.

The Company recognizes all forms of stock-based payments, including stock option grants, warrants and restricted stock grants, at their fair value on the grant date, which are based on the estimated number of awards that are ultimately expected to vest.

## **Capital Resources**

We had no material commitments for capital expenditures as of January 31, 2026.

## **Off-Balance Sheet Arrangements**

The Company has no off-balance sheet arrangements as of January 31, 2026.

## **Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.**

We do not hold any market risk sensitive instruments.

## **Item 4. CONTROLS AND PROCEDURES.**

### **Disclosure Controls and Procedures**

Under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) under the Securities Exchange Act of 1934, as amended, at the end of the period covered by this report (the “Evaluation Date”). In conducting its evaluation, management considered the material weaknesses described below in Management’s Report on Internal Control over Financial Reporting.

Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that as of the Evaluation Date we did not maintain disclosure controls and procedures that were effective in providing reasonable assurances that information required to be disclosed in our reports filed under the Securities Exchange act of 1934 was recorded, processed, summarized and reported within the time periods prescribed by SEC rules and regulations, and that such information was accumulated and communicated to our management to allow timely decisions regarding required disclosure.

Our management, including the Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system’s objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. The design of any system of controls 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.

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

There were no changes in our internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, during our most recently completed fiscal quarter 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.

None.

### Item 1A. RISK FACTORS.

Not required for smaller reporting companies.

### Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

### Item 3. DEFAULTS UPON SENIOR SECURITIES.

Not applicable.

### Item 4. MINE SAFETY DISCLOSURES

Not applicable.

### Item 5. OTHER INFORMATION

None.

### Item 6. EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
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31.1	<a href="#">Chief Executive Officer Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*</a>
31.2	<a href="#">Chief Financial Officer Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*</a>
32.1	<a href="#">Chief Executive Officer Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*</a>
32.2	<a href="#">Chief Financial Officer Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*</a>
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

## SIGNATURES

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

SafeSpace Global Corporation

Date: March 17, 2026

By: /s/ Scott M. Boruff

Scott M. Boruff

President, Chief Executive Officer

SafeSpace Global Corporation

Date: March 17, 2026

By: /s/ Scott M. Boruff

Scott M. Boruff

(Principal Accounting Officer)