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

FORM 10-Q/A
Amendment No. 1

(Mark One)

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

For the quarterly period ended March 31, 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: 001-40591

HCW Biologics Inc.
(Exact Name of Registrant as Specified in its Charter)

Delaware **(State or other jurisdiction of incorporation or organization)**	**82-5024477** **(I.R.S. Employer Identification No.)**
2929 N. Commerce Parkway **Miramar, Florida** **(Address of principal executive offices)**	**33025** **(Zip Code)**

Registrant's telephone number, including area code: (954) 842-2024

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.0001 per share	**HCWB**	**The Nasdaq Stock Market LLC**

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

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

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

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

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

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

As of August 14, 2026, the registrant had 1,836,324 shares of common stock, $0.0001 par value per share, outstanding.

Table of Contents

Explanatory Note

Introduction

This Amendment No. 1 on Form 10-Q/A (the "Amendment") amends HCW Biologics Inc. (the "Company") Quarterly Report on Form 10-Q for the three months ended March 31, 2026, originally filed with the Securities and Exchange Commission on May 14, 2026 (the "Original Filing"). On August 10, 2026, the Company's management, with the concurrence of the Audit Committee of the Board of Directors, concluded that the previously issued financial statements included in the Original Filing should no longer be relied upon due to the misapplication of the two-class method of calculating earnings per share ("EPS") which resulted in an error in the reported basic and diluted EPS.

Restatement Background

The purpose of this Amendment and the Restatement is to correct the Company's accounting for certain outstanding common warrants as participating securities under Accounting Standards Codification ("ASC") 260, *Earnings Per Share*.

Subsequent to the Original Filing, management expanded its review of the Company's outstanding warrant agreements and related accounting guidance. As a result of this review, management determined that certain common warrants previously issued contain contractual provisions that provide the warrant holders with nonforfeitable rights to participate in distributions without requiring exercise of the warrants and, therefore, qualify as participating securities under ASC 260. The Company had not previously identified these warrants as participating securities and, consequently, did not apply the two-class method in calculating earnings per share for the three months ended March 31, 2026, the first period in which the Company had net income available for allocation between common stockholders and participating warrant holders.

Reverse Stock Split

On June 30, 2026, a one-for-six reverse stock split was effective (the "Reverse Stock Split"). All issued and outstanding shares of Common Stock, stock option awards, and per share data included in this Amendment have been recast to give retrospective effect to the Reverse Stock Split for all periods presented. The Reverse Stock Split did not have any effect on the stated par value of the Company's Common Stock or the rights and privileges of the holders of shares of Common Stock. Options, warrants and convertible securities outstanding immediately prior to the Reverse Stock Split were appropriately adjusted to reflect the Reverse Stock Split.

Impact of the Restatement

The correction of the error resulted in a decrease of approximately $728,000 in net income attributable to common stockholders and a decrease of approximately $0.14 per share in earnings per share for the three months ended March 31, 2026. The error did not affect the Company's total net income, revenues, operating expenses, cash flows, assets, liabilities or stockholders' equity because the error related to the allocation of earnings between common stockholders and participating warrant holders for purposes of calculating earnings per share.

The Restatement resulted in changes to the Company's unaudited condensed financial statements and related notes for the three months ended March 31, 2026, including the presentation of net income attributable to common stockholders, earnings per share and related disclosures. Conforming changes have also been made, as applicable, to other affected disclosures in the Original Filing.

See Note 1. Organization and Summary of Significant Accounting Policies – Restatement of Previously Issued Financial Information to the unaudited condensed financial statements included in Part I, Item 1 of this Amendment for additional information regarding the Restatement and the related financial statement effects.

Amended Items

In accordance with Rule 12b-15 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the following Items of the Original Filing have been partially amended and the complete text of those Items, as originally filed and as amended herein, is set out in this Amendment. In addition to the amendment of such Items that are related to the misapplication of the two-class method of EPS shown below, the Company also made appropriate changes as indicated above to reflect the Reverse Stock Split:

Part I — Item 1. Condensed Statements of Operations (Unaudited) and the Notes to Condensed Financial Statements (Unaudited)
Part I — Item 4. Controls and Procedures
Part II — Item 6. Exhibits

The error affected the Condensed Statements of Operations and the Earnings Per Share Note within the Notes to the Condensed Financial Statements. The error impacted only the Original Filing. It did not impact net income (loss), revenues, expenses, financial position, retained earnings or other components of equity, cash flows, or number of shares outstanding as of and for the three months ended March 31, 2026. This error had no impact on any other reporting period and will not be carried forward to other reporting periods.

Restatement and Correction

The Company evaluated the error in accordance with SEC Staff Accounting Bulletin No. 99 and concluded that the error is material to the previously issued financial statements. Accordingly, the Company has restated the affected financial statements for the periods presented in this Amended Quarterly Report. The accompanying financial statements and related disclosures have been revised to reflect the correction of basic EPS and correctly applying the two-class method of calculation of EPS. The financial statements included in this Amended Quarterly Report present the Company's financial position and results of operations as restated, with appropriate disclosure of amounts previously reported.

Internal Control Considerations

In connection with the evaluation of the error described above, management concluded that the previously identified material weakness in the Company's internal control over financial reporting had not been remediated. The material weakness relates to the level of precision of the Company's review control over the application of technical accounting guidance related to complex warrant instruments and financing transactions.

See "Part I – Item 4. Controls and Procedures" of this Amendment for additional discussion of the material weakness and the Company's internal control over financial reporting.

Other Information

This Amendment does not reflect events occurring after the filing of the Original Filing and does not modify or update any other disclosures therein, except as required to reflect the restatement described above. This Amendment should be read in conjunction with the Company's Form 8-K filed on August 14, 2026, under Item 4.02.

PART I—FINANCIAL INFORMATION

Item 1. Condensed Financial Statements.

HCW Biologics Inc.
Condensed Balance Sheets

	December 31, 2025	March 31, 2026 Unaudited
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,952,464	$ 1,228,879
Accounts receivable, net	32,175	74,844
Prepaid expenses	222,156	297,760
Other current assets	77,564	119,843
Total current assets	2,284,359	1,721,326
Investments	1,326,329	4,826,329
Property, plant and equipment, net	20,880,849	20,766,082
Other assets	28,476	28,476
Total assets	$ 24,520,013	$ 27,342,213
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Current liabilities:		
Accounts payable	$ 13,143,394	$ 11,785,980
Accrued liabilities and other current liabilities	1,110,104	1,125,639
Short-term debt, net	6,809,215	6,577,194
Deferred Revenue	—	470,000
Total current liabilities	21,062,713	19,958,813
Warrant liability	—	928,435
Contingent liability	692,531	692,531
Total liabilities	21,755,244	21,579,779
Commitments and contingencies (Note 12)		
Stockholders' equity:		
Common stock:		
Common, $0.0001 par value; 250,000,000 shares authorized and 546,635 shares issued at December 31, 2025; 250,000,000 shares authorized and 1,122,351 shares issued at March 31, 2026	55	112
Additional paid-in capital	111,280,560	110,805,688
Accumulated deficit	(108,515,846)	(105,043,366)
Total stockholders' equity	2,764,769	5,762,434
Total liabilities and stockholders' equity	$ 24,520,013	$ 27,342,213

See accompanying notes to the unaudited condensed financial statements.

HCW Biologics Inc.
Condensed Statements of Operations
(Unaudited)

	Three Months Ended March 31,	
	2025	**2026**
Revenues:		
Revenues	$ 5,065	$ 6,543,001
Cost of revenues	(4,052)	(11,071)
Gross Profit	1,013	6,531,930
Operating expenses:		
Research and development	1,478,711	1,257,948
General and administrative	2,227,597	1,833,277
Legal expenses, net	(1,739,493)	6,850
Indirect tax expense	—	198,146
Total operating expenses	1,966,815	3,296,221
Operating income (loss)	(1,965,802)	3,235,709
Interest expense	(255,822)	(109,274)
Change in fair value of warrant liability	—	667,343
Other income, net	24,749	8,888
Net income (loss) before income taxes	(2,196,875)	3,802,666
Income tax expense	—	(330,186)
Net income (loss)	$ (2,196,875)	$ 3,472,480
Equity dividend to investor	—	(1,488,472)
Net income (loss) attributable to Common Stockholders and holders of Participating Securities	$ (2,196,875)	$ 1,984,008
Allocation of undistributed earnings to Participating Securities	—	(728,299)
Net income (loss) attributable to Common Stockholders	$ (2,196,875)	$ 1,255,709
Net income (loss) per share attributable to Common Stock	$ (11.80)	$ 1.39
Weighted average shares outstanding, basic and diluted	186,149	904,312

See accompanying notes to the unaudited condensed financial statements.

HCW Biologics Inc.
Condensed Statements of Changes in Stockholders' Equity (Deficit)
For the Three Months Ended March 31, 2025 and 2026
(Unaudited)

	Stockholders' Deficit				
	Common Stock		Additional Paid-In	Accumulated	Total Stockholders'
	Shares	Amount	Capital	Deficit	Deficit
Balance, January 1, 2025	185,589	$ 19	$ 93,785,946	$ (100,556,137)	$ (6,770,171)
Issuance of Common Stock upon exercise of stock options	34	—	1,654	—	1,654
Issuance of Common Stock to Square Gate	1,603	1	149,999	—	150,000
Issuance cost of Common Stock	—	—	(22,297)	—	(22,297)
Stock-based compensation	—	—	275,642	—	275,642
Net loss	—	—	—	(2,196,875)	(2,196,875)
Balance, March 31, 2025	**187,226**	**$ 20**	**$ 94,190,944**	**$ (102,753,012)**	**$ (8,562,047)**

	Stockholders' Equity				
	Common Stock		Additional Paid-In	Accumulated	Total Stockholders'
	Shares	Amount	Capital	Deficit	Equity
Balance, January 1, 2026	546,635	$ 55	$ 111,280,560	$ (108,515,846)	$ 2,764,769
Common Stock issued in connection with abeyance shares [1]	162,834	16	(16)	-	-
Issuance of pre-funded warrants	-	-	1,499,753	-	1,499,753
Exercise of pre-funded warrants	412,882	41	206	-	247
Reclassification of the modified warrant to liability	-	-	(1,595,778)	-	(1,595,778)
Issuance of Common Stock warrants	-	-	1,488,472	-	1,488,472
Equity dividend to investor	-	-	(1,488,472)	-	(1,488,472)
Issuance costs of Common Stock warrants	-	-	(181,198)	-	(181,198)
Issuance costs of pre-funded warrants	-	-	(207,858)	-	(207,858)
Stock-based compensation	-	-	10,019	-	10,019
Net income	-	-	-	3,472,480	3,472,480
Balance, March 31, 2026	**1,122,351**	**$ 112**	**$ 110,805,688**	**$ (105,043,366)**	**$ 5,762,434**

(1) During the three months ended March 31, 2026, 162,834 shares previously held in abeyance were issued and there are no shares in abeyance remaining.

See accompanying notes to the unaudited condensed financial statements.

HCW Biologics Inc.
Condensed Statements of Cash Flows
(Unaudited)

	Three Months Ended March 31,	
	2025	**2026**
Cash flows from operating activities:		
Net income (loss)	$ (2,196,875)	$ 3,472,480
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	419,010	142,049
Stock-based compensation	275,642	10,019
Change in fair value of warrant liability	—	(667,343)
Noncash revenue from licensing agreement	—	(3,500,000)
Commitment fee	150,000	—
Changes in operating assets and liabilities:		
Accounts receivable	494,708	(42,669)
Prepaid expenses and other assets	(257,894)	(117,883)
Deferred revenue	—	470,000
Accounts payable and other liabilities	(2,398,447)	(1,341,879)
Net cash used in operating activities	(3,513,856)	(1,575,226)
Cash flows from investing activities:		
Net cash provided by (used in) investing activities	—	—
Cash flows from financing activities:		
Proceeds from issuance of Common Stock	1,654	—
Proceeds from the issuance and exercise of pre-funded warrants	—	1,500,000
Issuance costs of pre-funded warrants and Common Stock warrants	—	(389,056)
Issuance costs for Common Stock	(22,297)	—
Debt repayment	(32,460)	(259,303)
Net cash provided by (used in) financing activities	(53,103)	851,641
Net decrease in cash and cash equivalents	(3,566,959)	(723,585)
Cash and cash equivalents at the beginning of the period	4,674,572	1,952,464
Cash and cash equivalents at the end of the period	$ 1,107,613	$ 1,228,879
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 244,269	$ 171,404
Noncash financing and investing activities:		
Equity dividend to investor	$ —	$ 1,488,472

See accompanying notes to the unaudited condensed financial statements.

HCW Biologics Inc.
Notes to Condensed Financial Statements
(Unaudited)

1. Organization and Summary of Significant Accounting Policies

Organization

HCW Biologics Inc. (the "Company") is a clinical-stage biopharmaceutical company developing transformative fusion immunotherapeutics to treat diseases promoted by chronic inflammation, including autoimmune diseases, cancer, and senescence-associated dysplasia. The Company also has commercial-ready reagents that are based on two of its proprietary immunotherapeutic compounds that are designed to support the production of immunotherapeutics for cancer and infectious diseases. The Company is located in Miramar, Florida and was incorporated in the state of Delaware in April 2018.

Reverse Stock Splits

On March 31, 2025, at a Special Meeting of the Stockholders, the stockholders of the Company approved a reverse stock split of all outstanding shares of the Company's common stock ("Common Stock"), and the Board approved a reverse stock split of the Common Stock at a final ratio of one-for-forty (1::40). This reverse stock split was effective on April 11, 2025, and the Common Stock commenced trading on a reverse split-adjusted basis when the markets opened on April 11, 2025, under the existing trading symbol "HCWB."

On June 15, 2026, at the Company's Annual Meeting of Stockholders, the stockholders of the Company approved a reverse stock split of all outstanding shares of Common Stock, and on June 24, 2026, the Board approved a reverse stock split at a final ratio of one-for-six (1::6), or the Reverse Stock Split, which was effective at 12:01 a.m. Eastern Time on Tuesday, June 30, 2026 (the "Effective Date"). The Common Stock commenced trading on a Reverse Stock Split-adjusted basis under the Company's existing trading symbol, "HCWB," at market open on Tuesday, June 30, 2026.

All issued and outstanding shares of Common Stock, stock option awards, and per share data included in this Quarterly Report on Form 10-Q have been recast to give retrospective effect to the reverse stock splits for all periods presented. The reverse stock splits did not have any effect on the stated par value of the Company's Common Stock or the rights and privileges of the holders of shares of Common Stock. Options, warrants and convertible securities outstanding immediately prior to the reverse stock splits were appropriately adjusted to reflect the reverse stock splits.

Liquidity and Going Concern

In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 205-40, Presentation of Financial Statements – Going Concern ("Topic 205-40"), management is required to evaluate whether there are conditions and events, considered in the aggregate that raise substantial doubt about the Company's ability to continue as a going concern for at least 12 months from the issuance date of the Company's condensed financial statements. This evaluation does not take into consideration the potential mitigating effect of management's plans that have not been fully implemented or are not within control of the Company as of the date the condensed financial statements are issued. When substantial doubt exists under this methodology, management evaluates whether the mitigating effect of its plans sufficiently alleviates substantial doubt about the Company's ability to continue as a going concern. The mitigating effect of management's plans, however, is only considered if both (1) it is probable that the plans will be effectively implemented within one year after the date that the condensed financial statements are issued, and (2) it is probable that the plans, when implemented, will mitigate the relevant conditions or events that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that the condensed financial statements are issued.

As of March 31, 2026, the Company had not generated any revenue from commercial product sales of its internally developed immunotherapeutic products. During its development activities, the Company has sustained operating losses, experienced negative operating cash flows and negative working capital position and expects to continue to incur operating losses for the foreseeable future. Since inception to March 31, 2026, the Company incurred cumulative net losses of $102.3 million. These factors raise substantial doubt regarding the Company's ability to continue as a going concern.

The accompanying condensed financial statements have been prepared on a going-concern basis, which contemplates the realization of assets and satisfaction of liabilities in the ordinary course of business. The continuation of the Company as a going concern is dependent upon the ability of the Company to obtain debt or equity financings to continue operations. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might result from the outcome of the uncertainties described above. The Company believes that substantial doubt exists regarding its ability to continue as a going concern for at least 12 months from the date of issuance of the Company's condensed financial statements and that the substantial doubt that existed in its going concern analysis was not alleviated.

Summary of Significant Accounting Policies

Basis of Presentation

Unaudited Condensed Financial Information

The accompanying unaudited condensed financial statements as of March 31, 2026 and for the three months ended March 31, 2025 and 2026 have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information and pursuant to Article 10 of Regulation S-X of the Securities Act of 1933, as amended (the "Securities Act"). Accordingly, they do not include all of the information and notes required by U.S. GAAP for complete financial statements. These unaudited condensed financial statements include only normal and recurring adjustments that the Company believes are necessary to fairly state the Company's financial position and the results of its operations and cash flows. The results for the three months ended March 31, 2026 are not necessarily indicative of the results expected for the full fiscal year or any subsequent interim period. The condensed balance sheet at December 31, 2025 has been derived from the audited financial statements at that date but does not include all disclosures required by U.S. GAAP for complete financial statements. Because all of the disclosures required by U.S. GAAP for complete financial statements are not included herein, these unaudited condensed financial statements and the notes accompanying them should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2025 which appear in our Annual Report on Form 10-K for the year ended December 31, 2025 filed with the Securities and Exchange Commission (the "SEC") on March 31, 2026 (the "Annual Report") and in other filings with the SEC.

Segment Reporting

The Company operates and manages its business as one reportable and operating segment, which is the business of developing and commercializing novel immunotherapies for diseases promoted by chronic inflammation, especially age-related diseases. The Company's chief executive officer, who is the chief operating decision maker ("CODM"), reviews financial information on an aggregate basis for allocating and evaluating financial performance. In addition, our CODM is regularly provided with detailed results of preclinical and clinical data which is considered in his decision for the allocation of resources. See Note 11. Segment Reporting for further details. The single operating segment constitutes all of the Company activity, the CODM regularly reviews the entity-wide operating results and performance. All long-lived assets are maintained in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Management uses estimates in financial statements to approximate monetary amounts for items that cannot be measured precisely, such as asset valuations, liabilities, and revenue recognition. These estimates are based on subjective judgments, experience, and future assumptions. The Company evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors and adjusts those estimates and assumptions when facts and circumstances dictate. Actual results could differ from estimates.

Fair Value Measurements

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 at the measurement date. Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, Fair Value Measurement ("Topic 820") establishes a fair value hierarchy for those instruments measured at fair value that distinguishes between fair value measurements based on market data (observable inputs) and those based on the Company's own assumptions (unobservable inputs). This hierarchy maximizes the use of observable inputs and minimizes the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1: Observable inputs such as quoted prices in active markets;
- Level 2: Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs in which there is little or no market data, which require a reporting entity to develop its own assumptions.

Fair value measurements are classified based on the lowest level of input that is significant to the measurement. The Company's assessment of the significance of a particular input to the fair value measurement requires judgment, which may affect the valuation of the assets and liabilities and their placement within the fair value hierarchy levels. The determination of the fair values takes into account the market for the Company's financial assets and liabilities, the associated credit risk, and other factors as required. The Company considers active markets as those in which transactions for the assets or liabilities occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Revenue Recognition

The Company accounts for revenues in accordance with FASB ASC 606, Revenue from Contracts with Customers ("Topic 606"). To determine revenue recognition for arrangements that fall within the scope of Topic 606, the Company performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the Company satisfies a performance obligation. The Company only applies the five-step model to contracts when it is probable that it will collect the consideration it is entitled to in exchange for the goods or services transferred to the customer.

At contract inception, the Company assesses the goods or services promised within each contract, determines those that are performance obligations, and assesses whether each promised good or service is distinct. The Company then recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied. To date, the Company's revenues have been generated exclusively from license agreements, which consists of licenses of intellectual property, cost reimbursements, upfront signing fees, milestone payments and royalties on future licensee's product sales. In addition, the Company and AlloTera Therapeutics have an agreement for the supply of clinical and research grade materials under which the Company also recognized revenues.

License Grants:

For out-licensing arrangements that include a grant of a license to the Company's intellectual property, the Company considers whether the license grant is distinct from the other performance obligations included in the arrangement. For licenses that are distinct, the Company recognizes revenues from nonrefundable, upfront payments and other consideration allocated to the license when the license term has begun and the Company has provided all necessary information regarding the underlying intellectual property to the customer, which generally occurs at or near the inception of the arrangement.

License related services:

For license agreements that include service-based performance obligations, the Company evaluates whether these separately identifiable services are distinct performance obligations. The Company considers whether the customer could benefit from the licensed intellectual property with other readily available resources, whether the performance of the service would significantly modify or customize the licensed intellectual property or whether the service is highly interrelated or interdependent with the licensed intellectual property. Revenue attributable to services that are deemed distinct performance obligations are recognized over time as the customer simultaneously receives and consumes the benefits of the Company's performance. The Company measures progress toward completion using an input method, typically cost-to-cost, which reflects the pattern in which services are delivered. Amounts received in advance for optional future services are recorded as deferred revenue and recognized as revenue when the related services are performed or when the option expires. The transaction price is allocated to the service performance obligations based on their relative standalone selling prices.

Milestone and Contingent Payments:

At the inception of the arrangement and at each reporting date thereafter, the Company assesses whether it should include any milestone and contingent payments or other forms of variable consideration in the transaction price using the most likely amount method. If it is probable that a significant reversal of cumulative revenue would not occur upon resolution of the uncertainty, the associated milestone value is included in the transaction price. At the end of each subsequent reporting period, the Company re-evaluates the probability of achievement of each such milestone and any related constraint and, if necessary, adjusts its estimate of the overall transaction price. Since milestone and contingent payments may become payable to the Company upon the initiation of a clinical study or filing for or receipt of regulatory approval, the Company reviews the relevant facts and circumstances to determine when the Company should update the transaction price, which may occur before the triggering event. When the Company updates the transaction price for milestone and contingent payments, the Company allocates the changes in the total transaction price to each performance obligation in the agreement on the same basis as the initial allocation. Any such adjustments are recorded on a cumulative catch-up basis in the period of adjustment, which may result in recognizing revenue for previously satisfied performance obligations in such period. The Company's licensees will generally pay milestones payments subsequent to achievement of the triggering event.

Materials Supply:

The Company provides clinical and research grade materials so that licensees may develop products based on the licensed molecules. The amounts billed are recognized as revenue as the performance obligations are satisfied by the Company, once the Company determines that a contract exists.

Investments

As part of its financing strategy, the Company may enter into licensing or collaboration agreements under which it receives consideration in the form of a minority equity interest in a counterparty, in lieu of or in addition to cash payments. These financial instruments are presented within Investments in the accompanying condensed balance sheets.

When consideration is an equity interest in a private entity whose equity has limited marketability with no readily determinable fair value and for which the Company does not have significant influence over the investee, the Company measures the equity interest using the measurement alternative, at cost less impairment, adjusted for observable price changes in orderly transactions for the identical or similar investment of the same issuer (ASC Topic 321, Investments - Equity Securities or Topic 321), unless the fair value method is otherwise elected. If the Company elects to measure an equity security at fair value, the entity shall measure all identical or similar investments of the same issuer, including future purchases of identical or similar investments of the same issuer, at fair value. The election to measure those securities at fair value shall be irrevocable. Any resulting gains or losses on the securities for which that election is made shall be recorded in earnings at the time of the election.

In the second quarter of 2025, the Company elected to account for its AlloTera Therapeutics, Inc., formerly Wugen, Inc., ("AlloTera Therapeutics") shares, previously accounted for under the measurement alternative, at fair value as determined using financial valuation techniques and market information available. Further, the Company will remeasure the change in fair value of the AlloTera Therapeutics shares, and related contingent liability, in reporting periods subsequent to the second quarter of 2025 and recognize the change in earnings. See Note 2. Fair Value of Financial Instruments.

On March 16, 2026, the Company received full payment of the nonrefundable upfront license fee from Trimmune. See Note 5. License Agreements. A portion of the upfront license fee was made in the form of a transferable minority equity interest in Trimmune. The Company has elected to use the measurement alternative under ASC 321-10-35-2 — cost less impairment, with adjustment for observable price changes in orderly transactions for the identical or a similar investment of the same issuer. The Company has a related-party relationship with Trimmune through the Trimmune License. The initial fair value was derived by reference to the implied post-financing valuation of Trimmune of RMB 175,000,000 from the contemporaneous Licensee Funding Transaction (a Level 2 fair value indicator under Topic 820), using the exchange rate on the closing date of the transaction.

From time to time, the Company invests excess cash in U.S. Treasury bills and notes, which are classified as trading securities. As of March 31, 2025 and 2026, the Company had no short-term investments.

Standby Equity Purchase Agreement

The Company and Square Gate Capital Master Fund, LLC - Series 4 ("Square Gate") entered a Standby Equity Purchase Agreement ("SEPA") providing for an equity line of credit with Square Gate on February 20, 2025. This agreement provides a mechanism for submission by the Company and acceptance by Square Gate of Put Notices under the SEPA pursuant to which Square Gate and the Company may agree to and execute one purchase and sale of Put Shares ("Standard Put Shares"). The Standard Put Notice has a pricing mechanism based on a volume-adjusted weighted average trading price over three days following the acceptance of the Standard Put.

On August 14, 2025, the parties entered into a First Amendment to the SEPA (the "First Amendment") to provide a mechanism for submission by the Company and acceptance by Square Gate of Put Notices under the SEPA pursuant to which Square Gate and the Company may agree to and execute multiple purchases and sales of Put Shares on the same trading day ("Intraday Put Shares"). Under the First Amendment, among other things, the purchase price of the Intraday Put Shares will be the lowest traded price during a specified valuation time period which begins with the acceptance of the Intraday Put and ends when trading volume reaches 1000% of the amount of shares included in the Intraday Put.

A SEPA is an equity-linked instrument for which an investor has the right, but not the obligation, to purchase shares of the entity's common stock over a specified period of time. The SEPA creates a purchase put option for the overarching arrangement which was determined to be a derivative. Economically, before the entity has elected to sell shares, a SEPA represents a purchased put option on the entity's own equity. However, once the entity "draws" on the SEPA, the related number of shares issued constitutes a financial instrument. Thus, a SEPA contains both a purchased put option element and a forward share issuance element. This generally means that a SEPA generally does not qualify for equity classification. Accordingly, entities must recognize an asset or liability for its SEPA. Such asset or liability must be measured at fair value, with changes in fair value recognized in net (loss) income. Further, individual draws must also be evaluated to determine if they meet criteria for equity classification.

With regards to the individual draws for a Standard Put under the SEPA, an individual draw would create a separate financial instrument with settlement criteria that does not meet indexation guidance. While the number of shares is known at inception and therefore not subject to the overarching share cap, there are two inputs into the settlement amount paid by the Investor which are not inputs into a fixed-for-fixed option: (1) the maximum amount to be funded under the SEPA of $20.0 million, which inherently limits the settlement amount regardless of the Company's stock price and (2) the discount which reduces the amount to be paid upon settlement.

Net Income (Loss) Per Share

Basic net income (loss) per share is calculated by dividing the net income (loss) attributable to Common Stockholders by the daily weighted-average number of common shares outstanding for the period, without consideration of potential dilutive securities. Diluted net income (loss) per share is computed by dividing the net income (loss) attributable to Common Stockholders by the sum of the daily weighted average number of common shares plus the potential dilutive effects of potential dilutive securities outstanding during the period. Potential dilutive securities are excluded from diluted income or loss per share if the effect of such inclusion is anti-dilutive. The Company's potentially dilutive securities, which include options granted under the 2019 Equity Incentive Plan ("2019 Plan") and the 2021 Equity Incentive Plan ("2021 Plan") as well as the Company's Common Stock Warrants, have been excluded from the computation of diluted net income (loss) per share as their exercise prices exceeded the average market price of the Company's Common Stock during the period. Options and warrants are considered dilutive to the income per share calculation when their exercise price is below the average market price of the stock ("in-the-money").

The Company has issued certain Common Stock Warrants that have a provision for participation in earnings. Under ASC 260, Earnings per Share, undistributed earnings shall be allocated to Common Stock and participating securities utilizing the two-class method. The Company reports distributed and undistributed allocations of earnings on a cumulative period basis in accordance with contractual participation rights using the two-class method.

Restatement of Previously Issued Interim Financial Information

The Company has restated its previously issued unaudited condensed financial statements for the three months ended March 31, 2026 (the "Amendment") to correct the misapplication of the two-class method of calculating earnings per share under ASC 260, Earnings Per Share. The Company originally calculated earnings per share without identifying certain outstanding warrants as participating securities in a Quarterly Report on Form 10-Q for the three months ended March 31, 2026 filed on May 14, 2026 ("Original Filing"). The Amendment reflects the identification of these warrants as participating securities and the resulting application of the two-class method.

The following table shows the Company's methodology for allocation of undistributed earnings between Common Stock and participating securities in the Original Filing and Amendment, respectively, as a percent of total potential shares to use in the application of the two-class method of EPS:

	Original Filing Allocation of Undistributed Earnings		Amendment Allocation of Undistributed Earnings	
Common Stock	904,312	100.0%	904,312	63.3%
Participating Securities, as if Converted to Common Stock	—	0.0%	524,501	36.7%
Total Potential Shares	904,312	100.0%	1,428,813	100.0%

The following table shows the basic and diluted EPS, as reported in the Original Filing and as amended in the Amendment, prior to giving effect to the Reverse Stock Split:

	As Reported in Original Filing	As Reported in the Amendment	Difference
Net income	$ 3,472,480	$ 3,472,480	$ —
Less: Dividend to investor	(1,488,472)	(1,488,472)	—
Net income available for Common Stockholders and holders of Participating Securities	1,984,008	1,984,008	—
Less: Allocation to Participating Securities		(728,299)	(728,299)
Net income attributable to Common Stockholders	$ 1,984,008	$ 1,255,709	$ (728,299)
Weighted average shares of Common Stock outstanding	5,425,871	5,425,871	—
Basic and dilutive EPS	$ 0.37	$ 0.23	$ 0.14

The following table shows the basic EPS, as reported in the Original Filing and as amended in the Amendment, after to giving effect to the Reverse Stock Split:

	As Reported in Original Filing	As Reported in Amendment	Difference
Net income	$ 3,472,480	$ 3,472,480	$ —
Less: Dividend to investor	(1,488,472)	(1,488,472)	—
Net income available for Common Stockholders and holders of Participating Securities	1,984,008	1,984,008	—
Less: Allocation to Participating Securities	—	(728,299)	(728,299)
Net income attributable to Common Stockholders	$ 1,984,008	$ 1,255,709	$ (728,299)
Weighted average shares of Common Stock outstanding	904,312	904,312	—
Basic and dilutive EPS	$ 2.19	$ 1.39	$ 0.80

Due to the cumulative nature of the two-class method, this error had no impact on the unaudited condensed financial statements for any other reporting period. The restatement of earnings per share to correct apply the two-class method of calculating earnings per share impacts the financial information reported for the three months ended March 31, 2026 only.

Recently Issued Accounting Pronouncements

In November 2024, the FASB issued ASU No. 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (ASU 2024-03) which requires public business entities to provide enhanced disaggregation of expenses in financial statements, including detailed disclosures on inventory purchases, employee compensation, depreciation, and amortization. The new guidance is effective for the Company for fiscal periods beginning after December 15, 2026 and interim periods within fiscal years beginning after December 15, 2027. The Company is evaluating the impact of the standard on the Company's financial statements.

In September 2025, the FASB issued Accounting Standards Update (ASU) 2025-06, Intangibles — Goodwill and Other — Internal-Use Software (Subtopic 350-40): Accounting for and Disclosure of Software Costs to update the accounting for internal use software costs. The guidance requires entities to start capitalizing eligible costs when (1) management has authorized and committed to funding the software project, and (2) it is probable that the project will be completed and the software will be used to perform the function intended. The guidance, which applies to all entities, is effective for fiscal years beginning after December 15, 2027, and interim periods within those fiscal years. Entities may apply the guidance using a prospective, retrospective or modified transition approach. Early adoption is permitted. The Company is evaluating the impact of the standard on the Company's financial statements.

In September 2025, the FASB issued Accounting Standards Update (ASU) 2025-07—Derivatives and Hedging ("Topic 815") and Revenue from Contracts with Customers (Topic 606): Derivatives Scope Refinements and Scope Clarification for Share-based Noncash Consideration from a Customer in a Revenue Contract to expand the scope of contracts that are excluded from derivative accounting (i.e., measured at fair value through earnings). ASU 2025-07 addresses stakeholders' concerns about (1) the application of derivative accounting to contracts with features based on the operations or activities of one of the parties to the contract and (2) the diversity in accounting for share-based noncash consideration from a customer that is consideration for the transfer of goods or services. The guidance is effective for annual reporting periods beginning after December 15, 2026, and interim periods within those annual periods. Entities may apply the guidance either on a modified retrospective or prospective basis. Early adoption is permitted. The Company is evaluating the impact of the standard on the Company's financial statements.

As of December 31, 2026, the Company will cease to be an 'emerging growth company' as defined in the Jumpstart Our Business Startups Act of 2012. We expect to remain a nonaccelerated filer and smaller reporting company. The Company is currently assessing potential regulatory and operational changes that may be required as a result.

2. Fair Value of Financial Instruments

The carrying amount of the Company's financial instruments, including cash and cash equivalents, accounts receivable, prepaid expenses, other current assets, U.S. government-backed securities with maturity dates up to one year, accounts payable and accrued liabilities, approximate fair value due to their short-term maturities.

Money market funds included in cash and cash equivalents and U.S. government-backed securities are measured at fair value based on quoted prices in active markets, which are considered Level 1 inputs.

The warrant liability is measured at fair value using the Black-Scholes options pricing model. The fair value is classified as Level 3 within the fair value hierarchy due to the use of significant unobservable inputs.

The Company's investment in shares of AlloTera Therapeutics common stock and the related contingent liability are classified as Level 3 within the fair value hierarchy due to the use of significant unobservable inputs. The fair value of these instruments is estimated using a combination of valuation techniques, including an adjusted enterprise valuation method and a backsolve method, which incorporates information from recent financing transactions and the Company's assessment of the underlying enterprise value of AlloTera Therapeutics.

Significant unobservable inputs used in these valuations include assumptions related to the enterprise value of AlloTera Therapeutics, discounts for lack of marketability, the capital structure of the investee, and the probability and timing of potential liquidity events. The valuation of the contingent liability is based on assumptions that are consistent with those used in valuing the related AlloTera Therapeutics investment, including the expected distribution of proceeds upon a liquidity event.

The Company remeasures the fair value of the contingent liability at each reporting date, with changes in fair value recognized in earnings. The fair value of the AlloTera Therapeutics investment is also reassessed each reporting period based on updated assumptions and available market information.

There were no material changes in the valuation techniques or significant unobservable inputs used to measure these Level 3 instruments during the three months ended March 31, 2026.

The following table presents the Company's assets and liabilities which were measured at fair value at December 31, 2025 and March 31, 2026:

	At December 31, 2025:			
	Level 1	Level 2	Level 3	Total
Assets:				
Money market funds	$ 1,607,009	$ —	$ —	$ 1,607,009
Investment	—	—	1,326,329	1,326,329
Liabilities:				
Contingent liability	—	—	(692,531)	(692,531)
Total	$ 1,607,009	$ —	$ 633,798	$ 2,240,807

	At March 31, 2026:			
	Level 1	Level 2	Level 3	Total
Assets:				
Money market funds	$ 831,700	$ —	$ —	$ 831,700
Investment	—	—	1,326,329	1,326,329
Liabilities:				
Warrant liability	—	—	(928,435)	(928,435)
Contingent liability	—	—	(692,531)	(692,531)
Total	$ 831,700	$ —	$ (294,637)	$ 537,063

3. Accrued Liabilities and Other Current Liabilities

As of December 31, 2025, the Company had a balance of $1.1 million included in Accrued liabilities and other current liabilities in the accompanying condensed balance sheet, consisting of $422,000 for construction expenses, $87,000 for accrued interest expense, $49,000 for manufacturing expenses, $159,000 for legal fees, $186,000 for clinical expenses, $79,000 for salary expenses and $118,000 for other accrued expenses or current liabilities.

As of March 31, 2026, the Company had a balance of $1.1 million included in Accrued liabilities and other current liabilities in the accompanying condensed balance sheet, consisting of $422,000 for construction expenses, $87,000 for accrued interest expense, $49,000 for manufacturing expenses, $153,000 for legal fees, $224,000 for clinical expenses, $119,000 for salary expenses and $46,000 for other accrued expenses.

4. Debt

Cogent Bank Loan

On August 15, 2022, the Company entered the 2022 Loan Agreement with Cogent Bank (the "2022 Loan Agreement"), pursuant to which it received $6.5 million in proceeds to purchase a property where the Company planned to construct a manufacturing facility for biologics and upgraded research laboratory facilities. The loan is secured by a first priority lien on the building.

As of March 31, 2026, the Company had $6.2 million in principal outstanding under the 2022 Loan Agreement. The interest-only period was one year followed by 48 months of equal payments of principal and interest beginning on September 15, 2023 based on a 25-year amortization rate. The unamortized balance is due on August 15, 2027 (the "2022 Loan Agreement Maturity Date"), and bears interest at a fixed per annum rate equal to 5.75%. Upon the 2022 Loan Agreement Maturity Date, a final payment of unamortized principal will be due. The Company is in compliance with covenants related to current payment of principal and interest as of March 31, 2026. The Company has the option to prepay the outstanding balance of the loan prior to the 2022 Loan Agreement Maturity Date without penalty.

As of December 31, 2025 and March 31, 2026, certain subcontractors filed mechanics liens related to unpaid invoices issued in connection with the Company's construction of its new manufacturing facilities and upgraded research laboratories. The 2022 Loan Agreement contains a provision for a discretionary default in the event that the Company fails to pay sums due in connection with construction of any improvements. As of December 31, 2025 and March 31, 2026, the Company has reported this loan as Short-term debt, net. On October 24, 2025, the Company was notified by Cogent Bank that it exercised its discretion to make a demand that the Company cure the mechanics liens no later than thirty (30) days after receipt of this letter in strict compliance with Section 7.2(3) of the Loan Agreement by: (i) paying and discharging all of the Claims of Lien and causing satisfactions to be recorded in the Public Records of Broward County, Florida for all of the Claims of Lien, and (ii) resolving all litigation against the Borrower and the mortgaged property described in the Mortgage and causing such claims in the Foreclosure Actions to be dismissed and all related notices of lis pendens to be released. The Company and Cogent Bank have had negotiations regarding terms of a forbearance agreement to provide additional time for the Company to comply with the demands it made in the demand letter.

Senior Secured Notes

During the year ended December 31, 2024, the Company received $6.9 million in funding from the issuance of Secured Notes. Investors included Dr. Hing C. Wong, Founder and Chief Executive Officer, who invested $2.4 million; Rebecca Byam, Chief Financial Officer, who invested $220,000; Lee Flowers, Senior Vice President of Business Development, who invested $25,000; Scott T. Garrett, the Chairman of the Company's board of directors, who invested $140,000; Gary M. Winer, who was serving as a member of the Company's board of directors at the time of his investment, who invested $60,000; Rick S. Greene, a member of the board of directors, who invested $25,000, and other significant investors. In July and October 2024, the terms of the Secured Notes were amended, including but not limited to a fixed bonus payable on Maturity, or August 30, 2026 (the "Maturity Date").

As a condition to entering into the Amended and Restated Note Purchase Agreement, the Company, Mercedes M. Sellek, P.A. ("Escrow Agent"), and the Purchasers entered into that certain Escrow Agreement and Amended and Restated Pledge Agreement, dated July 2, 2024, pursuant to which the Company agreed to pledge our equity ownership interest in AlloTera Therapeutics (the "Pledged Collateral"), to be held and released by Escrow Agent according to the terms of the Escrow Agreement, as security for the Secured Notes.

The Secured Notes bear interest at a rate of 9% per annum, payable quarterly in arrears, and mature on August 30, 2026 (the "Maturity Date"), on which date the principal balance, accrued but unpaid interest, and other amounts that may be due under the terms of the Amended and Restated Note Purchase Agreement shall be due and payable. The Senior Notes may be repaid upon a Mandatory Redemption event or at the end of the term.

The Secured Notes have a Mandatory Prepayment provision, according to which the Company is required to prepay the Secured Notes before the Maturity Date under certain circumstances. In the event of a Mandatory Prepayment, Secured Notes may receive a bonus payment based on the gross proceeds of the sale of the Pledged Collateral. The agreement also contains default provisions, according to which, following an event of default, the Company may be required to distribute the Pledged Collateral to the Purchasers on a pro rata basis based on a $10.0 million issuance of Secured Notes, in full satisfaction of the indebtedness evidenced by the Secured Notes. The Pledged Collateral will be held and released according to the terms of the Escrow Agreement, as security for the Secured Notes.

If the Secured Notes are repaid on the Maturity Date, holders will receive their pro rata share of a fixed bonus payment of $3.4 million in addition to payment of outstanding principal and accrued interest. If a bonus payment is paid, there is no prepayment penalty.

The Secured Notes were deemed to be a hybrid instrument, consisting of a debt host with embedded derivatives requiring bifurcation and accounting for separately. The embedded derivatives consist of the Mandatory Redemption, which depends on certain events occurring, and the fixed bonus payable upon the Maturity Date. The fair value of the embedded derivative, which incorporated the likelihood of certain events occurring, was immaterial. Thus, as of December 31, 2025 and March 31, 2026, the Company did not recognize the embedded derivative in the accompanying condensed balance sheets. The Company accounts for the fixed bonus payment to be paid if the Secured Notes are repaid on the Maturity Date by accreting the bonus payment to the full amount due on the Maturity Date, utilizing the effective interest rate method.

On May 1, 2025, the noteholders holding $6.6 million of the principal of the outstanding Secured Notes elected to convert their outstanding indebtedness to equity and entered the Second Amendment to the Amended and Restated Note Purchase Agreement (the "Conversion Agreement"). On May 7, 2025, $6.6 million of outstanding principal amount of Secured Notes and an obligation of $860,462 of accumulated accretion as of the conversion date of a fixed bonus to be paid on the Maturity Date to these noteholders were extinguished upon conversion. For those noteholders who converted to equity, the right to a fixed bonus payable on the Maturity Date was terminated and previously accumulated fixed bonus was waived. See section "Troubled Debt Restructuring of Secured Notes" below.

For those Secured Notes which remain outstanding, as of December 31, 2025 and March 31, 2026, the Company reported $397,065 and $404,773, respectively, for the outstanding principal and accumulated accretion of a fixed bonus payment due upon maturity as a current liability in Short-term debt, net in the accompanying condensed balance sheets.

For the three months ended March 31, 2025 and 2026, the Company recognized $273,059 and $14,413, respectively, as an expense for accretion of the fixed bonus payment due in the event the Secured Notes are repaid on the Maturity Date, presented within General and administrative expenses in the accompanying condensed statements of operations.

Troubled Debt Restructuring of Secured Notes

The Company entered into the Second Amendment to its Secured Note in which certain Secured Note noteholders and the Company agreed to the terms to effectively extinguished $7.4 million of debt through the issuance of 42,181 shares of Common Stock, warrants to purchase 21,099 shares of Common Stock, and rights to receive a pro rata share of 49.11% of the proceeds or shares from the Company's investment in AlloTera Therapeutics. The transaction was accounted for under ASC Subtopic 470-50, Debt Modifications and Extinguishments, and ASC Subtopic 470-60, Troubled Debt Restructurings by Debtors as a troubled debt extinguishment, as the Company was experiencing financial difficulty and it was granted a concession by Secured Note noteholders whereby the fair value of consideration transferred was less than the carrying amount of the Secured Notes.

The net carrying amount of the restructured Secured Notes was $7.4 million, including principal of $6.6 million and accumulated accretion of a fixed bonus payable upon Maturity Date of $860,462. The fair value of consideration transferred including Common Stock, warrants to purchase Common Stock, and rights to proceeds of a portion of the Company's shares of AlloTera Therapeutics common stock was $4.0 million, with the difference of $3.5 million being recognized as a troubled debt restructuring gain. Due to the related party nature of the converting noteholders, the gain was recorded to additional paid-in capital and is reflected in the beginning balance as of January 1, 2026 for the period ended March 31, 2026, in the accompanying condensed statements of stockholders' equity (deficit).

Unsecured Promissory Notes

During the year ended December 31, 2025, the Company issued a total of $270,000 principal amount of unsecured convertible promissory notes that mature on May 5, 2026 with paid in kind interest accruing thereon, payable quarterly in arrears at 10% per annum (the "Convertible Bridge Notes"). In accordance with their terms, following the completion of a qualified offering, the Convertible Bridge Notes were converted into shares of our Common Stock at the final offering price in an offering that closed on May 15, 2025. In addition, holders of the Convertible Bridge Notes have the right to receive a portion of the proceeds of the Company's shares of AlloTera Therapeutics common stock, if and when such shares are ever sold, determined by the number of the AlloTera Therapeutics shares equal to 0.25 multiplied by the original principal amount, in dollars, of the Convertible Bridge Notes. Investors included: $60,000 invested by Hing C. Wong, the Company's Founder and CEO; $100,000 invested by Scott T. Garrett, the Chairman of the Company's board of directors; and $10,000 invested by Gary M. Winer, who was serving as a member of the Company's board of directors at the time of his investment.

As of May 15, 2025, the outstanding principal of Convertible Bridge Notes were converted. The fair value of consideration transferred including 6,041 shares of Common Stock and rights to proceeds of a portion of the Company's shares of AlloTera Therapeutics common stock was $401,134, with the difference of $131,135 being recognized as a loss on conversion. Due to the related party nature of the converting noteholders, the loss was recorded to additional paid-in capital and is reflected in the beginning balance as of January 1, 2026 for the period ended March 31, 2026, in the accompanying condensed statements of stockholders' equity (deficit).

Contingent Liabilities

In connection with the Trouble Debt Restructuring and the conversion of the Unsecured Promissory Note discussed above, the converting noteholders have a right to receive a portion of the proceeds of the sale or liquidation of the Company' shares of AlloTera Therapeutics common stock if such an event occurs. The Company retained ownership of all of its AlloTera Therapeutics shares which is presented in Investments on the accompanying condensed balance sheets. The Company recognized contingent liability for the rights transferred to the converting noteholders presented as a contingent liability on the accompanying condensed balance sheets. As of December 31, 2025 and March 31, 2026, the fair value of the Company's AlloTera Therapeutics shares was $1.3 million and the fair value for the Contingent liability was $692,531 in the accompanying condensed balance sheets. See Note 2. Fair Value of Financial Instruments.

Promissory Note with Personal Guarantee

On May 8, 2025, the Company issued a promissory note for $150,000, secured by a personal guaranty and pledge given by the Company's Founder and CEO, Dr. Hing C. Wong in accordance with the provisions of that certain Guaranty and Pledge Agreement of even date herewith between the Company and the holder. The promissory note was issued with an original issue discount of $75,000. On the Maturity Date of February 7, 2026, the Company was obligated to repay $225,000. For the three months ended March 31, 2026, the Company recognized accretion of original issue discount of $10,278 in Interest expense in the accompanying condensed statement of operations. As of December 31, 2025, the Company reported a balance of $214,722 for the promissory note in Short-term debt, net in the accompanying condensed balance sheet. The Company repaid the promissory note in full on February 6, 2026.

5. License Agreements

AlloTera Therapeutics License

During the year ended December 31, 2025, the Company agreed to a request from AlloTera Therapeutics to suspend the AlloTera Therapeutics License for a period of one year from the effective date of the suspension, or until May 29, 2026. During the suspension, the Company is free to enter licenses with other parties for the molecules that are the subject of the AlloTera Therapeutics license. In the three months ended March 31, 2026, the Company recognized $13,001 in revenue for ancillary services provided to AlloTera Therapeutics, such as storage of clinical supply of licensed molecules.

Beijing Trimmune Biotech Co. Ltd. License

On November 17, 2025, the Company and Beijing Trimmune Biotech Co. Ltd. ("Trimmune") entered into an Amended and Restated License, Research and Co-Development Agreement ("Trimmune License") following the assignment of the original License, Research and Co-Development Agreement, which includes an exclusive license to HCW11-006 for in vivo applications ("WY Biotech License") from WY Biotech Co., Ltd. to Trimmune. The parties restructured the terms of the original WY Biotech License to include the assignment of rights to Trimmune and an option to license HCW9302 for in vivo applications in China or Asia. In addition to the license for HCW11-006, the parties agreed that for additional consideration, Trimmune has an option to license the exclusive China rights to clinical development and commercialization for in vivo applications of HCW9302, the Company's clinical-stage molecule currently being evaluated for the treatment of an autoimmune disorder.

On March 16, 2026, the Company received the full nonrefundable upfront license fee, consisting of $3.5 million in gross cash proceeds, or $2.9 million net of foreign taxes, and a transferable minority equity ownership interest in Trimmune with a fair value of $3.5 million, whereupon the transaction was deemed closed and the contract was binding.

In addition, the Company is eligible to receive up to $16.0 million in development and regulatory milestone payments, royalties on future product sales, and a share of proceeds from certain future transactions involving the licensed molecule. Trimmune is responsible for all research, development, manufacturing, regulatory, and commercialization costs in its territory, including the Phase 1 clinical trial in China. Following completion of that trial, the Company has a payment-free, milestone-free, and royalty-free option (the "Opt-in Right") to recapture development and commercialization rights to HCW11-006 in the United States, Canada, Central America, and South America (the "Opt-in Territory").

Because the Trimmune License and the equity interest were negotiated as a package with a single commercial objective, the Company combined and accounted for them as a single arrangement under ASC 606. The equity interest represents non-cash consideration, measured at its fair value of $3.5 million at contract inception. The corresponding equity investment is accounted for under the measurement alternative in ASC 321. The Company identified two distinct performance obligations: (i) the delivery of licensed intellectual property— comprising the licensed patent rights, licensed know-how, a related license to HCW9109, and a technology transfer (collectively, the "Licensed IP"); and (ii) post-transfer development services consisting of an improved cell line and a master cell bank (collectively, the "Services"). The transaction price at inception was $6,650,000, reflecting the $7.0 million in upfront consideration less $350,000 was carved out as a contract liability related to prepaid optional post-transfer services. Development and regulatory milestone payments, royalties, and sales-based sublicensing consideration are fully constrained at inception and excluded from the transaction price. Non-sales-based sublicensing consideration remains constrained until the related uncertainty is resolved.

The Company allocated the transaction price to the two performance obligations using a relative standalone selling price basis. The standalone selling price of the Services was estimated using contemporaneous third-party Contract Research Organization ("CRO") and Contract Manufacturing Organization ("CMO") contracted pricing. The standalone selling price of the Licensed IP was estimated using the residual approach. The Licensed IP has significant standalone functionality and the Company does not expect to undertake activities that will change that functionality. Accordingly, the license is a right to use the Company's functional intellectual property, and revenue allocated to the Licensed IP performance obligation was recognized at the point in time control of the Licensed IP transferred to Trimmune. Trimmune simultaneously receives and consumes the benefits of the Services as they are performed; accordingly, revenue allocated to the Services is recognized over time using a cost-to-cost measure of progress. Milestone payments will be recognized when the related constraint is resolved, typically upon achievement of the underlying clinical or regulatory event. Royalties and sales-based sublicensing consideration will be recognized when the underlying sales occur. The Opt-in Right is not a repurchase feature and does not require deferral of revenue at inception. If exercised, the Opt-in Right will be accounted for as a contract modification at that time.

For the three months ended March 31, 2026, the Company recognized $6.5 million of revenue under the Trimmune License, comprising the $6.3 million allocated to the Licensed IP recognized at closing and $230,000 of Services revenue earned through the reporting period. The contract liability of $470,000 reported in the accompanying condensed consolidated balance sheet represents $120,000 of remaining Services consideration and the $350,000 prepayment associated with the optional post-transfer services.

Trimmune is a variable interest entity. Through equity ownership in Trimmune, licensing fees, Opt-In Rights, milestone payments and other potential payments, the Company has variable interests. The carrying value of the Company's interest in Trimmune was $3.5 million as of March 31, 2026, which is included in investments in the accompanying condensed balance sheet. The Company concluded that it is not the primary beneficiary and should not consolidate the entity. The Company has no control over the operating and business activities that most significantly impact the entity's economic performance. The Company has contractually agreed to cede its voting rights as they relate to operations of the entity. This was accomplished through a voting rights agreement in which all shares are voted by the Chief Executive Officer of Trimmune and an agreement related to voting on the joint steering committee by which the Company agreed that Trimmune will have the tie-breaking vote. As a result, the Company's role is to act as an advisor and expert for technical advice, but it does not have any power to control the activities of the entity. The Company's exposure to loss is limited to its investment and rights under the contractual arrangement with Trimmune. Risk of economic loss is borne by Trimmune's investors, who are not related parties with the Company. The Company is not obligated to participate in future investment rounds in Trimmune, nor does the Company have contractual obligations or guarantees to Trimmune or any of its employees or investors.

6. Sale of Common Stock and Warrants

Inducement Transaction and Shares held in Abeyance

On November 19, 2025, the Company entered into a warrant inducement agreement with a single institutional investor (the Investor") who is an existing stockholder of the Company (the "Inducement Agreement"), pursuant to which the Investor agreed to immediately exercise in full all of its outstanding Common Stock Warrants originally issued on November 20, 2024 (as amended on May 15, 2025) and on May 15, 2025 to purchase an aggregate of 251,702 shares of Common Stock at an amended exercise price of $15.96 per share, resulting in aggregate gross proceeds to the Company of approximately $4.0 million before fees and expenses.

In consideration for the immediate exercise of the Common Stock Warrants, the Company issued to the Investor, in a private placement pursuant to Section 4(a)(2) of the Securities Act, new Common Stock Warrants to purchase up to 503,402 shares of Common Stock at an exercise price of $14.46 per share. In a private transaction entered into contemporaneously with the February 2026 Sale of Common Stock and Warrants discussed below, the Company agreed to an amendment to reduce the exercise price of these Common Stock Warrants to $3.633 per share. However, the effectiveness of this amendment is subject to stockholder approval, which the Company expects to seek at its annual meeting of stockholders scheduled to be held on June 15, 2026.

As of December 31, 2025, there were 162,834 shares held in abeyance. On February 25, 2026 and March 16, 2026, the Investor requested that the Company issue 39,500 and 123,334 shares, respectively, of the remaining shares in abeyance.

February 2026 Sale of Common Stock and Warrants

On February 17, 2026, the Company entered into a securities purchase agreement ("SPA") with the Investor, pursuant to which the Company issued 412,882 units (the "Units") consisting of (i) 412,882 pre-funded warrants (the "Pre-Funded Warrants") to purchase up to 412,882 shares of Common Stock, and (ii) up to 412,882 Common Stock purchase warrants the exercise of which is conditioned on stockholder approval (the "Common Warrants", and together with the Pre-Funded Warrants, the "Warrants") to purchase up to 412,882 shares of Common Stock.

The Company's Common Stock is listed on The Nasdaq Capital Market and, as such, the Company is subject to the Nasdaq Stock Market Rules. Nasdaq Stock Rule 5635(d) is referred to as the "Nasdaq 20% Rule." In order to comply with the Nasdaq 20% Rule, the Company must seek stockholder approval to permit the potential issuance of more than 19.99% of outstanding Common Stock upon exercise of the Common Warrants in accordance with their terms. To meet the Nasdaq 20% Rule, the Company needs stockholder approval under the listing rules of Nasdaq to remove the Exchange Cap provisions in the SPA to permit the potential issuance of more than 20% of our outstanding Common Stock in accordance with the terms of the SPA.

The combined purchase price for each Unit consisting of one Pre-Funded Warrant that may be exercised for one share of Common Stock and an accompanying Common Stock Warrant to purchase one share of Common Stock was $3.6329. The Common Stock Warrants have an exercise price of $3.633 per share, will be exercisable only upon receipt of stockholder approval thereof in accordance with applicable Nasdaq rules, and expire on the five-year anniversary of such stockholder approval. The Pre-Funded Warrants have an exercise price of $0.0001, are exercisable immediately and will not expire until exercised in full.

The securities were offered pursuant to a registration statement on Form S-1, as amended (File No. 333-293396), which was declared effective by the Securities and Exchange Commission on February 17, 2026. The gross proceeds to the Company from the 2026 Offering are approximately $1.5 million before deducting the placement agent's fees and other offering expenses of $389,056 payable by the Company. The offering closed on February 19, 2026.

The Investor may not exercise any portion of the Common Stock Warrants to the extent it would beneficially own more than the limits defined in the respective Warrant Purchase Agreement. The exercise price and number of shares of Common Stock issuable upon the exercise of the Common Stock Warrants are subject to adjustment in the event of any stock dividends and distributions, stock splits, stock combinations or stock reclassifications, as described in the respective warrant agreements. Under certain circumstances, the warrants may be exercised on a "cashless" basis.

On February 17, 2026, the Company also entered into a privately negotiated agreement with the Investor, which holds certain existing outstanding warrants to purchase up to 503,402 shares of Common Stock (the "Existing Warrants") to seek stockholder approval in accordance with applicable Nasdaq rules to reduce the exercise price of such Existing Warrants to the public offering price per Unit paid in the Offering (the "Existing Warrants Amendment Agreement"). There can be no assurance that we will obtain such stockholder approval or amend the Existing Warrants or as to the final terms of any amendments to the Existing Warrants. Until such time as stockholder approval is obtained, the Existing Warrants continue to remain outstanding with an exercise price of $14.46 per share.

The fair value of the Common Stock Warrants issued in this transaction was estimated at $1.3 million using the Black-Scholes option pricing model with assumptions including a term of 5 years, volatility of 131.8% and a risk-free rate of 3.57%. The change in fair value of the Existing Warrants which were amended to lower the exercise price from $14.46 to $3.633 per share was estimated at $193,910 using the Black Scholes pricing model with the assumptions including term of 5.26 years, volatility of 131.8% and risk-free rate of 3.57%. As this was a transaction with an existing stockholder, the difference between the gross proceeds of $1.5 million and the fair value of securities issued and the modification of the warrant, or $3.0 million, was deemed to be an equity dividend to the Investor which was recorded in additional-paid-in capital as of March 31, 2026.

On March 16, 2026, the Investor exercised all of its Pre-Funded Warrants issued from the February 2026 offering, and the Company issued 412,882 shares of Common Stock.

Warrant Classification

The Common Warrants that may be exercised to purchase up to 412,882 shares of Common Stock issued on February 17, 2026 were classified as a component of permanent stockholders' equity within additional paid-in-capital and were recorded at the issuance date. The Common Warrants are equity classified because they are freestanding financial instruments that are legally detachable and separately exercisable from the equity instruments, are immediately exercisable, do not embody an obligation for the Company to repurchase its shares, permit the holders to receive a fixed number of shares of Common Stock upon exercise, are indexed to the Company's Common Stock and meet the equity classification criteria. In addition, the Common Warrants and the Pre-Funded Warrants do not provide any guarantee of value or return.

Upon modification of Existing Warrants, as of February 17, 2026, the Existing Warrants were reclassified as a warrant liability. Until stockholders approve the new strike price of $3.633 per share, these warrants have a contingent strike price adjustment and will be treated as derivative liabilities, recorded at the fair value on the date of the transaction and remeasured to fair value for each subsequent reporting date, with changes in fair value recorded in earnings. As of February 17, 2026, the Company reclassified $1.6 million from Additional paid-in capital to noncurrent liabilities as a warrant liability. As of March 31, 2026, the Company reported a warrant liability of $928,435 on the condensed balance sheet and a change in fair value of $667,343 for the three months ended March 31, 2026 on the condensed statements of operations.

Participating Warrants

Certain warrants issued by the Company are participating warrants. Under U.S. GAAP, participating warrants are instruments that grant the holder the right to receive non-forfeitable dividends or dividend equivalents on an equal basis with common stockholders before exercise. Because they are considered "participating securities," the Company utilizes the two-class method to calculate and report basic and diluted Earnings Per Share (EPS). See Note 9. Net Income (Loss) per Share.

As of March 31, 2025, outstanding participating warrants included: November 2024 Common Stock Warrants to purchase up to 27,988 shares of Common Stock,

As of March 31, 2026, outstanding participating warrants included: November 2025 Common Stock Warrants to purchase up to 503,402 shares of Common Stock and Conversion Common Stock Warrants to purchase up to 21,099 shares of Common Stock.

Compliance to Obtain Stockholder Approval

The Company held a Special Meeting of Stockholders on April 27, 2026 to obtain stockholder approval for the warrants issued or potentially amended in the February 2026 offering, but this meeting was adjourned for lack of quorum. The Company filed a definitive proxy statement for its Annual Meeting of Stockholders on April 28, 2026, which resubmitted the two proposals regarding these warrants. The Company is obliged to submit this matter to stockholders for their consideration every 60 days, until the Company obtains stockholder approval for the exercise of these warrants at $3.633 per share. See Note 13. Subsequent Events.

7. Standby Equity Purchase Agreement

On February 20, 2025, the Company entered into an Equity Purchase Agreement (the "Equity Purchase Agreement") with Square Gate Capital Master Fund, LLC - Series 4 ("Square Gate"), which the Company deemed to be a Standby Equity Purchase Agreement ("SEPA"). Under the Equity Purchase Agreement, the Company will have the right, but not the obligation, to sell to Square Gate, and Square Gate will have the obligation to purchase from the Company, up to $20,000,000 (the "Maximum Commitment Amount") worth of the Company's shares of Common Stock, at the Company's sole discretion, over the next 36 months (the "Put Shares"), subject to certain conditions precedent and other limitations. Square Gate has covenanted not to cause or engage in any short sales or hedging transactions with respect to the shares of the Company's Common Stock. The Maxim Group LLC acted as the Company's exclusive Placement Agent in connection with this transaction.

On August 14, 2025, the Company and the Square Gate entered into a First Amendment to the Equity Purchase Agreement to provide a mechanism for submission by the Company and acceptance by the Square Gate of Put Notices under the Equity Purchase Agreement pursuant to which the Square Gate and the Company may agree to and execute multiple purchases and sales of Put Shares on the same trading day. Under the First Amendment, among other things, the purchase price of the intraday Put Shares will be the lowest traded price during a specified shortened valuation time period.

Unless earlier terminated, the Equity Purchase Agreement will remain in effect until the earlier of February 18, 2028 (i.e., the expiry of the 36-month period commencing on the date of the Equity Purchase Agreement) or the date on which Square Gate has purchased the Maximum Commitment Amount (the "Commitment Period"). The Company has the right to terminate the Equity Purchase Agreement at any time, subject to certain provisions as set forth in the Equity Purchase Agreement. Square Gate has the right to terminate the Equity Purchase Agreement under certain provisions as set forth in the Equity Purchase Agreement, including the continued listing of the Company's Common Stock on an Eligible Market.

As of March 31, 2025, the Company concluded that the Equity Purchase Agreement for Standard Put Shares does not qualify for equity classification. On the effective date, the Company concluded that the fair value of the Equity Purchase Agreement at inception was zero and no asset or liability was recorded. As a result, fees paid to Square Gate in excess of the fair value of the Equity Purchase Agreement were expensed as incurred. Any issuance costs or other transaction costs attributable to a freestanding equity-linked financial instrument that is classified as an asset or liability should be recognized in earnings in the period incurred

The Commitment Fee was paid in-kind with an equivalent value of shares of the Company's Common Stock. On March 12, 2025, the Company issued 1,603 shares of the Company's Common Stock to Square Gate in payment of the Commitment Fee. At the Special Meeting of Stockholders held on March 31, 2025, stockholders approved the Company's use of the Equity Purchase Agreement. Pursuant to the Registration Agreement, the Company filed a registration statement to register the underlying shares. On April 16, 2025, the SEC declared a registration statement effective to register the Commitment Shares and shares required to sell up to $40.0 million of the Company's shares to Square Gate, according to provisions of the Equity Purchase Agreement. The Commitment Fee and issuance costs for the registration statement to register the underlying shares of Common Stock issued under the Equity Purchase Agreement were expensed.

For the three months ended March 31, 2025, the Company expensed the $150,000 Commitment Fee in the accompanying condensed statement of operations. During the three months ended March 31, 2025 and 2026, the Company did not put any shares to Square Gate under the SEPA.

8. Preferred Stock

As of December 31, 2025 and March 31, 2026, the Company had 10,000,000 shares of preferred stock authorized and no shares issued.

9. Net Income (Loss) Per Share (as restated)

The following table summarizes the computation of the basic and diluted net income (loss) per share:

	Three Months Ended March 31,	
	2025	**2026**
Numerator:		
Net income (loss)	$ (2,196,875)	$ 3,472,480
Equity dividend to investor	—	(1,488,472)
Net income (loss) attributable to Common Stockholders and holders of Participating Securities	$ (2,196,875)	$ 1,984,008
Allocation of undistributed earnings to Participating Securities	0	(728,299)
Net income (loss attributable to Common Stockholders	$ (2,196,875)	$ 1,255,709
Denominator:		
Weighted-average Common Stock outstanding	186,149	904,312
Net income (loss) per share, basic and diluted	$ (11.80)	$ 1.39

The following table summarizes the outstanding warrants provision to participate in distribution of earnings. For the three months ended March 31, 2025 and 2026, these securities were excluded in the calculation for distribution of net loss but included in the allocation of undistributed earnings:

	March 31,	
	2025	**2026**
November 2024 warrants	27,988	—
Warrants from 2025 Debt Conversion	—	21,099
November 2025 warrants	—	503,402
Potentially participating warrants	27,988	524,501

The following table summarizes the outstanding potentially dilutive securities that have been excluded in the calculation of diluted net loss per share because their inclusion would be anti-dilutive:

	At March 31,	
	2025	**2026**
Common stock options	7,396	7,355
Common stock warrants	27,988	937,383
Potentially dilutive securities	35,384	944,738

The potential dilutive common stock options are options granted under the Company's 2019 Equity Plan and 2021 Equity Plan were excluded from the calculation of diluted earnings per share and weighted average shares of Common Stock outstanding, as each of them had an exercise price that exceeded the average market price of the Company's Common Stock during the period.

The potentially dilutive common stock warrants are (1) warrants to purchase up to 21,099 shares of Common Stock at $156.00 per share, (2) warrants to purchase up to 412,882 shares of Common Stock at $3.633 per share (subject to stockholder approval) and (3) warrants to purchase up to 503,402 shares of Common Stock at $14.46 per share, which may be amended, subject to stockholder approval, to reduce the exercise price to $3.633 per share. These Common Stock Warrants each had an exercise price that exceeded the closing price of the Company's Common Stock as of March 31, 2026, and were excluded from the calculation of diluted earnings per share and weighted average shares of Common Stock outstanding.

10. Income Taxes

The Company accounts for income taxes under ASC 740, Income Taxes. The income tax provision for interim periods is determined using an estimated annual effective tax rate, adjusted for discrete items, if any, recognized in the period in which they occur.

For the three months ended March 31, 2025 and 2026, the Company recorded an income tax provision of $0 and $330,186 on pre-tax losses of $2.2 million and pre-tax income $3.8 million for effective tax rates of 0% and 8.68%, respectively. The effective tax rate differed from the statutory rate primarily because the Company recorded foreign withholding tax expense on China licensing revenue while receiving no corresponding U.S. tax benefit due to its full valuation allowance.

The following are income taxes paid by jurisdiction:

	Three Months Ended March 31,	
	2025	2026
Income Tax Payments - U.S. Federal	$ —	$ —
Income Tax Payments - U.S. States	—	—
China - Income tax payments, net of refunds	—	330,186
Total income taxes paid	$ —	$ 330,186

11. Segment Reporting

HCW Biologics Inc. has one reportable segment: life science. The life science segment consists of operations focused on discovering and developing novel immunotherapies to lengthen health span by disrupting the link between chronic, low-grade inflammation and diseases. The Company's CODM is the chief executive officer.

The accounting policies of the life science segment are the same as those described in the summary of significant accounting policies. The CODM assesses performance for the life science segment based on net segment income (loss). The measure of segment assets is reported on the condensed balance sheet as total assets.

The Company has not generated any product revenue from commercial product sales of internally-developed immunotherapeutic products for the treatment of diseases, as no products have been approved for commercial sale as of March 31, 2026. The Company expects to continue to incur significant expenses and operating losses for the foreseeable future as it advances molecules through all stages of development and clinical trials and, ultimately, seek approval for commercial sale.

As such, the CODM uses cash forecast models in deciding how to invest into the life science segment. Such cash forecast models are reviewed to assess the entity-wide operating results and performance in conjunction with monitoring the results of R&D experiments for preclinical compounds and clinical trial data for clinical-stage compounds. The assessment of results of preclinical and clinical studies is critical to the allocation of resources by the CODM.

The tables below summarize the significant expense categories regularly reviewed by the CODM for the three months ended March 31, 2025 and 2026:

	Three Months Ended March 31,	
	2025	2026
Revenues:		
Revenues	$ 5,065	$ 6,543,001
Cost of revenues	(4,052)	(11,071)
Gross Profit	1,013	6,531,930
Operating expenses:		
Research and development expenses		
Salaries, benefits and related expenses	701,106	778,385
Manufacturing and materials	262,798	(9,959)
Preclinical expenses	177,111	217,566
Clinical trials	187,820	127,533
Overhead allocations	149,876	144,423
Total research and development expenses	1,478,711	1,257,948
General and administrative		
Salaries, benefits and related expenses	788,490	523,353
Professional services[(a)]	454,369	485,137
Facilities and office expenses	94,330	112,912
Depreciation expenses	61,237	53,876
Rent and occupancy expenses	49,750	41,162
Insurance	290,269	194,442
Taxes	32,592	174,688
Other expenses	183,501	233,294
Total general and administrative expenses	1,954,538	1,818,864
Other segment items[(b)]	(1,235,361)	(347,548)
Total operating expenses	2,197,888	2,729,264
Net segment income (loss)	**$ (2,196,875)**	**$ 3,802,666**

(a) Professional services consist primarily of audit and accounting advisory services, tax advisory services, corporate legal services related to SEC compliance, and legal fees related to patent filings.

(b) Other segment items include the following unusual or nonrecurring items:

	Three Months Ended March 31,	
	2025	2026
Arbitration legal fees, net	$ (1,739,493)	$ 6,850
Accretion of fixed bonus upon maturity of Senior Notes, net	273,059	14,413
Interest expense	255,822	109,274
Indirect tax expense	--	198,146
Change in fair value of warrant liability	--	(667,343)
Other income, net	(24,749)	(8,888)
Other segment items	**$ (1,235,361)**	**$ (347,548)**

12. Commitments and Contingencies

Operating Leases

The Company has operating leases for approximately 12,250 square feet of space located in Miramar, Florida. On January 27, 2025, the Company entered into a one-year lease for the same location which commenced on March 1, 2025 and terminated on February 28, 2026. On February 2, 2026, the Company entered into a one-year lease for the same location which commenced on March 1, 2026 and terminates on February 28, 2027. As a lease of 12 months or less in duration and qualifies for a short-term lease exemption under FASB ASC 842, Leases, for short-term leases, as provided for in ASC 842-20-25-2, which is the short-term lease exception whereby a lessee recognizes the lease payments in profit or loss on a straight-line basis over the lease term. The Company elected to account for this lease on a straight-line basis over the lease term and will not recognize a ROU asset and a lease liability as a result. The Company has no obligations under financing leases.

For the three months ended March 31, 2025 and 2026, rent expense recognized by the Company was $50,556 and $53,651, respectively, of which $26,476 and $28,097, respectively, are included in research and development in the accompanying condensed statements of operations.

Contractual Commitments

The Company has commitments with R&D outsourcing and development companies to supply us with clinical grade materials or other development services. As of March 31, 2026, it is under contract for future obligations of $396,100 it expects to pay during the year ending December 31, 2026.

Legal Matters

Legal Proceedings

From time to time, the Company is a party to or otherwise involved in legal proceedings, including suits, assessments, regulatory actions and investigations generally arising out of the normal course of business. In addition, the Company enters into agreements that may include indemnification provisions, pursuant to which the Company agrees to indemnify, hold harmless and defend the indemnified parties for losses suffered or incurred by the indemnified party. When the Company believes that the outcome of such a matter will result in a liability that is probable to be incurred and result in a potential loss, or range of loss, that can be reasonably estimated, the Company will accrue a liability and make the appropriate disclosure in the footnotes to the condensed financial statements.

Arbitration, Settlement and General Release

As of July 13, 2024, the Company and Dr. Hing C. Wong, the Company's Founder and Chief Executive Officer, entered into a confidential Settlement Agreement with Altor BioScience, LLC ("Altor"), NantCell, Inc. ("NantCell"), and ImmunityBio, Inc. (the parent of Altor and NantCell, together with Altor and NantCell, "ImmunityBio"), to resolve the previously disclosed Arbitration. The Arbitration and related Complaint were dismissed with prejudice as of December 31, 2024.

In January 2025, the Company received a $2.0 million insurance reimbursement which was paid directly to Cooley LLP ("Cooley"), the law firm that represented Dr. Wong in his defense in the Arbitration. On December 30, 2025, the Company entered a settlement agreement with Cooley related to legal fees incurred in connection with the defense of Dr. Wong. As a result of that agreement, the Company, Dr. Wong and Cooley agreed to settle a $7.5 million obligation for $2.0 million in cash and contingent payments up to $5.5 million upon achievement of certain triggering events, all of which were deemed to be remote as of December 31, 2025 and March 31, 2026. In accordance with the terms of the settlement agreement, $500,000 was paid on December 31, 2025. Based on amendments to the settlement agreement, the Company paid $750,000 on March 20, 2026, and will pay the remaining $750,000 upon the earlier of the completion of a financing for at least $4.0 million in gross proceeds or August 31, 2026.

After this settlement, as of December 31, 2025 and March 31, 2026, the Company recognized a liability of $6.2 million and $5.4 million, respectively, for remaining amounts owed for legal fees related to the Arbitration which continue to remain outstanding in the accompanying condensed balance sheets.

Other Matters

During the year ended December 31, 2025, certain subcontractors had filed mechanics liens related to unpaid invoices issued in connection with the facility. On April 17, 2025, the Company received a summons and a copy of a complaint filed by BE&K in the Circuit Court of the 17th Judicial Circuit in and for Broward County, Florida (the "BE&K Complaint"). Other Defendants named in the BE&K Complaint who are subcontractors elected to file counterclaims and cross-claims as part of their responses to the BE&K Complaint. To our knowledge as of the date hereof, Cogent Bank, also named as a Defendant in the BE&K Complaint, has not elected to take legal action at this time. In addition, on April 28, 2025, the Company received a summons and a copy of a complaint filed by Fisk Electric Company (which is a defendant in the BE&K Complaint) in the Circuit Court of the 17th Judicial Circuit in and for Broward County, Florida (the "Fisk Complaint") against the Company, BE&K, and the other defendants in the BE&K Complaint. On August 8, 2025, B&I Contractors, Inc. ("B&I), one of the defendants in the BE&K Complaint, filed a motion for summary judgment (the "MSJ") as to the Count I (Foreclosure of Construction Lien). The Company has responded to the BE&K and Fisk Complaints and cross-claims and filed a timely response to the B&I MSJ. The cases were consolidated, and a Case Management conference was held. On February 19, 2026, a stipulation was submitted to the Court in connection with a settlement and release agreement between the Company and B&I calling for payment of $860,000 in total installments in settlement of amounts owed and an allowance for interest and other fees, the last installment of which is payable on or before May 31, 2026.

On October 24, 2025, the Company was notified by Cogent Bank that it exercised its discretion to make a demand that the Company cure the mechanics liens no later than thirty (30) days after receipt of this letter in strict compliance with Section 7.2(3) of the Loan Agreement by: (i) paying and discharging all of the Claims of Lien and causing satisfactions to be recorded in the Public Records of Broward County, Florida for all of the Claims of Lien, and (ii) resolving all litigation against the Borrower and the mortgaged property described in the Mortgage and causing such claims in the Foreclosure Actions to be dismissed and all related notices of lis pendens to be released. The Company and Cogent Bank have had negotiations to come to terms on a forbearance agreement to provide additional time for the Company to comply with the demands it made in the demand letter.

On December 9, 2025, the Company entered into a settlement agreement with its contract development and manufacturing organization, EirGenix, Inc. ("EirGenix"). Outstanding obligations owed to EirGenix related to manufacturing costs were $1.7 million. The parties agreed to reduce this amount to $1.2 million if the amount was paid in full by April 30, 2026. The Company paid $620,000 on March 3, 2026. On May 13, 2026, The Company was granted an extension for the repayment of the remaining $620,000 to May 26, 2026, under the condition that the balance amount will need to be re-settled to reflect the additional costs associated with legal attorney and interest loss through the extension date. See Note 13. Subsequent Events.

Inflationary Cost Environment, Geopolitical Risks and Other Macroeconomic Factors

The Company's operations have been affected by many headwinds, including inflationary pressures, tariffs, rising interest rates, ongoing global supply chain disruptions resulting from increased geopolitical tensions such as the war in the Middle East, the conflict between Russia and Ukraine, China-Taiwan relations, financial market volatility and currency movements. The Company has been impacted by inflation, and may continue to be so, when procuring materials required for the buildout of our new headquarters, the costs for recruiting and retaining employees and other employee-related costs. Management employs a number of strategies to effectively navigate these issues, including product redesign, alternate sourcing, and establishing contingencies in budgeting and timelines. Future developments in these and other areas present material uncertainty and risk with respect to the Company's clinical trials, IND-enabling activities, buildout of the new headquarters, as well as the Company's financial condition and results of operations. The extent and duration of such events and conditions, and resulting disruptions to our operations, are highly unpredictable.

13. Subsequent Events

Subsequent events have been evaluated through the date the original condensed financial statements were issued. Except for the effects of the reverse stock split as described in Note 1 and matters related to the restatement for the misapplication of the two-class method of calculating earnings per share, the Company has not updated its subsequent events occurring after the original issuance date. In addition to the required recognition or disclosure disclosed in the footnotes herein, there were also the following subsequent events after the reporting date:

The Company held a Special Meeting of Stockholders on April 27, 2026, at which the stockholders were asked to vote to approve two proposals that related to warrants held by the Investor where (1) certain warrants require stockholder approval for the issuance of Common Stock upon exercise and (2) previously issued warrants require stockholder approval to be repriced. Under applicable Nasdaq rules, the terms of these warrants make it necessary to obtain stockholder approval. These warrants were issued or amended in connection with the equity financing the Company completed on February 19, 2026. The Company is obliged to seek stockholder approval every 60 days until such approval is obtained. The Company will be required to continue incurring the costs associated with holding additional stockholder meetings until approval is obtained.

On April 27, 2026, the Company adjourned the Special Meeting of Stockholders due to a lack of quorum. The two proposals that were submitted for stockholder approval related to the Investor's Common Stock Warrants that were issued or repriced in connection with the February 19, 2026 equity financing will be included in the proposals for the Annual Meeting of Stockholders that will be held on June 15, 2026.

On April 28, 2026, the Company filed a definitive proxy statement for the Annual Meeting of Stockholders. Stockholders will be asked to vote on five proposals, including a reverse stock split proposal, pursuant to which the Board recommends that the Company consider a range of 1-for-5 to 1-for-20. In addition, the stockholders will be asked to consider the two proposals related to the Investor's Common Stock Warrants that were issued or repriced in connection with the February 19, 2026 equity financing. This vote will take place at the Annual Meeting on June 15, 2026.

On April 15, 2026, our Board of Directors unanimously approved and adopted an amendment to the Company's Bylaws (as amended and restated to date, the "Bylaws"). The amendment, which is effective from and after April 28, 2026, lowers the quorum requirement contained in Section 1.5 of the Bylaws to provide that holders of thirty-three and one-third percent (33 1/3%) of the voting power, which includes the voting power that is present in person or by proxy, regardless of whether the proxy has authority to vote on any matter, constitutes a quorum for the transaction of business.

On May 5, 2026, the Company was granted a hearing with the Nasdaq Hearings Panel to present a compliance plan to regain compliance with the Bid Price Rule. As of the date of issuance, the Company has not received the Panel's determination.

The Company is engaged in negotiations with B&I and EirGenix to extend payment terms for settlement agreements, which have not been finalized as of the issuance date.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with (i) our unaudited condensed financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q and (ii) our audited financial statements and related notes and the discussion under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" for the fiscal year ended December 31, 2025 included in the Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (the "SEC") on March 31, 2026 (the "Annual Report"). Our historical results are not necessarily indicative of the results that may be expected for any period in the future. Unless the context requires otherwise, references in this Quarterly Report on Form 10-Q to the "Company," "HCW Biologics," "HCWB", "we," "us" and "our" refer to HCW Biologics Inc.

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. All statements other than statements of historical facts contained in this quarterly report, including statements regarding our future results of operations and financial position, business strategy, prospective products, product approvals, research and development costs, timing and likelihood of success of our clinical trials, plans and objectives of management for future operations, adequacy of our cash resources and working capital, future economic conditions or performance, and future results of anticipated products, are forward-looking statements. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "expect," "plan," "anticipate," "could," "intend," "target," "project," "contemplates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these terms or other similar expressions. The forward-looking statements in this Quarterly Report on Form 10-Q are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those anticipated in the forward-looking statements. Factors that might cause such a difference include, but are not limited to, those discussed in this report in Part II, Item 1A -"Risk Factors," in this Quarterly Report on Form 10-Q and in other filings we make with the SEC from time to time. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements. Moreover, we operate in an evolving environment. New risk factors and uncertainties may emerge from time to time, and it is not possible for management to predict all risk factors and uncertainties. These forward-looking statements speak only as of the date hereof. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise.

Overview

HCW Biologics Inc. ("HCW Biologics" or the "Company") is a clinical-stage biopharmaceutical company developing transformative fusion immunotherapeutics to support or treat diseases promoted by chronic inflammation. We have created novel compounds that represent a new class of drugs that we believe have the potential to fundamentally change the treatment of autoimmune disorders and other inflammatory diseases, cancer and senescence-associated dysplasia. Among other things, we have begun commercialization of certain commercial-ready proprietary compounds for use as reagents in the production of immunotherapeutics for the treatment of infectious diseases and cancer. We want our products to improve patients' healthspan as well as their quality of life, and possibly extend longevity.

By leveraging our extensive immunology expertise, we have developed fusion immunotherapeutics representing a new class of drug that we believe has the potential to fundamentally change the treatments for autoimmune diseases, cancer, senescence-associated dysplasia, and many other diseases promoted by chronic inflammation — and in doing so, improve patients' quality of life and possibly extend longevity.

HCW Biologics has an experienced team led by Dr. Hing C. Wong, our Founder and CEO, who discovered and developed the immunotherapeutic Anktiva® (also known as ALT-803, an IL-15 receptor agonist) through pivotal trials. This blockbuster immunotherapeutic treatment for cancer was sold to ImmunityBio, Inc. in 2017 in a $1.0 billion acquisition. In April 2024, Anktiva® was approved by the U.S. Food and Drug Administration for its first indication, the treatment of BCG-Unresponsive Non-Muscle Invasive Bladder Cancer in combination with BCG.

Clinical Development Highlights

The Company has selected the following compounds for our clinical development programs, which are currently being developed in Company-sponsored programs:

HCW9302

Clinical-stage compound that is an injectable, first-in-kind interleukin 2 ("IL-2") fusion protein complex constructed using the Company's proprietary TOBI platform technology. Its mechanism of action involves binding to IL-2αβγ receptors predominantly expressed on regulatory T ("T_{reg}") cells, thereby activating and expanding Treg cells that can suppress unwanted immune and inflammatory responses. Beijing Trimmune Biotech Co., Ltd. ("Trimmune") has an option to license the rights to the China market for HCW9302.

On November 17, 2025, the first patient was dosed at The Ohio State University Wexner Medical Center for the Company-sponsored, multi-center first-in-human clinical trial to evaluate HCW9302 in patients with alopecia areata (NCT07049328). This marks a major milestone in the Company's clinical development program in autoimmune diseases. With continued patient enrollment, a full Phase 1 human data readout is expected in Q4 2026.

HCW11-018b

HCW11-018b, the lead candidate of the "Big BiTE" program, is a tetra-valent T-cell engager designed to enhance anti-tumor activities and tolerability to treat a wide spectrum of solid tumors. The Company presented a poster at the American Association of Cancer Research Annual Meeting 2026, which took place from April 17 – 22, 2026 in San Diego, California.

The Company's preclinical data showed HCW11-018b could significantly shrink well-established tumors and prevent cancer metastasis in xenograft animal models with broad coverage for human solid tumor indications. The new data in the poster has revealed the mechanism of action that drives these results. HCW11-018b utilizes Cis-binding (or cis-interaction) to regulate immune cell reactivity that masks the receptors which prevent trans-binding and inhibit membrane flexibility. The data showed that HCW11-018b is only activated within the tumor microenvironment, which is expected to increase the efficacy and tolerability of this tetra-valent T Cell Engager against human tumor cells.

IND-enabling activities are expected to be completed in the first half of 2027. The Company intends to file an IND application shortly thereafter, for authorization to evaluate HCW11-018b in patients with pancreatic cancer.

HCW11-040

HCW11-040 is a preclinical molecule that is a unique combination of cytokines and pembrolizumab, a generic form of Keytruda®, in a multi-functional fusion molecule. This lead product candidate exhibits the ability to expand exhausted progenitors T ("Tpex") cells without a cytokine storm in preclinical studies. In addition, it exhibits superior immune-cell activation, expansion, and cytotoxicity against cancer cells and tumors when compared to pembrolizumab in in-vitro and in-vivo studies.

IND-enabling activities for HCW11-040 are expected to be completed in the second half of 2027. The Company intends to file an IND application shortly thereafter, for authorization to evaluate HCW11-040 in neonatal infants with bronchopulmonary dysplasia ("BPD"). BPD is a chronic lung disease affecting premature infants, characterized by lung damage from oxygen and ventilator use. Infants who have BPD may have long-term problems, including increased risk of asthma, respiratory infections, and potential delays in development.

Business Highlights

Advancing our programs may be accomplished through Company-sponsored programs or with a corporate partner. Business development transactions are considered a key aspect of our financing strategy. We continually assess our programs to determine the optimal path to successfully complete clinical development and launch commercialization.

Trimmune License

The Company is developing HCW11-006 through a corporate partnership with Beijing Trimmune Biotech Co., Ltd. ("Trimmune"). Trimmune is a new operating entity formed for the purpose of development and commercialization of HCW11-006, by WY Biotech Co., Ltd. ("WY Biotech"), a China-based company specializing in the early-stage development of recombinant protein drugs and gene/cell therapies, and the Company. Trimmune investors include CITIC Medical Fund, a multi-billion-dollar investment fund focused on innovative companies primarily targeting pharmaceuticals, biotechnology, medical devices, and diagnostics, and TigerYeah Capital Fund of TigerMed, a global leading Contract Research Organization. Trimmune is led by a team with an impressive track record for success in the development and commercialization of innovative drugs that treat diseases with large, unmet medical needs for the Chinese market. HCW11-006 is a preclinical molecule that combines several different immune functional domains as part of a group of compounds characterized as multi-functional immune cell stimulators.

As of March 16, 2026, we received the full payment of the upfront licensing fee for the exclusive worldwide license for HCW11-006, a preclinical molecule, from Trimmune. The Company received $3.5 million in gross proceeds, or $2.9 million net of taxes. In addition to the cash portion of the upfront license fee, before taxes, the Company also received a minority co-founder equity interest in Trimmune. In addition, for additional compensation, Trimmune has an option to license the China rights to HCW9302.

HCW Biologics is eligible to receive additional payments under the license, including development milestone payments and double-digit royalties on future product sales, as well as a portion of the proceeds from certain future transaction(s) involving the licensed molecule, if and when such transaction(s) occur. Upon completion of Phase 1 by the licensee, the Company may exercise its Opt-In Rights to reclaim the rights to the Americas market. For an additional fee, Trimmune may exercise an option to license the China rights to HCW9302, the Company's clinical-stage molecule, currently being evaluated in a Phase 1 trial in an autoimmune disorder. These elements were not deemed to be probable, and the Company did not recognize these events in the three months ended March 31, 2026.

Commercial-Ready Molecules Used as Reagents

On March 13, 2026, Science Advances, a peer-reviewed, high-impact journal, released a publication with the Company's data that showed the Company's proprietary, commercial-ready compound, HCW9206, could fundamentally change how CAR-T cell therapies are manufactured and potentially improve how they perform against diseases such as cancer and HIV. These findings support the Company's belief that HCW9206 is a leap forward in both clinical potential and manufacturing efficiency. The Company is actively seeking an appropriate corporate partner to commercialize the reagent program.

Financing

On February 19, 2026, the Company raised $1.5 million before commission and transaction costs payable by us through the sale of 412,882 Units for $3.633 per Unit, each consisting of one share of Common Stock (or Pre-funded Warrant that may be exercised to purchase one share of Common Stock) plus one Common Stock Warrant each of which can be exercised to purchase one share of Common Stock. In a private transaction, the Company agreed to reprice the 503,402 of Existing Warrants that were issued in November 2025 from $14.46 per share to $3.633 per share. However, under Nasdaq rules, the investor's ability to exercise the Common Stock Warrants issued in this transaction and the reduction of the exercise price for the Existing Warrants issued in November 2024 are both subject to stockholder approval. Pursuant to the terms of the warrants, the Company submitted two proposals to our stockholders at a Special Stockholders' Meeting held on April 27, 2026, which had to be adjourned due to lack of quorum. These two proposals will be included in the matters put to a stockholders' vote at the Company's Annual Meeting, to be held on June 15, 2026.

Compliance with Nasdaq Listing Rules

An important part of the Company's future financing plans is the ability to access the public markets for the sale of securities. This requires that the Company remain in compliance with all Nasdaq Listing Rules. On May 5, 2026, the Company was granted a Hearing before a Nasdaq Hearings Panel to appeal a determination by the Nasdaq Listing Qualifications Staff (the "Staff") to delist the Company's securities from The Nasdaq Capital Market ("Nasdaq") due to the Company's non-compliance with the $1.00 minimum bid price requirement. As of the date of issuance, the Company has not received the Panel's determination.

Trends and Uncertainties

Inflationary Cost Environment, Geopolitical Risks and Other Macroeconomic Factors

Our operations have been affected by many headwinds, including inflationary pressures, tariffs, rising interest rates, ongoing global supply chain disruptions resulting from increased geopolitical tensions such as the war between Russia and Ukraine, the war in the Middle East, China-Taiwan relations, financial market volatility and currency movements. These headwinds, specifically the supply chain disruptions, have adversely impacted our ability to procure certain services and materials, which in some cases impacts the cost and timing of clinical trials and IND-enabling activities. In addition, we have been impacted by inflation when procuring materials required for the buildout of our new headquarters, the costs for recruiting and retaining employees and other employee-related costs. Further, rising interest rates would also increase borrowing costs to the extent that the Company takes on any additional debt. The Company uses a number of strategies to effectively navigate these issues, including product redesign, alternate sourcing, and establishing contingencies in budgeting and timelines. However, the extent and duration of such events and conditions, and resulting disruptions to our operations, are highly unpredictable.

For discussion of risks related to potential impacts of supply chain, inflation, geopolitical and macroeconomic challenges on our operations, business results and financial condition, see Part I, Item 1A. “Risk Factors” in the Annual Report filed on March 31, 2026.

Components of our Results of Operation

Revenues

We have no products approved for commercial sale and have not generated any revenue from commercial product sales of internally-developed immunotherapeutic products for the treatment of autoimmune disorders, cancer and senescence-associated dysplasia. Since inception, our sole source of revenue is from license and clinical development supply agreements.

AlloTera Therapeutics License

The Company entered the AlloTera Therapeutics License with AlloTera Therapeutics at the end of 2020, and we entered a development supply agreement with AlloTera Therapeutics to provide it with clinical development materials needed for research and clinical development in the first quarter of 2021. On May 29, 2025, the Company agreed to a request from AlloTera Therapeutics to suspend the AlloTera Therapeutics License for a period of one year from the effective date of the suspension, or until May 29, 2026. During the suspension, the Company is free to enter licenses with other parties for the molecules that are subject of the AlloTera Therapeutics license. The Company expects to generate revenue for ancillary services such as storage of clinical supply of material provided to AlloTera Therapeutics while the license is in suspension.

The upfront, nonrefundable license fee included 2.2 million shares of AlloTera Therapeutics common stock, which the Company will continue to hold even if the AlloTera Therapeutics Licenses is terminated.

Trimmune License

On November 17, 2025, the Company and Beijing Trimmune Biotech Co., Ltd. (“Trimmune”) entered into an Amended and Restated License, Research and Co-Development Agreement (“Trimmune License”) following the assignment of the original License, Research and Co-Development Agreement, which includes an exclusive license to HCW11-006 for in vivo applications (“WY Biotech License”) from WY Biotech Co., Ltd. to Trimmune. The parties restructured the terms of the original WY Biotech License to include the assignment of rights to Trimmune and an option to license HCW9302 for in vivo applications in China or Asia. The Company retained its Opt-In Rights for the Americas market, which we may exercise after Trimmune completes its first Phase 1 clinical study.

On March 16, 2026, the Company received the full nonrefundable upfront license fee, consisting of $3.5 million in gross cash proceeds, or $2.9 million net of taxes, and a transferable minority equity ownership interest in Trimmune with a fair value of $3.5 million, whereupon the transaction was deemed closed and the contract was binding.

In addition to the upfront license fee and Opt-In Rights, the Company is eligible to receive additional development milestone payments and double-digit royalties on future product sales. Further, in the event Trimmune elects to exercise its option to license HCW9302 in China or Asia, the Company will receive additional consideration. None of these elements met the threshold for recognition under Topic 606 as of March 31, 2026.

In accordance with the terms of the Trimmune License, the closing took place upon receipt of the full upfront payment.The Company recognized $6.5 million in revenue for the three months ended March 31, 2026 in the accompanying condensed statement of operations and deferred revenue of $470,000 in the accompanying condensed balance sheet. Deferred revenue relates to the Services Performance Obligation, for services not yet completed primarily for building of the master cell bank.

Operating Expenses

Our operating expenses are reported as research and development expenses and general and administrative expenses.

Research and Development

Our research and development expenses consist primarily of costs incurred for the development of our product candidates, which include:

- Employee-related expenses, including salaries, benefits, and stock-based compensation expense;
- Expenses related to manufacturing and materials, consisting primarily of expenses incurred in connection with CMOs, which produce cGMP materials for clinical trials on our behalf;

- Expenses associated with preclinical activities, including research and development and other IND-enabling activities;
- Expenses incurred in connection with clinical trials; and
- Other expenses, such as facilities-related expenses, direct depreciation costs for capitalized scientific equipment, and allocation for overhead.

We expense research and development costs as they are incurred. Costs for contract manufacturing are recognized based on an evaluation of the progress to completion of specific tasks using information provided to us by our vendors. Payments for these activities are based on the terms of the agreement, and the pattern of payments for goods and services will change depending on the material. Nonrefundable advance payments for goods or services to be received in the future for use in research and development activities are recorded as prepaid expenses and expensed as the related goods are delivered or the services are performed.

We expect research and development expenses to increase substantially for the foreseeable future as we continue the development of our product candidates. We cannot reasonably determine the nature, timing, and costs of the efforts that will be necessary to complete the development of, and obtain regulatory approval for, any of our product candidates. Product candidates in later stages of development generally have higher development costs than those in earlier stages. See "Risk Factors — Risks Related to the Development and Clinical Testing of Our Product Candidates," in our Annual Report for a discussion of some of the risks and uncertainties associated with the development and commercialization of our product candidates. Any changes in the outcome of any of these risks and uncertainties with respect to the development of our product candidates in preclinical and clinical development could mean a significant change in the costs and timing associated with the development of these product candidates. For example, if the FDA or another regulatory authority were to delay our planned start of clinical trials or require us to conduct clinical trials or other testing beyond those that we currently expect or if we experience significant delays in enrollment in any of our planned clinical trials, we could be required to expend significant additional financial resources and time on the completion of clinical development of that product candidate.

General and Administrative Expenses

General and administrative expenses consist primarily of employee-related expenses for executive, legal, finance, accounting, human resources and other administrative personnel, as well as professional fees (including legal, audit and tax services), insurance costs, facilities expenses, and other public company compliance costs.

We expect general and administrative expenses incurred in the normal course of business for other purposes, such as costs for recruitment and retention of personnel, service fees for consultants, advisors and accountants, as well as costs to comply with government regulations, corporate governance, internal control over financial reporting, insurance and other requirements for a public company, to continue to increase for the foreseeable future as we build our clinical programs.

Legal Expenses (Recoveries), Net

Legal expenses (recoveries), net consist of legal fees incurred in connection with the Arbitration and related proceedings involving the Company and Dr. Hing C. Wong, net of insurance reimbursements received. The Arbitration and related Complaint were dismissed with prejudice as of December 31, 2024. On an ongoing basis, the Company will continue to incur some costs to remain in compliance with the settlement and release, primarily related to maintenance of proper patent protection for the Company's intellectual property rights.

Indirect Tax Expense and Income Tax Expense

In connection with the payment of the nonrefundable upfront license fee from Trimmune, the Chinese government withheld indirect taxes (VAT) of $198,146 and income taxes of $330,186. The Company intends to apply for a tax refund.

Interest Expense

Interest expense includes interest paid on debt. This includes interest due on the Cogent Bank loan, Secured Notes issued by the Company and accretion of original issue discount and accretion of debt issuance costs.

On August 15, 2022, we entered into a loan and security agreement with Cogent Bank to partially fund our purchase of the property we acquired on that same date (the "2022 Loan"). We borrowed $6.5 million under this agreement. Amounts outstanding on the term loan accrue interest at a rate per annum equal to 5.75%. We were obligated to make interest-only payments on this loan from September 2022 through August 2023 and principal and interest payments in 48 equal monthly installments, based on a 25-year maturity schedule, commencing September 15, 2023.

During the three months ended March 31, 2025, the Company recognized $6.9 million in principal amount of Secured Notes. During the second quarter of 2025, certain noteholders agreed to restructure amounts owed by the Company and convert to equity. Noteholders who purchased notes for $325,000 did not elect to convert their Secured Notes. The Secured Notes bear interest at an annual rate of 9%, payable quarterly in arrears. These noteholders are also entitled to a fixed bonus, payable on the Maturity Date, which is accreted on a straight line basis.

On May 8, 2025, the Company issued a $150,000 promissory note with a personal guarantee from the Company's Founder and Chief Executive Officer, which has an original issue discount of $75,000 which is accreted on a straight-line basis from the date of issuance to the Maturity Date of February 7, 2026 (the "Secured Promissory Note"). The Company repaid $225,000 on February 6, 2026.

Change in fair value of Warrant Liability

As a result of the modification of existing warrants that may be exercised to purchase up to 503,402 shares of Common Stock to lower the strike price from $14.46 to $3.633 per share, the Company classified these warrants as a warrant liability and recognized it at fair value on the date of the modification. The Company will recognize the change in fair value of the warrant liability in each subsequent reporting period, so long as the warrant liability remains classified as a derivative liability. In the three months ended March 31, 2026, the Company recognized a change in fair value of $667,343.

Other Income, Net

Other income, net consists of interest earned on our cash, cash equivalents, unrealized gains and losses related to our investments in U.S. government-backed securities, and other income and expenses related to non-operating activities.

Results of Operations

	Three Months Ended March 31,	
	2025	2026
Revenues:		
Revenues	$ 5,065	$ 6,543,001
Cost of revenues	(4,052)	(11,071)
Gross Profit	1,013	6,531,930
Operating expenses:		
Research and development	1,478,711	1,257,948
General and administrative	2,227,597	1,833,277
Legal expenses, net	(1,739,493)	6,850
Indirect tax expense	—	198,146
Total operating expenses	1,966,815	3,296,221
Operating income (loss)	(1,965,802)	3,235,709
Interest expense	(255,822)	(109,274)
Change in fair value of warrant liability	—	667,343
Other income, net	24,749	8,888
Net income (loss) before income taxes	(2,196,875)	3,802,666
Income tax expense	—	(330,186)
Net income (loss)	$ (2,196,875)	$ 3,472,480

Comparison of the Three Months ended March 31, 2025 and March 31, 2026

Revenues

The Company recognized revenues of $5,065 and $6.5 million for the three months ended March 31, 2025 and 2026, respectively. The Company recognized revenues of $5,065 and $13,001 for the three months ended March 31, 2025 and 2026, respectively, in connection with the AlloTera Therapeutics License. The AlloTera Therapeutics license is currently suspended for a period of one year, which ends on May 29, 2026. While the license is in suspension, the Company will recognize revenue from ancillary activities such as storage. On March 16, 2026, the Trimmune license transaction closed, the Company recognized $6.5 million in revenue of the nonrefundable upfront license fee, which was paid in a combination of cash and an in-kind payment in the form of a transferable equity interest in Trimmune.

Research and Development Expenses

The following table summarizes our research and development expenses for the three months ended March 31, 2025 and March 31, 2026:

	Three Months Ended March 31,			
	2025	2026	$ Change	% Change
Salaries, benefits and related expenses	$ 701,106	$ 778,385	$ 77,279	11%
Manufacturing and materials	262,798	(9,959)	(272,757)	(104)%
Preclinical expenses	177,111	217,566	40,455	23%
Clinical trials	187,820	127,533	(60,287)	(32)%
Other expenses	149,876	144,423	(5,453)	(4)%
Total research and development expenses	**$ 1,478,711**	**$ 1,257,948**	**$ (220,763)**	(15)%

Research and development expenses decreased by $220,763, or 15%, from $1.5 million for the three months ended March 31, 2025 to $1.3 million for the three months ended March 31, 2026. The decrease was primarily due to a decline in manufacturing and materials and clinical expenses, partially offset by increases in salaries and benefits and preclinical expenses.

Salaries, benefits, and related expenses increased by $77,279, or 11%, from $701,106 for the three months ended March 31, 2025 to $778,385 for the three months ended March 31, 2026. This increase is primarily due to increases of $74,419 in salaries and related taxes and $11,727 for health insurance and other benefits, partially offset by a decrease of $8,867 for stock-based compensation expense.

Manufacturing and materials expense decreased by $272,757, or 104%, from $262,798 for the three months ended March 31, 2025 to a contra-expense of $9,959 for the three months ended March 31, 2026. In the three months ended March 31, 2025, expenses were primarily attributable to the costs of production and materials related to manufacturing the high producing cell-line of HCW9101, which was wrapped up prior to the three months ended March 31, 2026. The contra-expense reported in the three months ended March 31, 2026 was primarily due to a refund of insurance costs related to clinical materials stored and insured on behalf of our licensee, AlloTera Therapeutics.

Expenses associated with preclinical activities increased by $40,455, or 23%, from $177,111 for the three months ended March 31, 2025 to $217,566 for the three months ended March 31, 2026. The Company received clearance of its IND from the FDA to evaluate HCW9302 in a Phase 1 clinical study in patients with alopecia areata in the three months ended March 31, 2025. In the three months ended March 31, 2026, the Company incurred expenses related to experimental drug testing and preparations for IND applications for HCW11-018b and HCW11-040. The $40,455 increase in expenses is attributable to increases of $23,926 in fees paid to collaborators and $16,529 for drug testing.

Expenses associated with clinical activities decreased by $60,287, or 32%, from $187,820 for the three months ended March 31, 2025 to $127,533 for the three months ended March 31, 2026. The decline in expenses is primarily attributable to a decrease in $84,531 in fees for collaborators and other professional services, partially offset by increases of $14,293 in patient-related fees and $9,951 in software licenses and data management fees.

Other expenses decreased by $5,453, or 4%, from $149,876 for the three months ended March 31, 2025 to $144,423 for the three months ended March 31, 2026. The decline is primarily attributable to a $12,721 decrease in depreciation for scientific equipment, partially offset by increases of $2,754 for equipment and repairs and $2,203 in rent and occupancy expenses.

General and Administrative Expenses

The following table summarizes our general and administrative expenses for the three months ended March 31, 2025 and March 31, 2026:

	Three Months Ended March 31,			
	2025	**2026**	**$ Change**	**% Change**
Salaries, benefits and related expenses	$ 788,490	$ 523,353	$ (265,137)	(34)%
Professional services	454,369	485,137	30,768	7%
Facilities and office expenses	94,330	112,912	18,582	20%
Accretion of fixed bonus upon maturity of Senior Notes, net	273,059	14,413	(258,646)	NM
Depreciation	61,237	53,876	(7,361)	(12)%
Rent and occupancy expense	49,750	41,162	(8,588)	(17)%
Other expenses	506,362	602,424	96,062	19%
Total general and administrative expenses	**$ 2,227,597**	**$ 1,833,277**	**$ (394,320)**	(18)%

General and administrative expenses decreased $394,320, or 18%, from $2.2 million for the three months ended March 31, 2025 to $1.8 million for the three months ended March 31, 2026. The decrease is primarily due to decreases in salaries and benefits and the accretion expense related to the fixed bonus payment due to the holders of the Secured Notes, in the event they are repaid on the Maturity Date of August 30, 2026.

Salaries, benefits and related expenses decreased by $265,137, or 34%, from $788,490 for the three months ended March 31, 2025 to $523,353 for the three months ended March 31, 2026. The decrease is primarily due to decreases of $256,757 in stock-based compensation expense, as equity awards reached full vesting in particular for our Chief Executive Officer, and $10,000 in Board compensation, as we had one fewer Board member in the three months ended March 31, 2026 than we did in the three months ended March 31, 2025.

Professional services increased by 30,768, or 7%, from $454,369 for the three months ended March 31, 2025 to $485,137 for the three months ended March 31, 2026. Professional services include corporate legal services, legal services for procuring patents, as well as other professional services, such as auditing and tax advisory fees. The increase is primarily attributable to a $40,418 increase in fees for corporate legal services, partially offset by a decrease of $7,724 for legal services related to patents.

Facilities and office expenses increased by $18,582, or 20%, from $94,330 for the three months ended March 31, 2025 to $112,912 for the three months ended March 31, 2026, primarily due to increases of $15,798 for general office expenses such as utilities and other services, such as electricity and waste disposal.

Accretion of fixed bonus upon maturity of Secured Notes decreased by $258,646, from $273,059 for the three months ended March 31, 2025 to $14,413 for the three months ended March 31, 2026. This change is due to the restructuring and conversion of Secured Notes on May 7, 2025. At the time of the restructuring, the net carrying amount of the restructured Secured Notes was $7.4 million including principal of $6.6 million and accumulated accretion of a fixed bonus payable upon Maturity Date of $860,462. On May 7, 2025, the Company extinguished $7.4 million of debt through the issuance of 42,181 shares of Common Stock, warrants to purchase 21,099 shares of Common Stock, and rights to receive a pro rata share of 49.11% of the proceeds or shares from the Company's investment in AlloTera Therapeutics. On January 29, 2026, the SEC declared effective a resale registration statement on Form S-1 (File Number 333-292652) covering the resale of shares of Common Stock and warrants issued to such note holders.

Other expenses increased by $96,062, or 19%, from $506,362 for the three months ended March 31, 2025 to $602,424 for the three months ended March 31, 2026. The increase is primarily attributable to increases of $142,096 in taxes, $32,648 in expenses related to financing activities, and $15,475 in expenses related to the purchase of employee subscriptions and books, partially offset by a decrease of $95,927 in the cost of insurance.

Legal Expenses (Recoveries), Net

For the three months ended March 31, 2025, the Company reported a contra expense of $1.7 million for legal expenses (recoveries), net, reflecting a $2.0 million insurance recovery and legal fees of $260,507. The Arbitration was settled on July 13, 2024, and the Arbitration and related Complaint were dismissed with prejudice as of December 31, 2024. For the three months ended March 31, 2026, the Company reported an expense of $6,850 for legal expenses (recoveries), net.

Interest Expense

In the three months ended March 31, 2025 and 2026, the Company recognized interest expense of $255,822 and $109,274, respectively, including the following items which were reported within Interest expense on the condensed statements of operations:

- For the three months ended March 31, 2025 and 2026, $91,035 and $89,192 in cash for interest, respectively, related to the 2022 Loan, which was recognized as an expense in both periods.
- For the three months ended March 31, 2025 and 2026, $153,234 and $7,212 in interest expense, respectively, related to the Secured Notes.
- For the three months ended March 31, 2026, $10,278 in accretion expense for original issue discount of the Secured Promissory Note which was repaid on February 6, 2026.
- For the three months ended March 31, 2025 and 2026, the Company recognized $2,592 in both periods for the amortization of debt issuance costs related to the 2022 Loan.
- For the three months ended March 31, 2025, the Company recognized $8,961 for the amortization of issuance costs for the Secured Notes.

Change in Fair Value of Investment

There was no change in fair value of the investment in AlloTera Therapeutics shares in the three months ended March 31, 2025 or 2026.

Change in Fair Value of Investment and Contingent Liability

There was no change in fair value of the investment in AlloTera Therapeutics shares in the three months ended March 31, 2025 or 2026.

Other Income, Net

The change in Other income, net was de minimus, from $24,749 for the three months ended March 31, 2025 and $8,888 for the three months ended March 31, 2026.

Liquidity and Capital Resources

Sources of Liquidity

As of March 31, 2026, the Company had not generated any revenue from commercial product sales of its internally developed immunotherapeutic products. During its development activities, the Company has sustained operating losses, experienced negative operating cash flows and negative working capital position and expects to continue to incur operating losses for the foreseeable future. Since inception to March 31, 2026, the Company incurred cumulative net losses of $102.3 million.

Since inception to March 31, 2026, the Company has funded operations primarily through the sale of stock; issuance of Senior Notes; and revenues generated from the Company's exclusive worldwide licenses to develop and commercialize certain internally developed molecules between the Company and AlloTera Therapeutics, Inc. ("AlloTera Therapeutics") and the Company and Beijing Trimmune Biotech Co. Ltd. ("Trimmune"), and the manufacturing and supply arrangement to provide research and clinical materials to AlloTera Therapeutics. On May 29, 2025, the Company agreed to suspend the AlloTera Therapeutics license for a period of one year while AlloTera Therapeutics restructured its clinical programs to focus on its breakthrough CAR-T program. From inception on December 24, 2020 to March 31, 2025, the Company recognized over $16.0 million in revenue in connection with the AlloTera Therapeutics license. On March 16 2026, the closing for the Trimmune license transaction occurred upon receipt of the full upfront license fee. For the three months ended March 31, 2025 and 2026, the Company recognized revenues of $5,065 and $6.5 million, respectively. The Trimmune upfront license fee consisted of $3.5 million in gross cash proceeds, or $2.9 million net of taxes, and an in-kind payment of a transferable minority equity interest in Trimmune.

On February 19, 2026, the Company completed a $1.5 million equity financing in which it issued Pre-Funded Warrants to purchase 412,882 shares of Common Stock for $0.0001 per share and Common Stock Warrants to purchase up to 412,882 shares of Common Stock for $3.633 per share. Contemporaneously with this transaction, the Company agreed to amend previously issued Existing Warrants to purchase up to 503,402 shares of Common Stock to lower the exercise price from $14.46 per share to $3.633 per share. Pursuant to the terms of these Common Warrants, in order to be exercisable for $3.633 per share, the Company is required to seek stockholder approval every 60 days until such approval is obtained. The Company will be required to continue incurring the costs associated with holding additional stockholder meetings until approval is obtained. For the Existing Warrants exercisable for $14.46 per share, until stockholder approval is obtained to amend the exercise price, these Existing Warrants remain outstanding and exercisable at $14.46 per share.

On December 30, 2025, the Company entered a settlement agreement with Cooley related to legal fees incurred in connection with the defense of Dr. Wong. As a result of that agreement, the Company, Dr. Wong and Cooley agreed to settle a $7.5 million obligation for $2.0 million in cash and contingent payments up to $5.5 million upon achievement of certain triggering events, all of which were deemed to be remote as of December 31, 2025. In accordance with the terms of the settlement agreement, $500,000 was paid on December 31, 2025. Based on an amendment to the settlement agreement, the Company paid $750,000 on March 20, 2026, and will pay the remaining $750,000 upon the earlier of the completion of a financing for at least $4.0 million in gross proceeds or August 31, 2026. After this settlement, as of March 31, 2026, the Company has a liability of $5.4 million for remaining amounts owed for legal fees related to the Arbitration which continue to remain outstanding.

On December 9, 2025, the Company entered into a settlement agreement with its contract development and manufacturing organization, EirGenix, Inc. ("EirGenix"). Outstanding obligations owed to EirGenix related to manufacturing costs were $1.7 million. The parties agreed to reduce this amount to $1.2 million if the amount was paid in full by April 30, 2026. The Company paid $620,000 on March 3, 2026. On May 13, 2026, The Company was granted an extension for the repayment of the remaining $620,000 to May 26, 2026 under the condition that the balance amount will need to be re-settled to reflect the additional costs associated with legal attorney and interest loss through the extension date.

On February 19, 2026, a stipulation was submitted to the Court in connection with a settlement and release agreement between the Company and B&I, calling for payment of $860,000 in total installments to settle amounts owed, including an allowance for interest and other fees, the last installment of which is payable on or before May 31, 2026.

The accompanying condensed financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the ordinary course of business. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might result from the outcome of the uncertainties described above. The Company believes that substantial doubt exists regarding its ability to continue as a going concern for at least 12 months from the date of issuance of the Company's condensed financial statements, without additional funding or financial support. After considering management's plan for financing and funds raised that are probable to occur within one year, as well as that the Company expects to continue to incur losses from operations for the foreseeable future, management concluded that the substantial doubt that existed in its going concern analysis as of March 31, 2026 was not alleviated.

Because of the numerous risks and uncertainties associated with the clinical development and commercialization of immunotherapeutics, we are unable to estimate the exact amount of capital requirements to pursue these activities. Our funding requirements will depend on many factors, including, but not limited to:

- timing, progress, costs, and results of our ongoing preclinical studies and clinical trials of our immunotherapeutic products;
- costs, timing, and outcome of regulatory review of our product candidates;
- number of trials required for regulatory approval;
- whether we enter into any cooperative, collaboration or co-development agreements and the terms of such agreements;
- whether we raise additional funding through bank loan facilities, other debt arrangements, out-licensing or joint ventures, cooperative agreements or strategic collaborations;
- effect of competing technology and market developments;
- cost of maintaining, expanding, and enforcing our intellectual property rights;
- impact of future arbitration, litigation, regulatory inquiries, or investigations, as well as costs to indemnify our officers and directors against third-party claims related to our patents and other intellectual property:
- cost and timing of buildout of the Company's new manufacturing and laboratory facilities, including manufacturing for biologics and upgraded research and development facilities, including risks of cost overruns and delays, and ability to obtain additional financing, if needed;
- impact of legal actions taken by BE&K and other lien holders related to foreclosure and other claims; and
- costs and timing of future commercialization activities, including product manufacturing, marketing, sales, and distribution, for any of our product candidates for which we receive regulatory approval.

A change in the outcome of any of these or other factors with respect to the clinical development and commercialization of our product candidates could significantly change the costs and timing associated with the development of that product candidate. Further, our operating plan may change, and we may need additional funds to meet operational needs and capital requirements for clinical trials and other research and development expenditures.

Comparison of the Cash Flows for the Three Months Ended March 31, 2025 and March 31, 2026

The following table summarizes our cash flows for the three months ended March 31, 2025 and March 31, 2026:

	Three Months Ended March 31,	
	2025	**2026**
Cash used in operating activities	$ (3,513,856)	$ (1,575,226)
Cash provided by (used in) investing activities	—	—
Cash provided by (used in) financing activities	(53,103)	851,641
Net decrease in cash and cash equivalents	**$ (3,566,959)**	**$ (723,585)**

Operating Activities

Net cash used in operating activities was $3.5 million for the three months ended March 31, 2025 and $1.6 million for the three months March 31, 2026.

Cash used in operating activities for the three months ended March 31, 2025 consisted primarily of net loss for the period of $2.2 million, as well as cash used due to a decrease of $2.4 million in Accounts payable and other liabilities and an increase of $257,894 in Prepaid expenses and other assets. The uses were partially offset by cash provided by operations, which consisted of a $494,708 decrease in Account receivable and noncash adjustments of $419,010 for Depreciation, amortization and accretion, $275,642 for stock-based compensation and $150,000 for a Commitment Fee paid in shares of the Company's Common Stock.

Cash used in operating activities for the three months ended March 31, 2026 consisted primarily of noncash revenue in the form of an in-kind payment of a transferable minority equity interest in Trimmune recognized at the fair value of $3.5 million, as well as $1.3 million of cash used to decrease Accounts payable and other liabilities, an decrease in cash arising from an adjustment for a non-cash change in fair value of warrant liability of $667,343, and $117,883 of cash used to increase Prepaid expenses and other assets. The uses were partially offset by cash provided by operations, which consisted of $3.5 million of net income and increases of $470,000 in Deferred revenue and noncash adjustments, including $142,049 for Depreciation, amortization and accretion and $10,019 for stock-based compensation.

Investing Activities

There was no cash used in or provided by investment activities for the three months ended March 31, 2025 or 2026.

Financing Activities

During the three months ended March 31, 2025, $53,103 was used by financing activities which consisted primarily of $32,460 for a debt repayment and $22,297 for issuance of Common Stock.

During the three months ended March 31, 2026, $851,641 of cash was provided by financing activities which consisted primarily of $1.5 million of cash provided through the issuance of pre-funded warrants and common stock warrants partially offset by $389,056 of cash used for issuance costs and $259,303 of cash used for debt repayment.

Noncash financing activities consisted of a $1.5 million dividend to investor as a result of a financing transaction with an existing stockholder, deemed to be a related party. On February 19, 2026, the Company closed on a financing with gross proceeds of $1.5 million, in which we issued shares of the Company's Common Stock, new warrants to exercise to purchase shares of the Company's Common Stock and repriced previously issued warrants. The Company estimated the fair value of the securities issued and repriced warrants was $3.0 million. As a result, the Company recorded a $1.5 million dividend to additional paid-in capital as of March 31, 2026.

Critical Accounting Policies, Significant Judgements and Use of Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our unaudited condensed financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. We believe that the accounting policies discussed below are critical to understanding our historical and future performance, as these policies relate to the more significant areas involving management's judgements and estimates.

Fair Value Measurements

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 at the measurement date. Topic 820 establishes a fair value hierarchy for those instruments measured at fair value that distinguishes between fair value measurements based on market data (observable inputs) and those based on the Company's own assumptions (unobservable inputs). This hierarchy maximizes the use of observable inputs and minimizes the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1: Observable inputs such as quoted prices in active markets;
- Level 2: Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs in which there is little or no market data, which require a reporting entity to develop its own assumptions.

Fair value measurements are classified based on the lowest level of input that is significant to the measurement. The Company's assessment of the significance of a particular input to the fair value measurement requires judgment, which may affect the valuation of the assets and liabilities and their placement within the fair value hierarchy levels. The determination of the fair values takes into account the market for the Company's financial assets and liabilities, the associated credit risk, and other factors as required. The Company considers active markets as those in which transactions for the assets or liabilities occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Revenue Recognition

We recognize revenue under the guidance of Topic 606. To determine the appropriate amount of revenue to be recognized for arrangements determined to be within the scope of Topic 606, we perform the following five steps: (i) identification of the contract(s) with the customer, (ii) identification of the promised goods or services in the contract and determination of whether the promised goods or services are performance obligations, (iii) measurement of the transaction price, (iv) allocation of the transaction price to the performance obligations, and (v) recognition of revenue when (or as) we satisfy each performance obligation. We only apply the five-step model to contracts when it is probable that we will collect the consideration we are entitled to in exchange for the goods or services we transfer to our customer. See Note 1 to our condensed financial statements appearing elsewhere in this Quarterly Report on Form 10-Q for more information.

Other than the above, there have been no material changes to our critical accounting policies and estimates from those described under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations— Critical Accounting Policies, Significant Judgements and Use of Estimates" in our Annual Report.

Recent Accounting Pronouncements

As of December 31, 2026, the Company will cease to be an 'emerging growth company' as defined in the Jumpstart Our Business Startups Act of 2012. We expect to remain a nonaccelerated filer and smaller reporting company. The Company is currently assessing potential regulatory and operational changes that may be required as a result.

See also Note 1 to our Annual Report.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

As of March 31, 2026, we had cash and cash equivalents of $1.2 million including cash, cash equivalents and market investments. Our primary exposure to market risk is interest rate sensitivity, which is affected by changes in the general level of U.S. interest rates. We are exposed to market risk related to the marketability of our AlloTera Therapeutics common stock reported within Investments in the accompanying condensed balance sheet. Until such time as these shares become publicly traded, we will have limited access to liquidity for these securities.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

As of March 31, 2026, our management, with participation of our principal executive officer and principal financial officer, performed an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a – 15(e) under the Exchange Act). Based on that evaluation, two material weaknesses in the internal control over financial reporting (described below) were identified. Our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were not effective at the reasonable assurance level as of March 31, 2026.

The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act are recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and our management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) under the Exchange Act). Internal control over financial reporting is a process designed under the supervision and with the participation of our management, including our principal executive officer and our principal financial officer, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States.

Previously Reported Material Weaknesses

As previously disclosed, a material weakness was identified related to management's assessment of long-lived assets for impairment. This material weakness resulted in an adjustment of $1.5 million to the Company's audited financial statements for the year ended December 31, 2025. Additionally, this material weakness could result in misstatements of long-lived assets (property, plant and equipment) or disclosures that would result in a material misstatement to the annual or condensed financial statements that would not be prevented or detected.

Because of this material weakness, management concluded that the Company did not maintain effective internal control over financial reporting as of March 31, 2026.

Material Weakness Related to Technical Accounting Review Control

Management identified a material weakness in the level of precision of the Company's review control over the application of technical accounting evaluation related to complex warrant instruments and financing transactions.

The material weakness resulted in the following accounting outcomes: (1) the previously identified misclassification of certain warrants as equity rather than liabilities under ASC 815-40, *Derivatives and Hedging*, and (2) the subsequently identified failure to recognize certain warrants as participating securities under ASC 260, *Earnings Per Share*, resulting in the incorrect application of the two-class method.

The ASC 260 error resulted in a material misstatement of net income attributable to common stockholders and basic earnings per share for the three months ended March 31, 2026 and the restatement of the Company's previously issued unaudited condensed financial statements for that period. The error did not affect total net income, revenues, operating expenses, cash flows, assets, liabilities or stockholders' equity.

Remediation Plans for Material Weaknesses in Internal Control over Financial Reporting

We are committed to establishing and maintaining a strong internal control environment. In response to the identified material weakness as described above, the Company's Board of Directors and its Audit Committee are conducting an internal investigation to determine the root cause of the material weaknesses, with advice from outside advisors. Upon conclusion of this investigation, they will work with management to evaluate internal controls over financial reporting based on criteria set forth in "Internal Control – Integrated Framework (2013)" issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Remediation plans will include obtaining a current appraisal at least once a year in preparation for the Annual Report, and more often if the market appears to be weakening or other triggers for an indication of impairment have occurred. Management intends to establish procedures to ensure proper monitoring of indicators of impairment such as a significant market price decrease, adverse changes in physical condition/usage, legal factors, or current-period operating losses, for each reporting period. For complex transactions, management resolved to allow for more time and resources to determine proper accounting and disclosure of these transactions. Management intends to enhance the precision of the Company's technical accounting review control by establishing formal consultation and escalation criteria for complex warrant and financing arrangements, including required legal interpretation where contractual provisions may affect the accounting conclusion. Management will also require documented evaluation of all relevant contractual terms and evidence that identified accounting and legal considerations were fully resolved before the accounting treatment is finalized.

Inherent Limitations of Internal Controls

While we strive to create a stronger control environment, we recognize that it is impossible for our internal controls over financial reporting to prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. While we are committed to continuously improve and strengthen our control environment, over time, our internal controls over financial reporting may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Projections of any evaluation of effectiveness to future periods are subject to the risk that internal controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act during the three months ended March 31, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, the Company is a party to or otherwise involved in legal proceedings, including suits, assessments, regulatory actions and investigations generally arising out of the normal course of business. Such proceedings can be costly, time consuming, and unpredictable. Therefore, no assurance can be given on the outcome of any proceeding or the potential impact on our results of operations or financial condition.

The legal matters included in our Annual Report continue to apply to us and describe risks and uncertainties that could cause actual results to differ materially from the results expressed or implied by the forward-looking statements contained in this Quarterly Report. Additional facts not presently known to us or that we currently deem immaterial may also impair our business, financial condition and results of operations.

On July 18, 2024, we announced that, as of July 13, 2024, we and Dr. Hing C. Wong, our Founder and Chief Executive Officer, entered into a confidential Settlement Agreement and Release (the "Settlement Agreement") with Altor BioScience, LLC ("Altor"), NantCell, Inc. ("NantCell"), and ImmunityBio, Inc. (the parent of Altor and NantCell, together with Altor and NantCell, "ImmunityBio"), to resolve the previously disclosed Arbitration. The Arbitration and related Complaint were dismissed with prejudice on or about December 24, 2024. The Company retains ownership and control of the TOBI^{TM} platform and TOBI-based molecules, with no restrictions under the Settlement Agreement on our ability to use the TOBI^{TM} platform for protein-fusion molecules for non-oncology indications. We have rights to pursue oncology indications, in particular using HCW9302, HCW9206 and HCW9201. Further, the Company retains ownership of the AlloTera Therapeutics license and shares of AlloTera Therapeutics common stock transferred to the Company as the upfront licensing fee from AlloTera Therapeutics for granting the AlloTera Therapeutics license. For our molecule, HCW9218, we maintain the exclusive rights for clinical development and use of HCW9218 in the treatment of all non-oncological diseases. We retain ownership of our lead molecule, HCW9302, which expands T_{reg} cells and is designed to treat autoimmune diseases and other proinflammatory diseases, including cancer, and the ownership of HCW9206, a preclinical molecule which we are developing for the treatment of cancer and other age-related diseases. The Company agreed to provide ImmunityBio with a right of first refusal to enter a licensing agreement for oncology indications for HCW9206. We have no restrictions on the development of HCW9206 for our own clinical development activities, including oncology indications. Under the terms of the Settlement Agreement, ImmunityBio will own the cell line and supply for HCW9218, and the parties agreed that within six months from the date of the Settlement Agreement they will enter into a supply agreement providing the Company with a continuing supply of HCW9218 molecules. The Company also retains *in vivo* rights to HCW9201, a combination of IL-12, IL-15, and IL-18 in a single protein complex which is designed to stimulate activation and proliferation signals in human NK cells. The Company retains ownership of the cell lines for HCW9302, HCW9206 and HCW9201, and thus will retain independent control over manufacturing and supply for these compounds.

As the Company reported in a Form 8-K, on April 17, 2025, the Company received a summons and a copy of a complaint filed by BE&K in the Circuit Court of the 17th Judicial Circuit in and for Broward County, Florida (the "BE&K Complaint"). Other Defendants named in the BE&K Complaint who are subcontractors elected to filed counterclaims and cross-claims in response thereto. To our knowledge as of the date hereof, Cogent Bank, also named as a Defendant in the BE&K Complaint, has not elected to take legal action at this time. In addition, on April 28, 2025, the Company received a summons and a copy of a complaint filed by Fisk Electric Company (which is a defendant in the BE&K Litigation) in the Circuit Court of the 17th Judicial Circuit in and for Broward County, Florida (the "Fisk Complaint") against the Company, BE&K, and the other defendants in the BE&K Complaint. On August 8, 2025, B&I Contractors, Inc. ("B&I"), one of the defendants in the BE&K Complaint, filed a motion for summary judgment (the "MSJ") as to the Count I (Foreclosure of Construction Lien). The Company has responded to the BE&K and Fisk Complaints and cross-claims as well as the B&I MSJ. The cases were consolidated, and a Case Management conference was held. On February 19, 2026, a stipulation was submitted to the Court in connection with settlement and release agreement between the Company and B&I, calling for payment of $860,000 in total installments in settlement of amounts owed and an allowance for interest and other fees the last installment of which is payable on or before May 31, 2026. The remaining parties are engaged in discovery and the court set the case for trial in early December 2026.

On October 24, 2025, the Company was notified by Cogent Bank that it exercised its discretion to make a demand that the Company cure the Defaults no later than thirty (30) days after receipt of this letter in strict compliance with Section 7.2(3) of the Loan Agreement by: (i) paying and discharging all of the Claims of Lien and causing satisfactions to be recorded in the Public Records of Broward County, Florida for all of the Claims of Lien, and (ii) resolving all litigation against the Borrower and the mortgaged property described in the Mortgage and causing such claims in the Foreclosure Actions to be dismissed and all related notices of lis pendens to be released. The Company and Cogent Bank have had negotiations attempting to come to terms on a forbearance agreement to provide additional time for the Company to comply with the demands Cogent Bank made in the demand letter.

The Company entered into the Settlement Agreement to avoid the costs, disruption and distraction of further litigation. On December 30, 2025, the Company entered a settlement agreement with Cooley LLP ("Cooley") related to the remaining balance of $7.5 million still outstanding for the payment of legal fees incurred in connection the defense of Dr. Hing C. Wong, the Company's Founder and Chief Executive Officer. As a result of that agreement, the Company, Dr. Wong and Cooley agreed to settle a $7.5 million obligation for $2.0 million in cash and contingent payments up to $5.5 million upon achievement of certain triggering events, all of which were deemed to be remote as of March 31, 2026. In accordance with the terms of the settlement agreement, $500,000 was paid on December 31, 2025. Based on amendments to the settlement agreement, the Company paid $750,000 on March 20, 2026, and will pay the remaining $750,000 upon the earlier of the completion of a financing for at least $4.0 million in gross proceeds or August 31, 2026. As of December 31, 2025 and March 31, 2026, the Company reported a liability of $6.2 million and $5.4 million, respectively, for remaining amounts owed for legal fees related to the Arbitration which continue to remain outstanding.

On December 9, 2025, the Company entered into a settlement agreement with its contract development and manufacturing organization, EirGenix, Inc. ("EirGenix"). Outstanding obligations owed to EirGenix Inc. related to manufacturing costs were $1.7 million. The parties agreed to reduce this amount to $1.2 million if the amount was paid in full by April 30, 2026. The Company paid $620,000 on March 3, 2026. On May 13, 2026, The Company was granted an extension for the repayment of the remaining $620,000 to May 26, 2026, under the condition that the balance amount will need to be re-settled to reflect the additional costs associated with legal attorney and interest loss through the extension date.

On February 19, 2026, a stipulation was submitted to the Court in connection with a settlement and release agreement between the Company and B&I, calling for payment of $860,000 in total installments in settlement of amounts owed and an allowance for interest and other fees the last installment of which is payable on or before May 31, 2026.

Item 1A. Risk Factors.

There have been no material changes to the risk factors previously disclosed by us in our Annual Report. The risk factors included our Annual Report continue to apply to us and describe risks and uncertainties that could cause actual results to differ materially from the results expressed or implied by the forward-looking statements contained in this Quarterly Report. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business, financial condition and results of operations.

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

Standby Equity Line of Credit

On February 20, 2025, the Company entered into an equity purchase agreement (the "ELOC Purchase Agreement") with Square Gate Capital Master Fund, LLC – Series 4 ("Square Gate") pursuant to which, upon the terms and subject to the conditions and limitations set forth therein, the Company has the right to direct Square Gate to purchase up to an aggregate of $20,000,000 of shares of our Common Stock, plus, at the Company's option upon utilizing the initial $20,000,000, an additional amount equal to the lesser of 100% of the Company's market capitalization at the time of exercise of such option or $20,000,000, over the 36-month term of the ELOC Purchase Agreement. The Company issued 1,603 shares of our Common Stock to Square Gate on March 12, 2025, as its Commitment Fee under the ELOC Purchase Agreement (the "Commitment Shares"). On April 16, 2025, the U.S. Securities and Exchange Commission ("SEC") declared a registration statement effective to register the Commitment Shares and shares required to sell up to $40.0 million of the Company's shares to Square Gate, according to provisions of the Equity Purchase Agreement.

Restructuring and Conversion of Secured Notes

The holders of $6.6 million of the outstanding principal of the Secured Notes have agreed to and effected the conversion of the Secured Notes held by them into shares of the Company's Common Stock at a conversion price of $156.00 per share ("Conversion Shares"), warrants to purchase approximately $3.3 million of the Company's Common Stock at an exercise price of $156.00 per share ("Conversion Warrants"), and the right to their pro rata share of 49.11% of the proceeds of the Company's shares of AlloTera Therapeutics common stock ("AlloTera Therapeutics Shares"), if and when such shares are ever sold (the "AlloTera Therapeutics Proceeds"). The conversion was approved at a Special Meeting of Stockholders held on March 31, 2025 and was effected pursuant to the terms of the Conversion Amendment. On May 7, 2025, pursuant to the Conversion Amendment, the Secured Notes held by the participating noteholders were cancelled, and the Company issued a total of 42,181 unregistered shares of Common Stock (which are subject to a 180-day lock-up) and warrants to purchase an additional 21,099 shares of Common Stock at an exercise price of $156.00 per share. On January 29, 2026, the SEC declared effective a resale registration statement on Form S-1 (File Number 333-292652) covering the resale of shares of Common Stock and warrants issued to such note holders.

Inducement Agreement

On November 19, 2025, the Company entered into a warrant inducement agreement with an existing stockholder (the "Inducement Agreement"), pursuant to which the Investor agreed to immediately exercise in full all of its outstanding warrants originally issued on November 20, 2024 (as amended on May 15, 2025) and on May 15, 2025 (the "Existing Warrants") to purchase an aggregate of 251,702 shares of Common Stock at an amended exercise price of $15.96 per share, resulting in aggregate gross proceeds to the Company of approximately $4.0 million before fees and expenses. In consideration for the immediate exercise of the Existing Warrants, the Company issued to the Investor, in a private placement pursuant to Section 4(a)(2) of the Securities Act, new unregistered Common Stock Purchase Warrants (the "New Warrants") to purchase up to 503,402 shares of Common Stock at an exercise price of $14.46 per share. The New Warrants are exercisable immediately and expire five and one-half years from their issuance. The New Warrants and the shares of Common Stock issuable upon their exercise have not been registered under the Securities Act. The Company agreed, pursuant to the Inducement Agreement, to file a registration statement covering the resale of the shares issuable upon exercise of the New Warrants. Maxim Group LLC acted as a financial advisor in connection with this November 19, 2025 warrant inducement. On January 29, 2026, the SEC declared effective a resale registration statement on Form S-1 (File Number 333-292652) covering the resale of shares of Common Stock underlying the New Warrants.

Sale of Common Stock in Private Placement

On February 20, 2024, we entered into subscription agreements (the "Subscription Agreements") with certain officers and directors of the Company, including our Founder and Chief Executive Officer, our Chief Financial Officer and the Chairman of the Company's Board of Directors, pursuant to which the Company sold an aggregate of 7,441 shares of our Common Stock, at a purchase price of $336.00 per share for an aggregate purchase price of $2.5 million. The per share purchase price represents a 25% premium to the per share closing price of the Common Stock as reported on the Nasdaq Global Market on the February 20, 2024 and a 19% premium to the 5-day volume weighted average closing price per share of the Common Stock as reported on the Nasdaq Global Market for the period ending on the February 20, 2024.

The shares of Common Stock issued pursuant to the Subscription Agreements were not registered under the Securities Act of 1933, as amended, in reliance upon exemptions under Section 4(a)(2) of the Securities Act of 1933, as amended.

Issuer Repurchases of Equity Securities

None.

Item 3. Defaults Upon Senior Securities.

Not Applicable.

Item 4. Mine Safety Disclosures.

Not Applicable.

Item 5. Other Information.

Insider Adoption or Termination of Trading Arrangements

During the fiscal quarter ended March 31, 2026, none of our directors or officers informed us of the adoption, modification or termination of a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as those terms are defined in Regulation S-K, Item 408.

Secured Note Financing

On March 28, 2024, the Company entered into a senior secured note purchase agreement (the "Note Purchase Agreement") with the Purchasers (as defined in the Note Purchase Agreement), pursuant to which we agreed to issue senior secured notes in an aggregate principal amount of up to $10.0 million ("Secured Notes") to certain accredited investors, including unrelated parties as well as officers and directors of the Company. As of March 31, 2024, the Company had an initial closing and issued $2.0 million in Initial Secured Notes. As of June 30, 2024, all existing investors approved an Amended and Restated Note Purchase Agreement ("Amended and Restated Note Purchase Agreement"), with terms described below. As of September 30, 2024, the Amended and Restated Note Purchase Agreement was amended to extend the last closing date to issue Additional Secured Notes to October 31, 2024. The material terms of the Additional Secured Notes are identical to the terms of the Initial Secured Notes.

As of October 31, 2024, the Company issued an aggregate of $6.9 million of Secured Notes, with $2.9 million from the Company's officers and members of the board of directors, including $2.4 million purchased by Dr. Hing C. Wong, Founder and CEO, $220,000 purchased by Rebecca Byam, Chief Financial Officer, $140,000 purchased by Scott T. Garrett, Chairman of the board of directors, $60,000 purchased by Gary M. Winer, who was serving as a member of the board of directors at the time of his investment, $25,000 purchased by Lee Flowers, Senior Vice President for Business Development, and $25,000 purchased by Rick S. Greene, member of the board of directors.

The Senior Notes bear interest at a rate of 9% per annum, payable quarterly in arrears, and mature on August 30, 2026 (the "Maturity Date"), on which date the principal balance, accrued but unpaid interest, and other amounts that may be due under the terms of the Amended and Restated Note Purchase Agreement shall be due and payable. The Secured Notes may be prepaid on or prior to December 31, 2024, but will be subject to a 5% prepayment penalty ("Premium Amount"). Thereafter, the Senior Notes may be repaid upon a Mandatory Redemption event or at the end of the term.

As a condition to entering into the Amended and Restated Note Purchase Agreement, the Company, Mercedes M. Sellek, P.A. ("Escrow Agent"), and the Purchasers entered into that certain Escrow Agreement and Amended and Restated Pledge Agreement, dated July 2, 2024, pursuant to which the Company agreed to pledge our equity ownership interest in AlloTera Therapeutics (the "Pledged Collateral"), to be held and released by Escrow Agent according to the terms of the Escrow Agreement, as security for the Secured Notes.

Upon a qualifying event involving a transaction such as an acquisition, merger or initial public offering in which the Pledged Collateral can be sold or liquidated prior to the Maturity Date, subject to certain limitations (such as a threshold price per share in the case of an initial public offering), the Company agreed to repay all indebtedness (including accrued interest) related to the Secured Notes plus a Bonus Payment (as defined in the Amended and Restated Note Purchase Agreement). If there is no such mandatory redemption prior to the Maturity Date, the Company agreed to pay the holders of Secured Notes a Bonus Payment under certain circumstances.

Upon an Event of Default (as defined in the Amended and Restated Note Purchase Agreement), the Company will have a thirty (30) day cure period (the "Cure Period"), and if the Event of Default is not so cured at the end of the Cure Period, the Company is required to distribute the Pledged Collateral to the Purchasers on a *pro rata* basis, determined based on the issuance of $10.0 million in Secured Notes, in full satisfaction of the indebtedness evidenced by the Secured Notes.

The issuance of the Additional Secured Notes was exempt from the registration requirements of the Securities Act of 1933, as amended, in accordance with Section 4(a)(2), as a transaction by an issuer not involving a public offering. In addition, our Board of Directors and the Audit Committee of our Board of Directors reviewed the transaction under our policy for Related Party Transactions (the "Policy") and determined that the issuance of the Additional Secured Notes was in compliance with the Policy.

On February 20, 2025, the Company and certain Noteholders agreed to Principal Terms for Conversion of their Secured Notes. Noteholders and the Company agreed that, subject to stockholder approval, at least $6.6 million in principal amount of the Secured Notes will be converted into shares of our Common Stock at a conversion price of $156.00 per share. As part of the conversion, the Company will issue warrants to purchase shares of our Common Stock to the converting Noteholders for up to an additional $3.3 million of shares of our Common Stock, at an exercise price of $156.00 per share. Upon conversion, converting Noteholders would be subject to a lock-up period of 180 days from the date of conversion. Further, the Escrow Agreement will be amended such that the proceeds from the Pledged Collateral will be allocated among the Company and the converting Noteholders, as provided for in the Principal Terms. The conversion of principal amount of the Secured Notes will result in a dollar-for-dollar increase in stockholders' equity (partially offset by the carrying value of the portion of the Company's investment in the Pledged Collateral the proceeds of which will be paid to converting Noteholders), contributing to the Company's plan to gain compliance with the Nasdaq Minimum Shareholder Equity Rule and to maintaining listing of the our Common Stock on Nasdaq.

The Principal Terms of Conversion were approved at a Special Meeting of Stockholders held on March 31, 2025 and were effected pursuant to the terms of that certain Second Amendment to Amended and Restated Senior Secured Note Purchase Agreement and Related Agreements dated as of May 1, 2025 (the "Conversion Amendment"). On May 7, 2025, pursuant to the Conversion Amendment, the Secured Notes held by the participating noteholders were cancelled, and the Company issued a total of 42,181 unregistered shares of Common Stock (which are subject to a 180-day lock-up) and warrants to purchase an additional 21,099 shares of Common Stock at an exercise price of $156.00 per share. On January 29, 2026, the SEC declared effective a resale registration statement on Form S-1 (File Number 333-292652) covering the resale of shares of Common Stock and warrants issued to such note holders.

Unsecured Promissory Notes

As of May 5, 2025, the Company issued a total of $270,000 principal amount of unsecured convertible promissory notes that mature on May 5, 2026 with paid in kind interest accruing thereon, payable quarterly in arrears at 10% per annum (the "Convertible Bridge Notes"). In accordance with their terms, following the completion of a qualified offering, the Convertible Bridge Notes were converted into shares of our Common Stock at the final offering price in an offering that closed on May 15, 2025. In addition, holders of the Convertible Bridge Notes have the right to receive a portion of the proceeds of the Company's shares of AlloTera Therapeutics common stock, if and when such shares are ever sold, determined by the number of the AlloTera Therapeutics shares equal to 0.25 multiplied by the original principal amount, in dollars, of the Convertible Bridge Notes. Investors included: $60,000 invested by Hing C. Wong, the Company's Founder and CEO; $100,000 invested by Scott T. Garrett, the Chairman of the Company's Board of Directors; and $10,000 invested by Gary M. Winer, who was serving as a member of the Company's Board of Directors at the time of his investment. As of May 15, 2025, the outstanding principal of Convertible Bridge Notes were converted upon completion of a $5.0 million equity financing.

Special Meeting of Stockholders

As required in the $1.5 million equity offering and repricing of existing warrants that closed on February 19, 2026, the Company held a Special Meeting of Stockholders on April 27, 2026 at 10:00 a.m. Eastern Time. At the Special Meeting the Company submitted the following two proposals to its stockholders for approval:

Proposal 1: To approve, for purposes of complying with Nasdaq Listing Rule 5635(d), the issuance of shares of our Common Stock upon exercise of up to 412,882 Common Stock Purchase Warrants (the "Common Warrants") issued pursuant to that certain Securities Purchase Agreement, dated February 17, 2026 (the "SPA"), entered into in connection with the Company's follow-on public offering of Units (the "Offering"), which Offering was conducted pursuant to a registration statement (the "Registration Statement") declared effective by the SEC on February 17, 2026 and closed on February 19, 2026, as previously disclosed in the Company's Current Report on Form 8-K filed on February 19, 2026, each Unit consisting of (i) one share of Common Stock or one Pre-Funded Warrant to purchase one share of Common Stock and (ii) one Common Warrant, with such Common Warrants exercisable only upon receipt of stockholder approval and having an exercise price equal to 100% of the public offering price per Unit, and such additional terms and conditions of the Common Warrants not materially inconsistent with the foregoing as our Board may hereafter approve; and

Proposal 2: To approve, for purposes of complying with Nasdaq Listing Rule 5635(d), the repricing of certain warrants issued on November 20, 2025 to purchase up to 503,402 shares of our Common Stock (the "Existing Warrants") pursuant to that certain Existing Warrants Amendment Agreement, dated February 17, 2026, entered into in connection with the Offering conducted pursuant to the Registration Statement (as disclosed in the Company's Current Report on Form 8-K filed on February 19, 2026), to reduce the exercise price of the Existing Warrants from $14.46 per share to $3.633 per share, and to approve the issuance of shares of our Common Stock upon exercise of the Existing Warrants as so amended, and such additional terms and conditions of such amendment not materially inconsistent with the foregoing as our Board may hereafter approve.

The Special Meeting was adjourned due to lack of quorum. These two proposals were added to the proposals presented to stockholders for their consideration in a definitive proxy filed for the Annual Meeting on April 28, 2026.

Change in Quorum Approved Unanimously by Board of Directors

On April 15, 2026, our Board of Directors unanimously approved and adopted an amendment to the Company's Bylaws (as amended and restated to date, the "Bylaws"). The amendment, which is effective from and after April 28, 2026, lowers the quorum requirement contained in Section 1.5 of the Bylaws to provide that holders of thirty-three and one-third percent (33 1/3%) of the voting power, which includes the voting power that is present in person or by proxy, regardless of whether the proxy has authority to vote on any matter, constitutes a quorum for the transaction of business.

Annual Meeting of Stockholders

On April 28, 2026, the Company filed a definitive proxy for our Annual Meeting to be held on June 15, 2026, at which the Company will submit the following five proposals to its stockholders for approval:

1. Election of Directors. To elect the Class II directors listed in the accompanying proxy statement to serve a three-year term expiring at the 2029 annual meeting of stockholders and until such director's successor is duly elected and qualified or until such director's earlier death, resignation, disqualification or removal ("Proposal One").

2. Appointment of Company's Auditors. To ratify the appointment of Crowe LLP as the independent registered public accounting firm of HCW Biologics Inc. for the fiscal year ending December 31, 2026 ("Proposal Two").

3. Reverse Stock Split to Maintain Nasdaq Listing. To approve an amendment to the Company's certificate of incorporation on or before the one (1) year anniversary of the Annual Meeting, to implement one or more reverse stock splits of the outstanding shares of the Company's common stock, par value $0.0001 per share (our "Common Stock") (as necessary to maintain a listing of our Common Stock on The Nasdaq Stock Market LLC ("Nasdaq")) in an aggregate range from one-for-five (1::5) up to one-for-twenty (1::20). ("Proposal Three").

4. Issuance of Shares Upon Exercise of Common Warrants. To approve, for purposes of complying with Nasdaq Listing Rule 5635(d), the issuance of shares of our Common Stock upon exercise of up to 412,882 Common Stock Purchase Warrants (the "Common Warrants") issued pursuant to that certain Securities Purchase Agreement, dated February 17, 2026, entered into in connection with the Company's follow-on public offering of Units, consisting of one share of Common Stock purchased for $3.633 and one Common Warrant which may be exercised to purchase one share of Common Stock for $3.633 per share. The Company is obliged to submit this proposal for a stockholders' vote every 60 days, until passed. ("Proposal Four"); and

5. Warrants Repricing Proposal. To approve, for purposes of complying with Nasdaq Listing Rule 5635(d), the repricing of certain warrants issued on November 20, 2025 to purchase up to 503,402 shares of our Common Stock pursuant to that certain Existing Warrants Amendment Agreement, dated February 17, 2026, to reduce the exercise price of the Existing Warrants to $3.633 per share, and to approve the issuance of shares of our Common Stock upon exercise of the Existing Warrants as so amended. The Company is obliged to submit this proposal for a stockholders' vote every 60 days, until passed or until such warrants are no longer outstanding**.** (**"**Proposal Five").

Item 6. Exhibits.

The exhibits filed or furnished as part of this Quarterly Report on Form 10-Q are set forth on the Exhibit Index, which Exhibit Index is incorporated herein by reference.

Exhibit Index

Exhibit No.	Exhibit title	Incorporated by reference				Filed or furnished herewith
		Form	File No.	Exhibit No.	Filing date	
3.1	Amended and Restated Certificate of Incorporation	8-K	001-40591	3.1	07/26/2021	
3.1a	Certificate of Amendment of Certificate of Incorporation, filed March 31, 2025	8-K	001-40591	3.1a	04/01/2025	
3.1b	Certificate of Correction of the Certificate of Amendment of Certificate of Incorporation, filed April 1, 2025	8-K	001-40591	3.1b	04/01/2025	
3.2	Amended and Restated Bylaws	8-K	001-40591	3.2	07/26/2021	
4.1	Specimen Stock Certificate	S-1/A	333-256510	4.1	07/09/2021	
4.2	Description of Securities	10-K	001-40591	4.2	03/29/2022	
4.3	Form of New Warrant	8-K	001-40591	4.1	11/20/2025	
4.4	Form of Common Stock Purchase Warrant	8-K	001-40591	4.1	02/19/2026	
4.5	Form of Common Stock Warrant, dated May 7, 2025, between Company and Holder	10-Q	001-40591	10.13	08/18/2025	
4.7	Form of Pre-Funded Warrant Purchase Warrant	S-1	333-295280	4.7	04/23/2026	
10.1	Form of Inducement Agreement between the Company and Armistice Capital Management LLC	8-K	001-40591	10.1	11/20/2025	
10.2	Securities Purchase Agreement, dated February 17, 2026, between Company and Purchaser	8-K	001-40591	10.2	02/19/2026	
10.3	Amendment to Existing Warrants Agreement, dated February 17, 2026, between the Company and Purchaser	8-K	001-40591	10.3	02/19/2026	
10.4	Form of Lock-up Agreement	S-1	333-393396	10.42	02.11.2026	
10.5	Form of Indemnification Agreement between HCW Biologics Inc. and each of its officers and directors.	S-1/A	333-256510	10.1	07/09/2021	
10.6+	2019 Equity Incentive Plan, as amended, and forms of agreement thereunder.	S-1	333-256510	10.2	07/09/2021	
10.7+	First Amendment to 2019 Equity Incentive Plan.	S-1	333-256510	10.3	07/09/2021	
10.8+	2021 Equity Incentive Plan and forms of agreement thereunder	S-1	333-256510	10.4	07/09/2021	
10.9+	Employment Agreement, dated July 6, 2021, between Peter Rhode and HCW Biologics Inc.	S-1	333-256510	10.6	07/09/2021	
10.10+	Employment Agreement, dated October 9, 2019, between Rebecca Byam and HCW Biologics Inc.	S-1	333-256510	10.7	07/09/2021	

Exhibit No.	Exhibit title	Incorporated by reference				Filed or furnished herewith
		Form	File No.	Exhibit No.	Filing date	
10.11+	Non-Employee Director Compensation Policy.	S-1	333-256510	10.8	07/09/2021	
10.12+	Employment Agreement, dated June 18, 2021, between Dr. Hing C. Wong and HCW Biologics Inc.	S-1	333-256510	10.13	07/09/2021	
10.13+	Executive Incentive Bonus Plan	S-1	333-256510	10.11	07/09/2021	
10.14†	Exclusive License Agreement, dated December 24, 2020, between HCW Biologics Inc. and AlloTera Therapeutics, Inc.	S-1	333-256510	10.10	07/09/2021	
10.15†	Master Services Agreement, dated March 14, 2019, between HCW Biologics Inc. and EirGenix, Inc.	S-1	333-256510	10.12	07/09/2021	
10.16†#	Purchase and Sale Agreement, by and between HCW Biologics Inc. and Wai 3300 Corporate Way, LLC, dated May 27, 2022	10-Q	001-40591	10.1	08/12/2022	
10.17#	Loan Agreement by and between HCW Biologics Inc. and Cogent Bank, dated August 15, 2022	10-Q	001-40591	10.1	11/07/2022	
10.18#	Mortgage and Security Agreement by and between HCW Biologics Inc. and Cogent Bank, dated August 15, 2022	10-Q	001-40591	10.2	11/07/2022	
10.19	Form of Subscription Agreement, dated February 20, 2024, by and between the Company and the Subscribers party thereto	8-K	001-40591	10.1	02/22/2024	
10.20	Form of Amended and Restated Senior Secured Note Purchase Agreement, dated July 2, 2024, by and between the Company and the Purchase party thereto	10-Q	001-40591	10.1	08/14/2024	
10.21	Form of Amended and Restated Pledge Agreement, dated July 2, 2024, by and among the Company, Escrow Agent and Noteholder parties thereto	10-Q	001-40591	10.3	08/14/2024	
10.22	Form of Escrow Agreement, dated May 1, 2025, by and between the Company, Escrow Agent and Noteholder party thereto	10-Q	001-40591	10.4	08.14.2024	
10.23	Form of First Amendment to Amended and Restated Secured Note Purchase Agreement, dated September 30, 2024, by and between the Company and Purchaser party thereto	10-Q	001-40591	10.5	11/14/2024	
10.24	Form of Secured Promissory Note by and between the Company and the Holder party thereof	10-Q	001-40591	10.2	08/14/2024	
10.25	Second Amendment to Amended and Restated Senior Secured Note Purchase Agreement and Related Agreements, dated May 1, 2025, between Company and Holder	10-Q	001-40591	10.12	08/18/2025	
10.26	Equity Purchase Agreement, dated February 20, 2025, between the Company and Square Gate Master Fund - Series 4.	8-K	001-40591	10.1	2/21/2025	
10.27	Registration Rights Agreement, dated February 20, 2025, between the Company and Square Gate Master Fund - Series 4	8-K	001-40591	10.2	2/21/2025	
10.28	First Amendment to the Equity Purchase Agreement, dated August 14, 2025, between the Company and Square Gate Master Fund - Series 4.	8-K	001-40591	10.1	08/15/2025	

Exhibit No.	Exhibit title	Incorporated by reference				Filed or furnished herewith
		Form	File No.	Exhibit No.	Filing date	
10.29	Amended and Restated Amended and Restated License, Research and Co-Development Agreement, dated November 17, 2025, between the Company and Beijing Trimmune Biotech Co., Ltd.	S-1	333-293396	10.40	02/11/2026	
10.30†#	Amendment 1 to Amended and Restated License, Research and Co-Development Agreement, dated January 27, 2026, between the Company and Beijing Trimmune Biotech Co., Ltd.	S-1	333-293396	10.43	02/11/2026	
10.31†#	Shareholder Purchase Agreement, dated October 10, 2025, between co-founders of Beijing Trimmune Biotech Co., Ltd., including the Company	S-110.35	333-293396	10.44	02/11/2026	
10.32	Exclusive License Agreement 12-Month Suspension, dated May 29, 2025, between the Company and AlloTera Therapeutics, Inc.	10-Q	001-40591	10.17	08/18/2025	
10.33	Settlement Agreement and Release, dated July 13, 2024, by and between the Company and Altor BioScience, LLC, NantCell, Inc., and ImmunityBio, Inc.	10-Q	001-40591	10.6	11/14/2024	
10.34	Placement Agency Agreement, dated February 17, 2026, between the Company and Maxim Group LLC	8-K	001-40591	10.1	02/19/2026	
10.40	Definitive Proxy Statement dated April 28, 2026, on Form 14A, including Appendices	DEF 14A	001-40591	—	04/28/2026	

Exhibit Number	Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit No.	Filing Date	
31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1*	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
32.2*	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
101	The following materials from the Company's Quarterly Report on Form 10-Q/A, Amendment No. 1, for the quarter ended March 31, 2026, formatted in Inline XBRL (eXtensible Business Reporting Language): (i) the Condensed Balance Sheets as of December 31, 2025 and March 31, 2026 (unaudited); (ii) the Condensed Statements of Operations for the three months ended March 31, 2025 (unaudited) and March 31, 2026 (unaudited); (iv) the Condensed Statements of Changes in Stockholders' Equity for the three months ended March 31, 2025 (unaudited) and March 31, 2026 (unaudited); (v) the Condensed Statements of Cash Flows for the three months ended March 31, 2025 (unaudited) and March 31, 2026 (unaudited); and (vi) the notes to the Condensed Financial Statements (unaudited).					X
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)					X

***** *This certification is deemed not filed for purpose of Section 18 of the Exchange Act or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act.*

+ Indicates a management contract or compensatory plan or arrangement.

†† Certain information in this document has been excluded pursuant to Item 601(b)(10) of Regulation S-K. Such excluded information is not material and is the type of information the Registrant treats as private and confidential. The Registrant agrees to furnish supplementally such information to the SEC upon request.

 # Certain information in this document has been excluded pursuant to Item 601(a)(5) or (a)(6) of Regulation S-K. The Registrant agrees to furnish supplementally such information to the SEC upon request.

SIGNATURES

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

HCW Biologics Inc.

Date: August 14, 2026

By: */s/ Hing C. Wong*
Hing C. Wong
Chief Executive Officer
(Principal Executive Officer)

Date: August 14, 2026

By: */s/ Rebecca Byam*
Rebecca Byam
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 31.1

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

I, Hing C. Wong, certify that:

1. I have reviewed this Amendment No. 1 to the Quarterly Report on Form 10-Q/A of HCW Biologics Inc. for the quarter ended March 31, 2026;

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

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

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

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

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

/s/ Hing C. Wong

Hing C. Wong
Founder and Chief Executive Officer
(Principal Executive Officer)

Date: August 14, 2026

Exhibit 31.2

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

I, Rebecca Byam, certify that:

1. I have reviewed this Amendment No. 1 to the Quarterly Report on Form 10-Q/A of HCW Biologics Inc. for the quarter ended March 31, 2026;

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

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

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

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

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

/s/ Rebecca Byam
Rebecca Byam
Chief Financial Officer
(Principal Financial Officer)

Date: August 14, 2026

Exhibit 32.1

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

In connection with Amendment No. 1 to the Quarterly Report of HCW Biologics Inc. (the "Company") on Form 10-Q/A for the period ended March 31, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

Date: August 14, 2026

By: */s/ Hing C. Wong*
Hing C. Wong
Founder and Chief Executive Officer
(Principle Executive Officer)

Exhibit 32.2

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

In connection with Amendment No. 1 to the Quarterly Report of HCW Biologics Inc. (the "Company") on Form 10-Q/A for the period ended March 31, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

Date: August 14, 2026

By: */s/ Rebecca Byam*
Rebecca Byam
Chief Financial Officer
(Principal Financial Officer)