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

FORM 10-K

(Mark one)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

☐ TRANSITION REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934
for the transition period from to

Commission File Number **001-41282**

SUNSHINE BIOPHARMA INC.
(Exact name of registrant as specified in its charter)

Colorado	**20-5566275**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

333 Las Olas Way
CU4 Suite 433
Fort Lauderdale, FL 33301
(Address of principal executive offices)

(954) 330-0684
(Registrant's Telephone Number, including area code)

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

Title of each class:	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common Stock, par value $0.001	SBFM	Nasdaq Capital Market
Warrants	SBFMW	Nasdaq Capital Market

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the 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 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 definition of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold on June 30, 2025, was $7,061,719.

As of April 2, 2026, the Registrant had 4,905,945 shares of common stock, par value $0.001 issued and outstanding.

Documents Incorporated by reference: None

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DEFINED TERMS

Unless the context requires otherwise, references to "Sunshine," "the Company," "we," "us" or "our" in this Form 10-K refer to Sunshine Biopharma Inc. and its subsidiaries. The following are definitions for terms or abbreviations used in this Form 10-K:

ASC	Accounting Standards Codification
ANDS	Abbreviated New Drug Submission
ASU	Accounting Standards Update issued by FASB
CAD	Canadian Dollar
CODM	Chief Operating Decision Maker
COSO	Committee of Sponsoring Organizations of the Treadway Commission
COVID-19	Novel coronavirus disease of 2019
CSF	NIST Cybersecurity Framework
DIN	Drug Identification Number, an eight-digit number issued by Health Canada authorizing the sale of a drug in Canada
EPS	Earnings per share
EUA	Emergency Use Authorization
FASB	Financial Accounting Standards Board
FDA	U.S. Food and Drug Administration
FDA Form 483	An official list of inspectional findings that an FDA investigator issues at the end of an inspection
FDIC	Federal Deposit Insurance Corporation
FIFO	First-In-First-Out method for inventory valuation
FTC	Federal Trade Commission
G&A	General and Administrative
GAAP	Generally Accepted Accounting Principles
GDPR	General Data Protection Regulation
GMP	Good Manufacturing Practice
GST	Goods and Services Tax (Canada)
HPFB	Health Products and Food Branch of Health Canada
Health Canada	The Canadian drug regulatory body
HIPPA	Health Insurance Portability and Accountability Act
IND	Investigational New Drug
IT	Information Technology
LNP	Lipid Nano Particle
K1.1 mRNA	The laboratory designation of the Company's mRNA based anticancer therapy under development
MD&A	Management's Discussion and Analysis of Financial Condition and Results of Operations
MERS-CoV	Middle East Respiratory Syndrome Coronavirus
MNPI	Material Non-Public Information
Mpro	Coronavirus main protease
mRNA	Messenger ribonucleic acid
NDA	New Drug Application
NOC	Notice of Compliance issued by Health Canada
Nora Pharma	Nora Pharma Inc., a wholly-owned subsidiary of the Company acquired on October 20, 2022
NPN	Natural Product Number, an eight-digit number issued by Health Canada authorizing the sale of a natural product or a supplement in Canada
OTC	Over-The-Counter
pCPA	pan-Canadian Pharmaceutical Alliance, an alliance of the provincial, territorial and federal governments that determines generic drugs pricing
PCT	Patent Cooperation Treaty
PLpro	Coronavirus papain-like protease
QST	Quebec Sales Tax (Canada)
R&D	Research and Development
ROU	Right of Use
SAR	Stock Appreciation Right
SARS Coronavirus	Severe Acute Respiratory Syndrome Coronavirus, the group of coronaviruses that includes SARS-CoV-2, MERS-CoV, and SARS-CoV
SARS-CoV	Severe Acute Respiratory Syndrome Coronavirus that first appeared in 2003
SARS-CoV-2	Severe Acute Respiratory Syndrome Coronavirus 2, the virus that causes COVID-19
SBFM-PL4	Laboratory designation of the Company's SARS Coronavirus treatment under development
SEC	U.S. Securities and Exchange Commission
SOC	Security Operations Center
Street Name	Securities held in the name of a brokerage firm on behalf of a client
Sunshine Canada	Sunshine Biopharma Canada Inc., a wholly owned subsidiary of the Company
U.S.	United States of America
USD	U.S. Dollars. All applicable references in this report refer to US Dollars unless otherwise specifically stated.
USPTO	United States Patent and Trademark Office

FORWARD LOOKING STATEMENTS

This Annual Report on Form 10-K 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. The statements regarding Sunshine Biopharma Inc. contained in this Report that are not historical in nature, particularly those that utilize terminology such as “may,” “will,” “should,” “likely,” “expects,” “anticipates,” “estimates,” “believes” or “plans,” or comparable terminology, are forward-looking statements based on current expectations and assumptions, and entail various risks and uncertainties that could cause actual results to differ materially from those expressed in such forward-looking statements.

Important factors known to us that could cause such material differences are identified in this Report. We undertake no obligation to correct or update any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable law. You are advised, however, to consult any future disclosures we make on related subjects in future reports we file with the SEC.

PART I

ITEM 1. BUSINESS

About Sunshine Biopharma

We are a pharmaceutical company offering and researching life-saving medicines in a wide variety of therapeutic areas, including oncology and antivirals. We have two wholly owned subsidiaries: (i) Nora Pharma Inc. ("Nora Pharma"), a Canadian corporation, through which we currently have 71 generic prescription drugs on the market in Canada, and (ii) Sunshine Biopharma Canada Inc. ("Sunshine Canada"), a Canadian corporation which develops and sells OTC supplements.

In addition, we are conducting a proprietary drug development program which is comprised of (i) K1.1 mRNA, an LNP encapsulated mRNA targeted for liver cancer, and (ii) SBFM-PL4, a protease inhibitor for treatment of SARS Coronavirus infections.

Commercial Operations

Our commercial operations are focused on the procurement of rights to pharmaceutical products for sale, currently in Canada and ultimately around the world. We seek to secure such rights through various types of strategic arrangements, including:

- **In-licensing and Supply Agreements:** Nora Pharma acquires the rights to import, market, sell and distribute the products in Canada by purchasing the drug dossiers from strategic partners. Nora Pharma then files the dossiers with Health Canada to obtain regulatory approval prior to marketing. The approval process at Health Canada takes on average of 12 months. The products are sold under Nora Pharma label.

- **Cross-licensing:** Nora Pharma acquires the rights to import, market, sell and distribute the products in Canada by receiving an authorization letter from pharmaceutical partners. The partners' products are already approved in Canada but we are still required to obtain our own approval from Health Canada, which takes on average 45-60 days. The products are sold under Nora Pharma label.

- **Distribution Agreements:** Nora Pharma acquires the rights to market, sell and distribute the products in Canada by signing a distribution agreement with pharmaceutical partners. The partners' products are already approved by Health Canada. The products are sold under the partners' label.

Generic drugs are pharmaceutically equivalent to the brand name drugs. They contain identical medicinal ingredients in the same amounts as the brands. Generic medications may have different non-medicinal ingredients than the brand name drugs, but the generic developer must show that these do not affect the safety, efficacy, or quality of the drug compared to the brand. When a generic drugs company wants to sell a generic drug in Canada, it must file a generic drug submission with Health Canada. The submission is called an Abbreviated New Drug Submission (ANDS). The submission is reviewed by scientists and health care experts at Health Products and Food Branch (HPFB) of Health Canada. All generic drug submissions go through the same process as the brand name drug submissions. If the evaluation shows that the generic drug meets all regulatory requirements (including patent and data protection considerations), Health Canada will issue a Notice of Compliance (NOC) and a Drug Identification Number (DIN) to the applicant. The NOC and DIN signal the drug's official approval in Canada and permit the applicant to market the drug in Canada. Once a company obtains the NOC and DIN for a drug, then it begins the process with Pan-Canadian Pharmaceutical Alliance (pCPA) in order to have the drug listed on the provincial and territorial formularies and federal government drug benefit plans.

We currently have the following generic prescription drugs on the market in Canada:

Drug	Therapeutic Area	Brand
Abiraterone*	Oncology	Zytiga®
Alendronate	Osteoporosis	Fosamax®
Amlodipine	Cardiovascular	Norvasc®
Apixaban	Cardiovascular	Eliquis®
Aripiprazole	Antipsychotic	Abilify®
Atorvastatin	Cardiovascular	Lipitor®
Azithromycin	Antibacterial	Zithromax®
Betahistine	Vertigo	Serc®
Bilastine	Allergy	Blexten®
Candesartan	Hypertension	Atacand®
Candesartan HCTZ	Hypertension	Atacand Plus®
Celecoxib	Anti-inflammatory	Celebrex®
Cetirizine	Allergy	Reactine®
Ciprofloxacin	Antibiotic	Cipro®
Citalopram	Central nervous system	Celexa®
Clindamycin	Antibiotic	Dalacin®
Clobetasol*	Anti-inflammatory	Clobex®
Clopidogrel	Cardiovascular	Plavix®
Dapagliflozin	Diabetes	Forxiga®
Daptomycin*	Antibacterial	Cubicin®
Dasatinib*	Oncology	Sprycel®
Docusate	Gastroenterology	Colace®
Donepezil	Central nervous system	Aricept®
Doxycycline	Antibacterial	Vibramycin®
Duloxetine	Central nervous system	Cymbalta®
Dutasteride	Urology	Avodart®
Ertapenem*	Antibacterial	Invanz®
Escitalopram	Central nervous system	Cipralex®
Everolimus*	Oncology	Afinitor®
Ezetimibe	Cardiovascular	Ezetrol®
Finasteride	Urology	Proscar®
Fluconazole	Antifungal	Diflucan®
Fluoxetine	Central nervous system	Prozac®
Gabapentin	Central nervous system	Neurontin®
Hanzema®*	Dermatology	Toctino®
Hydroxychloroquine	Antimalarial	Plaquenil®
Letrozole	Oncology	Femara®
Levetiracetam	Central nervous system	Keppra®
Lurasidone	Antipsychotic	Latuda®
Metformin	Diabetes	Glucophage®
Mirtazapine	Central nervous system	Remeron®
Montelukast	Allergy	Singulair®
Olanzapine	Central nervous system	Zyprexa®
Olanzapine ODT	Central nervous system	Zyprexa®
Olmesartan	Cardiovascular	Olmetec®
Olmesartan HCTZ	Cardiovascular	Olmetec Plus®
Pantoprazole	Gastroenterology	Pantoloc®
Paroxetine	Central nervous system	Paxil®
Pegfilgrastim	Oncology	Neulasta®
Perindopril	Cardiovascular	Coversyl®
Pravastatin	Cardiovascular	Pravachol®

Pregabalin	Central nervous system	Lyrica®
Progesterone*	Women's Health	Prometrium®
Prucalopride	Women's Health	Resotran®
Quetiapine	Central nervous system	Seroquel®
Quetiapine XR	Central nervous system	Seroquel XR®
Ramipril	Cardiovascular	Altace®
Rivaroxaban*	Cardiovascular	Xarelto®
Rizatriptan ODT	Central nervous system	Maxalt® ODT
Rosuvastatin	Cardiovascular	Crestor®
Sertraline	Central nervous system	Zoloft®
Sildenafil	Urology	Viagra®
Tadalafil	Urology	Cialis®
Telmisartan	Cardiovascular	Micardis®
Telmisartan HCTZ	Cardiovascular	Micardis Plus®
Topiramate	Anticonvulsant	Topamax®
Ursodiol	Cholelithiasis	Urso®
Varenicline	Smoking cessation	Champix®
Zoledronic Acid*	Osteoporosis	Aclasta®
Zolmitriptan	Central nervous system	Zomig®
Zopiclone	Central nervous system	Imovane®

*Sold through distribution agreements in which we act as distributor.

In addition to the 71 drugs currently on the market, we have 22 additional drugs in our pipeline including 12 we anticipate launching during the remainder of 2026. These additional drugs will address various human health areas including cardiovascular, oncology, gastroenterology, central nervous system, diabetes, urology, endocrinology, anti-infective, and anti-inflammatory.

We believe the addition of these products to our existing portfolio will strengthen our presence in the Canadian $10.4 billion a year generic drugs market (*IMARC Group*) and provide us with greater access to pharmacies as we become more of a go-to supplier for every-day and specialty medicines.

Research and Development

The following table summarizes our proprietary drugs in development:

Drug Candidate	Therapeutic Area/Indication	Development Stage
K1.1 (mRNA LNP)	Oncology (Liver Cancer)	Animal Testing
SBFM-PL4 (Small Molecule)	Antiviral (SARS Coronavirus)	Animal Testing

K1.1 Anticancer mRNA

In June 2021, we initiated a new research project in which we set out to determine if certain mRNA molecules can be used as anti-cancer agents. The data collected to date have shown that a selected group of mRNA molecules are capable of destroying cancer cells in vitro including multidrug resistant breast cancer cells (MCF-7/MDR), ovarian adenocarcinoma cells (OVCAR-3), and pancreatic cancer cells (SUIT-2). Studies using non-transformed (normal) human cells (HMEC cells) showed that these mRNA molecules had little cytotoxic side effects. These new mRNA molecules, bearing the laboratory name K1.1, were adapted for delivery into patients using a lipid nanoparticle (LNP) technology similar to the one employed in the COVID-19 mRNA vaccines. On April 20, 2022, we filed a provisional patent application in the United States covering our K1.1 mRNA molecules.

In November 2022, we concluded an agreement with a specialized commercial partner for the purposes of formulating our K1.1 mRNA molecules into specific lipid nanoparticles for use in test animals including xenograft mice. The initial results of our animal testing indicated that our K1.1 mRNA-LNP constructs were effective at reducing the size of liver cancer tumors in xenograft mice. We are currently seeking to confirm these results by conducting additional xenograft experiments on a broader scale and in more detailed dose-response studies.

SBFM-PL4 SARS Coronavirus Treatment

The initial genome expression products following infection by Betacoronavirus, the causative agent of COVID-19, are two large polyproteins, referred to as pp1a and pp1ab. These two polyproteins are cleaved at 15 specific sites by two virus encoded proteases, called Mpro and PLpro, to generate 16 different non-structural proteins essential for viral replication. Mpro and PLpro represent attractive anti-viral drug development targets as they play a central role in the early stages of viral replication. PLpro is of particular interest as a therapeutic target in that, in addition to processing essential viral proteins, it is also responsible for suppression of the human immune system making the virus more life-threatening. PLpro is present only in Betacoronaviruses, the subgroup of Coronaviruses represented by the highly pathogenic SARS-CoV, MERS-CoV, and SARS-CoV-2.

Our Anti-Coronavirus research effort has been focused on developing an inhibitor of PLpro and, on May 22, 2020, we filed a provisional patent application in the United States covering composition subject matter pertaining to small molecules for inhibition of the Coronavirus PLpro as well as Mpro. Our provisional patent application, entitled *Inhibitors of Coronavirus Protease*, was converted into a PCT patent application on April 30, 2021. On December 23, 2025, we received a Notice of Allowance from the USPTO for our PCT patent application. Full patents are typically issued by the USPTO 4 to 8 weeks following the issuance of the Notice of Allowance and payment of the issue fees.

In February 2022, we expanded our PLpro inhibitors research effort by entering into a research agreement with the University of Arizona for the purposes of conducting research focused on determining the in vivo safety, pharmacokinetics, and dose selection properties of three University of Arizona owned PLpro inhibitors, to be followed by efficacy testing in mice infected with SARS-CoV-2 (the “Research Project”). Under the agreement, the University of Arizona granted us a first option to negotiate a commercial, royalty-bearing license for all intellectual property developed by University of Arizona under the Research Project. In addition, we and the University of Arizona have entered into an option agreement (the “Option Agreement”) whereby we were granted a first option to negotiate a royalty-bearing commercial license for the underlying technology of the Research Project. On September 13, 2022, we exercised our options, and on February 24, 2023, we entered into an exclusive worldwide license agreement with the University of Arizona for all of the technology related to the Research Project.

We have since broadened our objective to include the development of a first-in-class PLpro inhibitor to treat SARS-CoV2 and potentially SARS-CoV and MERS-CoV infection in patients who could not use Paxlovid, Molnupiravir, or Remdesivir, due to concerns about drug interactions and possible rebound infections and other side effects.

Our current lead compound has been found to be active at sub micromolar concentrations against PLpro and exhibited antiviral activity in SRAS-CoV-2 infected cells as well as in cells infected with several different variants of concern. In addition, our compound had favorable pharmacokinetics properties in rodent species and exhibited preferred drug accumulation in the lungs over plasma. The compound was found to be orally active in a K18-human-ACE2 transgenic mouse model and to significantly reduce virus load in the lungs of infected animals in a dose-dependent manner without gross toxicities. In August 2024, we published these and other research results related to this project in the Journal of Medicinal Chemistry (*J. Med. Chem. 2024, 67, 13681−13702*). A copy of this article is available on our website at: www.sunshinebiopharma.com/scientific-publications. Additional research results on our lead compound have recently been submitted for publication in the Journal of Medicinal Chemistry and the research article has been peer-reviewed and is currently in press.

Intellectual Property

On May 22, 2020, we filed a provisional patent application in the United States for a new treatment for Coronavirus infections. Our patent application, entitled *Inhibitors of Coronavirus Protease*, covers composition subject matter pertaining to small molecules for inhibition of the main Coronavirus protease, Mpro, an enzyme that is essential for viral replication. The patent application has a priority date of May 22, 2020. On April 30, 2021, we filed a PCT application containing new research results and extending coverage to include the Coronavirus Papain-Like protease, PLpro. The priority date of May 22, 2020 has been maintained in the newly filed PCT application. On December 23, 2025, we received a Notice of Allowance from the USPTO for our PCT patent application. Full patents are typically issued by the USPTO 4 to 8 weeks following the issuance of the Notice of Allowance and payment of the issue fees.

On April 20, 2022, we filed a provisional patent application in the United States covering mRNA molecules capable of destroying cancer cells in vitro. The patent application contains composition and utility subject matter pertaining to the structure and sequence of the relevant mRNA molecules.

Effective February 24, 2023, we became the exclusive, worldwide licensee of the University of Arizona for three (3) patents related to small molecules which inhibit the Coronavirus protease, PLpro.

Our wholly owned subsidiary, Nora Pharma, owns 200 DIN's issued by Health Canada for prescription drugs currently on the market in Canada. These DIN's were secured through in-licenses or cross-licenses from international manufacturers of generic pharmaceutical products. Nora Pharma also owns the rights to sell 10 generic prescription drugs in Canada through distribution agreements with various international partners under which Nora Pharma acts as distributor and receives a percentage of sales.

In addition, we own four (4) NPN's issued by Health Canada including (i) NPN 80089663 which authorizes us to manufacture and sell our in-house developed OTC product, Essential•9™, (ii) NPN 80093432 which authorizes us to manufacture and sell the OTC product, Calcium-Vitamin D, (iii) NPN 80125047 which authorizes us to manufacture and sell the OTC product, L-Citrulline, and (iv) NPN 80127436 which authorizes us to manufacture and sell the OTC product, Taurine.

On September 30, 2025, we received official trademark registration from the United States Patent and Trademark Office (Registration No. 7,963,385) for "Sunshine Biopharma Inc." and Design.

On November 10, 2025, we received confirmation of from the Canadian Intellectual Property Office of Canadian trademark registration (Registration No. TMA1,056,964 and TMA1,056,969) for "Sunshine Biopharma Inc." and Design.

Government Regulations

All of our business operations, including our generic drugs, proprietary drugs, and OTC products operations, are subject to extensive and frequently changing federal, state, provincial and local laws and regulations.

In the United States, the Federal Government agency responsible for regulating prescription drugs and nonprescription OTC supplements is the U.S. Food and Drug Administration ("FDA"). The Canadian counterpart to the FDA is Health Canada. Though the FDA and Health Canada have generally similar requirements for drugs and OTC supplements to be approved or allowed to be marketed, approval in one jurisdiction does not automatically result in approval in the other. In Canada, prescription drugs and nonprescription OTC supplements are authorized through the issuance by Health Canada of a Drug Identification Number (DIN) for the former and a Natural Product Number (NPN) for the latter. In the United States, OTC supplements are required to be registered with the FDA prior to marketing. In both the U.S. and Canada, the ingredients, manufacturing processes and facilities for all drugs and OTC supplements must meet the guidelines for Good Manufacturing Practices ("GMP"). Moreover, all drug manufacturers must perform a series of tests, both during and after production, to show that every drug or supplement batch made meets the regulatory requirements for that product.

Our generic prescription medicines are produced in compliance with GMP guidelines as for brand-name drugs. Prescription drugs dossiers are filed with Health Canada in order to obtain a manufacturing Notice of Compliance (NOC) and a Drug Identification Number (DIN). The same grant the applicant marketing authorization in Canada. Nora Pharma secures cross-licenses from supply partners holding NOC's and in turn applies to Health Canada to obtain DIN's issued in Nora Pharma's name in order to commercialize the products in Canada under the Nora Pharma label. In Canada, the pan-Canadian Pharmaceutical Alliance (pCPA), an alliance of the provincial, territorial and federal governments that collaborates on a range of public drug plan initiatives to increase and manage access to clinically effective and affordable drug treatments, determines generic drugs pricing based on a percentage of the price of the brand-name reference products.

In the area of proprietary drug development where our Anti-Coronavirus and Anti-Cancer compounds fall, we will be subject to significant regulations in the U.S. in order to obtain approval of the FDA to offer our products for sale. The procedure for obtaining FDA approval involves an initial filing of an IND application following which the FDA would review and allow for the drug developer to proceed with Phase I clinical trials. Following completion of Phase I, the results are filed with the FDA and a request is made to proceed to Phase II. Similarly, following completion of Phase II the data are filed with the FDA and a request is made to proceed to Phase III. Following completion of Phase III, a new drug application, or NDA is submitted and a request is made for marketing approval. Depending on various issues and considerations, the FDA could provide "emergency use authorization" or limited approval for "compassionate-use" if the drug treats terminally ill patients with limited or no other treatment options available. As of the date of the filing of this report, we have not made any filings with the FDA or other regulatory bodies in other jurisdictions in connection with our proprietary drugs in development.

In respect of OTC supplements, the FDA regulates the formulation, manufacturing, packaging, storage, labeling, promotion, distribution, and sale of such products, while the Federal Trade Commission ("FTC") regulates marketing and advertising claims. In August 2007, a rule issued by the FDA went into effect requiring companies that manufacture, package, label, distribute or hold OTC supplements to meet certain GMP requirements to ensure such products are of the quality specified and are properly packaged and labeled. We are committed to meeting or exceeding the standards set by the FDA and the FTC and we believe we are currently operating within both the FDA and FTC mandates.

Manufacturing

Our generic drugs are manufactured by our various international partners (licensors or distribution partners) under long-term contracts. We purchase finished goods from these partners at varying costs. At present, approximately 75% of the drugs in our products portfolio are manufactured by three (3) suppliers overseas.

We currently do not have any proprietary drugs on the market. Research quantities of our proprietary drug candidates are manufactured at the University of Arizona located in Tucson, Arizona (Anti-Coronavirus compounds) and WuXi App Tech located in Hong Kong, China (K1.1 mRNA).

Our OTC products are manufactured under contract by INOV Pharma Inc. located in Montreal, Canada.

Marketing and Sales

Our generic drugs are currently being sold in Canada in the province of Quebec, and to a much lesser extent in the provinces of Ontario, Alberta and British Columbia. All of our generic drug sales are conducted by Nora Pharma's sales representatives. A segment of our marketing team provides human resources, commercial and technical assistance, as well as training and educational support to pharmacy owners. We believe these pharmacy support activities, which we provide mostly free of charge, enhance our visibility in the marketplace and bolster our sales efforts.

Our OTC products are sold in Canada exclusively through the Amazon marketplace, and until the third quarter of 2025, were also sold in the United States exclusively through the Amazon marketplace. In Q3 2025, we discontinued our Amazon sales operations in the United States. We rely on Amazon's infrastructure for order processing, fulfillment, and customer service. Prior to our discontinuation of sales operations in the United States, revenue from OTC product sales was derived approximately 10% from the United States and 90% from Canada. Our personnel, together with outside consultants develop and place ads on various media platforms and manage our Amazon.ca account.

Competition

According to *IMARC Group*, the Canadian generic pharmaceuticals market was valued at approximately $10.4 billion USD in 2024 and is expected to grow to $19.7 billion USD by 2033. Generic pharmaceutical companies produce and deliver more than 70% of the prescribed medicines with high quality at affordable prices. There are more than 35 active generic players in the Canadian market, of which, the top 3 hold approximately 50% share of the total market. Nora Pharma is relatively new in this space but has demonstrated one of the fastest year-over-year sales growth amongst its peers.

Our Anti-Coronavirus drug development project is in direct competition with several companies in the U.S. that have developed effective vaccines or treatment options for COVID-19. The companies focused on treatments include Pfizer, Merck, Gilead, Eli Lilly, and Regeneron. Today two leading vaccines (Pfizer's, and Moderna's) and two antibody treatments (Regeneron's, and Eli Lilly's) are in use. Gilead's Remdesivir, an antiviral injectable, was approved by the FDA for treatment of COVID-19 in October 2020. In addition, in December 2021, Pfizer received Emergency Use Authorization ("EUA"), for its antiviral pill, Paxlovid, and, in the same month, the FDA granted Merck EUA for its antiviral pill, Molnupiravir. While the approved vaccines, pills and injectable treatments are effective, we believe that additional treatment options such as the one we are developing which targets a different part of the virus could potentially form an important component of the range of anti-coronavirus treatment options available to physicians.

In the area of anticancer drug development, we compete with large publicly and privately held companies engaged in developing new cancer therapies. There are numerous other entities engaged in oncology therapeutics development that have greater resources than us. Nearly all major pharmaceutical companies including Merck, Amgen, Roche, Pfizer, Bristol-Myers Squibb and Novartis, to name a few, have on-going anticancer drug development programs and some of the drugs they may develop could be in direct competition with our own. In addition, a number of smaller companies are working in the area of cancer therapy and could develop drugs that may be in competition with ours.

Similarly, our OTC products compete within a very crowded and highly competitive product sector. As of the date of this report, we believe Essential•9™ is the only Essential Amino Acid supplement that comprises all 9 essential amino acids in capsule form.

Workforce

As of the date of this report, we have a total of 50 employees, all of whom are full-time.

Presently, our proprietary drug development activities are subcontracted out to specialized service providers in the U.S., Canada and overseas. We also use consultants and outside professionals for various other activities including marketing, accounting, and IT.

Labor laws in the Province of Quebec provide for certain guaranteed minimum entitlements, including minimum wages, maternity leave, medical leave, employee termination conditions, and other similar benefits. Moreover, the Province of Quebec has various language laws governing language use in the workplace. These laws require corporate operations carried out in the Province of Quebec to be conducted to a large extent, and in some cases entirely, in French. We and our Canadian subsidiaries operating in the Province of Quebec are fully compliant with these laws.

ITEM 1A. RISK FACTORS

Investing in our securities includes a high degree of risk. Prior to making a decision about investing in our securities you should consider carefully the specific factors discussed below, together with all of the other information contained in this report. Our business, financial condition, results of operations and prospects could be materially and adversely affected by these risks.

Risks Related to Our Business

We have incurred losses and may never achieve profitability

We have an accumulated deficit of $75,015,126 as of December 31, 2025. We incurred a net loss of $5,975,352 for the year ended December 31, 2025, and a net loss of $5,134,116 for the year ended December 31, 2024. We may never achieve profitability.

We are subject to the significant risks associated with the generic pharmaceutical business

Since our acquisition of Nora Pharma in October 2022, we have generated revenues primarily through sales of generic pharmaceutical products in Canada, and we expect this to remain the case for the foreseeable future. Generic pharmaceuticals are, as a general matter, significantly less profitable than innovative medicines.

In recent years, the generic pharmaceutical business has experienced increased volatility in volumes due in large part to global supply chain issues following the COVID-19 pandemic. Since 2022, as the global economy has recovered from the impact of the COVID-19 pandemic, it has also been experiencing additional macroeconomic pressures such as rising inflation and disruptions to the global supply chain, in part resulting from ongoing conflicts and tariff escalations. We may experience supply discontinuities due to macroeconomic issues, regulatory actions, including sanctions and trade restrictions, labor disturbances and approval delays, which may impact our ability to timely meet demand in certain instances. These adverse market forces have a direct impact on our overall performance. Any such disruptions could have a material adverse impact on our business and our results of operation and financial condition.

Other risks associated with our generic pharmaceutical business include:

- Current macroeconomic conditions are becoming increasingly less stable due to ongoing war in Ukraine, and the Middle East, and threats of war in various other areas around the world including South America, Greenland, and the Far East. Destabilized macroeconomics conditions pose a serious threat to supply chains around the world including those for the generic pharmaceutical business. Nearly all of Nora Pharma's generic drugs are manufactured outside Canada and the United States and could experience disruptions which would adversely affect our main source of revenue.

- Supply chains discontinuities due to other issues, including unforeseen regulatory actions, economic sanctions, trade restrictions, labor disturbances and approval delays, may impact our ability to timely meet customer demand in certain instances. These adverse market forces would have a direct impact on our ability to achieve our sales projections.

- If Nora Pharma encounters difficulties in executing launches of new products, it may not be able to offset the increasing price erosion on existing products resulting from pricing pressures and increasing generics approvals for competitors. Such unsuccessful launches can be caused by many factors, including delays in regulatory approvals, lack of operational or clinical readiness or patent litigation. Failure or delays to execute launches of new generic products could have a material adverse effect on Nora Pharma's business and its ability to realize projected sales.

- Nora Pharma's sales of generic pharmaceutical products in Canada are heavily dependent on federal and provincial reimbursement frameworks, which determine pricing, formulary inclusion, and allowable markups. Any changes to these government-controlled reimbursement policies, whether through cost-containment measures, reference pricing adjustments, or formulary restrictions, could adversely affect Nora Pharma's revenues in this market.

Sales of our generic products may be adversely affected by the drug regulatory environment in Canada

Currently we sell our generic drugs only in Canada. Our net sales may be affected by fluctuations in the buying patterns of our customers resulting from government lead pricing pressures and other factors. Our generic sales in Canada are done via retail pharmacies, pharmacy channels, distributors, and wholesalers. Pricing pressures in Canada represent the highest risk due to ongoing and unresolved negotiations between the pharmaceutical industry and the federal government. Any financial difficulties experienced by a single key customer, or any delay in receiving payments from such a customer, could have a material adverse effect on our business, financial condition, and results of operations.

Our revenues from generic products may decline as a result of competition from other pharmaceutical companies and changes in regulatory policy

Our generic drugs face intense competition. Prices of generic drugs may, and often do, decline, sometimes dramatically, especially as additional generic pharmaceutical companies receive approvals and enter the market for a given product and competition intensifies. Consequently, our ability to sustain our sales and profitability on any given product over time is affected by the number of companies selling such product, including new market entrants, and the timing of their approvals.

Furthermore, brand pharmaceutical companies continue to manage products in a challenging environment through marketing agreements with payers, pharmacy benefits managers and generic manufacturers. For example, brand companies often sell or license their own generic versions of their products, either directly or through other generic pharmaceutical companies (so-called "authorized generics"). No significant regulatory approvals are required for authorized generics, and brand companies do not face any other significant barriers to entry into such market. Brand companies may seek to delay introduction of generic equivalents through a variety of commercial and regulatory tactics. These actions may increase the costs and risks of our efforts to introduce generic products and may delay or prevent such introductions altogether.

We may experience delays in launching our new generic products

If we cannot execute timely launches of new products, we may not be able to offset the increasing price erosion on existing products resulting from pricing pressures and approvals for competing products. Such unsuccessful launches can be caused by many factors, including delays in regulatory approvals, lack of operational or clinical readiness or patent litigation. Failure or delays in executing launches of new generic products could have a material adverse effect on our business, financial condition, and results of operations.

We may not receive required regulatory approval for any of our non-generic pharmaceutical product candidates

We have not received approval for any of our proprietary (non-generic) drug development operations product candidates from the FDA or any other regulatory bodies in other jurisdictions. Any compounds we discover or in-license will require extensive and costly development, preclinical testing and clinical trials prior to seeking regulatory approval for commercial sales. Our most advanced product candidate, K1.1 mRNA and our potential Covid-19 treatment in development may never be approved for commercial sale. We have not made any filings to date with the FDA or other regulatory bodies in other jurisdictions. The time required to attain product sales and profitability is expensive, lengthy and highly uncertain. If we fail to obtain required regulatory approvals for our pharmaceutical product candidates our business will be materially harmed.

As we have no approved non-generic pharmaceutical products on the market, we do not expect to generate significant revenues from non-generic pharmaceutical product sales in the foreseeable future, if at all

To date, we have no approved non-generic pharmaceutical products on the market and have generated product revenues largely from our generic pharmaceutical product sales. We have funded our operations primarily from sales of our securities. We have not received, and do not expect to receive, for the foreseeable future, if at all, any revenues from the commercialization of our non-generic pharmaceutical product candidates. To obtain revenues from sales of such pharmaceutical product candidates we must succeed, either alone or with third parties, in developing, obtaining regulatory approval for manufacturing, marketing and distributing drugs with commercial potential. We may never succeed in these activities, and we may not generate sufficient revenues to continue our business operations or achieve profitability.

We will require additional funding to satisfy our future capital needs, which may not be available

We will require significant additional funding for our operations, including future preclinical and clinical testing costs, and insufficient sales revenues in the near future. We do not know whether additional financing will be available to us on favorable terms or at all. If we cannot raise additional funds, we may be required to reduce our capital expenditures, scale back product development programs, reduce our workforce and license to others products or technologies that we may otherwise be able to commercialize. We are currently unable to project when or whether our operations will generate positive cash flow.

Any additional equity securities we issue or issuances of debt we may enter into or undertake may have rights, preferences or privileges senior to those of existing holders of common stock. To the extent that we raise additional funds through collaboration and licensing arrangements, we may be required to relinquish some rights to our technologies or product candidates or grant licenses on terms that are not favorable to us.

We may be sued or become a party to litigation, which could require significant management time and attention and result in significant legal expenses and may result in an unfavorable outcome which could have a material adverse effect on our business, financial condition, results of operations and cash flow

We may be forced to incur costs and expenses in connection with defending ourselves with respect to litigation and the payment of any settlement or judgment in connection therewith if there is an unfavorable outcome. The expense of defending litigation may be significant. The amount of time to resolve lawsuits is unpredictable and defending ourselves may divert management's attention from the day-to-day operations of our business, which could adversely affect our business, results of operations and cash flows. In addition, an unfavorable outcome in any such litigation could have a material adverse effect on our business, results of operations and cash flows.

If we are unable to attract and retain qualified scientific, technical, and key management personnel, or if our key executive, Dr. Steve N. Slilaty, discontinues his employment with us, it may delay our research and development efforts

We rely on the services of Dr. Slilaty for strategic and operational management, as well as for scientific and/or medical expertise in the development of our products. The loss of Dr. Slilaty would result in a significant negative impact on our ability to implement our business plan. The loss of Dr. Slilaty would also significantly delay or prevent the achievement of our business objectives.

Our business exposes us to potential product liability risks and we may be unable to acquire and maintain sufficient insurance to provide adequate coverage against potential liabilities

Our business exposes us to potential product liability risks that are inherent in the testing, manufacturing and marketing of pharmaceutical products. The use of our products by our customers exposes us to the possibility of product liability claims and possible adverse publicity. These risks will increase to the extent our pharmaceutical product candidates receive regulatory approval and are commercialized. We currently have product liability insurance for our generic drugs and OTC products and we plan to obtain product liability insurance in connection with clinical trials of our pharmaceutical product candidates in the near future. However, our current and future product liability insurance may not provide adequate protection against potential liabilities. On occasion, juries have awarded large judgments in class action lawsuits based on drugs that had unanticipated side effects. A successful product liability claim, or series of claims brought against us would decrease our cash reserves and could cause our stock price to fall significantly.

We face regulation and risks related to hazardous materials and environmental laws, violations of which may subject us to claims for damages or fines that could materially affect our business, cash flow, financial condition and results of operations

Our research and development activities involve the use of controlled and/or hazardous materials and chemicals. The risk of accidental contamination or injury from these materials cannot be completely eliminated. In the event of an accident, we could be held liable for any damages or fines that result, and the liability could have a material adverse effect on our business, financial condition, and results of operations. We are also subject to federal, state and local laws and regulations governing the use, manufacture, storage, handling and disposal of hazardous materials and waste products. If we fail to comply with these laws and regulations or with the conditions attached to our operating licenses, the licenses could be revoked, and we could be subjected to criminal sanctions and substantial liability or be required to suspend or modify our operations. In addition, we may have to incur significant costs to comply with future environmental laws and regulations. We do not currently have a pollution and remediation insurance policy.

Third party manufacturers may not be able to manufacture our pharmaceutical product candidates, which would prevent us from commercializing our product candidates

If any of our pharmaceutical product candidates is approved by the FDA or other regulatory agencies for commercial sale, we will need third parties to manufacture the product in larger quantities. If we are able to reach an agreement with any collaborator or third-party manufacturer in the future, of which there can be no assurance, these collaborators and/or third-party manufacturers may not be able to increase their manufacturing capacity for any of our product candidates in a timely or economic manner, or at all. Significant scale-up of manufacturing may require additional validation studies, which the FDA must review and approve. If we are unable to increase the manufacturing capacity for a product candidate successfully, the regulatory approval or commercial launch of that product candidate may be delayed or there may be a shortage in the supply of the product candidate. Our product candidates require precise, high-quality manufacturing. The failure of collaborators or third-party manufacturers to achieve and maintain these high manufacturing standards, including the incidence of manufacturing errors, could result in patient injury or death, product recalls or withdrawals, delays or failures in product testing or delivery, cost overruns or other problems that could seriously harm our business.

If we are unable to establish sales and marketing capabilities for our pharmaceutical product candidates or enter into agreements with third parties to sell and market any such products we may develop, we may be unable to generate revenues from our non-generic pharmaceutical business

We do not currently have product sales and marketing capabilities for our non-generic pharmaceutical operations. If we receive regulatory approval to commence commercial sales of any of our pharmaceutical product candidates, we will have to establish a sales and marketing organization with appropriate technical expertise and distribution capabilities or make arrangements with third parties to perform these services in other jurisdictions. If we receive approval in applicable jurisdictions to commercialize any of our pharmaceutical products candidates, we intend to engage additional pharmaceutical or health care companies with existing distribution systems and direct sales organizations to assist us in North America and throughout the world. We may not be able to negotiate favorable distribution partnering arrangements, if at all. To the extent we enter into co-promotion or other licensing arrangements, any revenues we receive will depend on the efforts of third parties and will not be under our control. If we are unable to establish adequate sales, marketing and distribution capabilities, whether independently or with third parties, our ability to generate product revenues, and become profitable, would be severely limited.

Even if we obtain required U.S. and foreign regulatory approvals, as applicable, factors that may inhibit our efforts to commercialize our pharmaceutical product candidates without strategic partners or licensees include:

- Difficulty recruiting and retaining adequate numbers of effective sales and marketing personnel;
- The inability of sales personnel to obtain access to, or persuade adequate numbers of, physicians to prescribe our products;
- The lack of complementary products to be offered by sales personnel, which may put us at a competitive disadvantage against companies with broader product lines; and
- Unforeseen costs associated with creating an independent sales and marketing organization.

Even if we successfully develop and obtain approval for our proprietary drug product candidates, our business will not be profitable if such products do not achieve and maintain market acceptance

Even if our proprietary drug product candidates are approved for commercial sale by the FDA or other regulatory authorities, the degree of market acceptance of our approved product candidates by physicians, healthcare professionals, patients and third-party payors, and our resulting profitability and growth, will depend on a number of factors, including:

- Our ability to provide acceptable evidence of safety and efficacy;
- Relative convenience and ease of administration;
- The prevalence and severity of any adverse side effects;
- The availability of alternative treatments;
- The details of FDA labeling requirements, including the scope of approved indications and any safety warnings;
- Pricing and cost effectiveness;
- The effectiveness of our or our collaborators' sales and marketing strategy;
- Our ability to obtain sufficient third-party insurance coverage or reimbursement; and
- Our ability to have the product listed on insurance company formularies.

If our proprietary drug product candidates achieve market acceptance, we may not maintain that market acceptance over time if new products or technologies are introduced that are received more favorably or are more cost effective. Complications may also arise, such as development of new know-how or new medical or therapeutic capabilities by other parties that render our product obsolete.

Because the results of preclinical studies for our preclinical product candidates are not necessarily predictive of future results, our pharmaceutical product candidates may not have favorable results in later clinical trials or ultimately receive regulatory approval

Our proprietary drug product candidates have not been tested in clinical trials. Positive results from preclinical studies are no assurance that later clinical trials will succeed. Preclinical studies are not designed to establish the clinical efficacy of our preclinical product candidates. We will be required to demonstrate through clinical trials that our product candidates are safe and effective for use before we can seek regulatory approvals for commercial sale. There is typically an extremely high rate of failure as product candidates proceed through the various phases of clinical trials. If our product candidates fail to demonstrate sufficient safety and efficacy in any clinical trial, we would experience potentially significant delays in, or be required to abandon, development of that product candidate. This would adversely affect our ability to generate revenues and may damage our reputation in the industry and in the investment community.

We face or will face significant competition from other biotechnology and pharmaceutical companies, and our operating results will suffer if we fail to compete effectively

Most of our pharmaceutical company competitors, such as Merck, Bristol-Myers Squibb, Pfizer, Amgen, and others, are large pharmaceutical companies with substantially greater financial, technical, and human resources than we have. The biotechnology and pharmaceutical industries are intensely competitive and subject to rapid and significant technological change. The drugs that we are attempting to develop will compete with existing therapies if we receive marketing approval. Because of their significant resources, our competitors may be able to use discovery technologies and techniques, or partnerships with collaborators, to develop competing products that are more effective or less costly than the product candidate we are developing. This may render our technology or product candidate obsolete and noncompetitive. Academic institutions, government agencies, and other public and private research organizations may seek patent protection with respect to potentially competitive products or technologies and may establish exclusive collaborative or licensing relationships with our competitors.

Our competitors may succeed in obtaining FDA or other regulatory approvals for product candidates more rapidly than us. Companies that complete clinical trials, obtain required regulatory agency approvals and commence commercial sale of their drugs before we do may achieve a significant competitive advantage, including certain FDA marketing exclusivity rights that would delay or prevent our ability to market certain products. Any approved drugs resulting from our research and development efforts, or from our joint efforts with our existing or future collaborative partners, might not be able to compete successfully with our competitors' existing or future products.

Because our proprietary drug product candidates and our development and collaboration efforts depend on our intellectual property rights, adverse events affecting our intellectual property rights will harm our ability to commercialize products

Our success will depend to a large degree on our own and our licensors' ability to obtain and defend patents for each party's respective technologies and the compounds and other products, if any, resulting from the application of such technologies. The patent positions of pharmaceutical and biotechnology companies can be highly uncertain and involve complex legal and technical questions. No consistent policy regarding the breadth of claims allowed in biotechnology patents has emerged to date. Accordingly, we cannot predict the breadth of claims that will be allowed or maintained, after challenge, in our or other companies' patents.

The degree of future protection for our proprietary rights is uncertain, and we cannot ensure that:

- We were the first to make the inventions covered by each of our pending patent applications;
- We were the first to file patent applications for these inventions;
- Others will not independently develop similar or alternative technologies or duplicate any of our technologies;
- Any patents issued to us or our collaborators will provide a basis for commercially viable products, will provide us with any competitive advantages, or will not be challenged by third parties;
- Our pending patent applications will result in issued patents;
- We will develop additional proprietary technologies that are patentable;
- The patents of others will not have a negative effect on our ability to do business; or
- Our issued patents will have sufficient useful life remaining for commercial viability of our product candidate.

If we cannot maintain the confidentiality of our technology and other confidential information in connection with our collaborations, then our ability to receive patent protection or protect our proprietary information will be impaired. In addition, some of the technology we have licensed relies on inventions developed using U.S. government resources. Under applicable law, the U.S. government has the right to require us to grant a nonexclusive, partially exclusive or exclusive license for such technology to a responsible applicant or applicants, upon terms that are reasonable under the circumstances, if the government determines that such action is necessary.

Confidentiality agreements with employees and others may not adequately prevent disclosure of trade secrets and other proprietary information and may not adequately protect our intellectual property

We rely on trade secrets to protect our technology, particularly when we do not believe patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. In order to protect our proprietary technology and processes, we rely in part on confidentiality and intellectual property assignment agreements with our employees, consultants, outside scientific collaborators and sponsored researchers and other advisors. These agreements may not effectively prevent disclosure of confidential information nor result in the effective assignment to us of intellectual property and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information or other breaches of the agreements. In addition, others may independently discover our trade secrets and proprietary information, and in such case, we could not assert any trade secret rights against such party. Enforcing a claim that a party illegally obtained and is using our trade secrets is difficult, expensive and time consuming, and the outcome is unpredictable. In addition, courts outside the United States may be less willing to protect trade secrets. Costly and time-consuming litigation could be necessary to seek to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect our competitive business position.

The implementation of our business plan may result in a period of rapid growth that will impose a significant burden on our current administrative and operational resources

Our ability to effectively manage our growth will require us to substantially expand the capabilities of our administrative and operational resources by attracting, training, managing, and retaining additional qualified personnel, including additional members of management, technicians, and others. To successfully develop our products, we will need to manage operating, producing, marketing and selling our products. There can be no assurances that we will be able to do so. Our failure to successfully manage our growth will have a negative impact on our anticipated results of operations.

The failure of our suppliers to supply quality materials in sufficient quantities, at a favorable price, and in a timely fashion could adversely affect the results of our operations

Our outside manufacturers buy raw materials from a limited number of suppliers. The loss of any of our major suppliers or of any supplier who, through our contract manufacturer, provides us materials that are hard to obtain elsewhere at the same quality could adversely affect our business operations. Although we believe we could establish alternate manufacturers and sources for most of our raw materials, any delay in locating and establishing relationships with other sources could result in shortages of products we manufacture from such raw materials, with a resulting loss of sales and customers.

A shortage of raw materials or an unexpected interruption of supply could also result in higher prices for those materials. We have experienced increases in various raw material costs, transportation costs and the cost of petroleum-based raw materials and packaging supplies used in our business. Increasing cost pricing pressures on raw materials and other products occurred throughout fiscal 2024 and 2025 as a result of limited supplies of various ingredients, and the effects of higher labor and transportation costs. We expect these upward pressures to continue through fiscal 2026. Although we may be able to raise our prices in response to significant increases in the cost of raw materials, we may not be able to raise prices sufficiently or quickly enough to offset the negative effects such cost increases could have on our results of operations or financial condition.

There can be no assurance suppliers will provide the quality raw materials we need in the quantities requested or at a price we are willing to pay. Because we do not control the actual production of these raw materials, we are also subject to delays caused by interruption in production of materials including but not limited to those resulting from conditions outside of our control, such as pandemics, weather, transportation interruptions, strikes, terrorism, geopolitics, natural disasters, and other catastrophic events.

Our business is subject to the effects of adverse publicity, which could negatively affect our sales and revenues

Our business can be affected by adverse publicity or negative public perception about us, our competitors, our products, or our industry or competitors generally. Adverse publicity may include publicity about the efficacy, safety and quality of health care products or ingredients in general or our products or ingredients specifically, and regulatory investigations, regardless of whether these investigations involve us or the business practices or products of our competitors, or our customers. Any adverse publicity or negative public perception could have a material adverse effect on our business, financial condition and results of operations. Our business, financial condition and results of operations could be adversely affected if any of our products or any similar products distributed by other companies are alleged to be or are proved to be harmful to consumers or to have unanticipated and unwanted health consequences.

Our manufacturing and third-party fulfillment activities are subject to certain risks

Our products are manufactured at third party manufacturing facilities in Canada and overseas. As a result, we are dependent on the uninterrupted and efficient operation of these facilities. Such manufacturing operations, and those of their suppliers, are subject to power failures, blackouts, border shutdowns, telecommunications failures, computer viruses, cybersecurity vulnerabilities, human error, breakdown, failure or substandard performance. The occurrence of these or any other operational problems, including the improper installation or operation of equipment, terrorism, pandemics, natural or other disasters, intentional acts of violence, and the need to comply with the requirements or directives of governmental agencies, including the FDA and Health Canada may have a material adverse effect on our business, financial condition and results of operations.

We are dependent on a concentrated base of finished goods suppliers, which increases our risk of product interruption

Approximately 75% of the drugs in our products portfolio are manufactured by three (3) suppliers overseas. Reliance on a limited number of third-party suppliers for finished products exposes us to material operational, regulatory, and financial risks. Because these suppliers are responsible for manufacturing, packaging, and releasing finished pharmaceuticals under stringent regulatory requirements, any disruption in their operations can directly affect our ability to maintain continuous product supply. Disruptions may arise from GMP non-compliance, regulatory inspection findings, quality system failures, contamination events, batch deviations, or shortages of critical components such as active pharmaceutical ingredients, excipients, or specialized packaging. Regulatory actions, including FDA Form 483 observations, warning letters, import alerts, or license suspensions can halt production or delay batch release. These risks, individually or in the aggregate, could have a material adverse effect on our business, financial condition, and results of operations.

Risks Related to Our Common Stock

There is significant volatility in the price and trading volume of our common stock, and investors may find it difficult to buy and sell our shares

Our common stock has been listed on the Nasdaq Capital Market since February 15, 2022. The price and daily trading volume of our common stock have been very volatile and may continue to be so, and any significant trading volume in our common stock may not be maintained. These factors may have an adverse impact on the trading and price of our common stock.

If we are unable to continue to meet the listing requirements of Nasdaq, our common stock will be delisted

Our common stock currently trades on Nasdaq, where it is subject to various listing requirements, including Nasdaq Rule 5500(a)(2), which requires that our common stock maintain a minimum bid price of at least $1.00 to maintain its listing on Nasdaq (the “Bid Price Rule”).

Our common stock has recently traded at prices slightly above the $1.00 Nasdaq required minimum bid price requirement. In addition, though we have obtained stockholder approval to authorize the board of directors to implement a reverse stock split in its discretion, in a ratio of up to 1-for-10, there is no assurance that, even if we implement a reverse split, we will be able to maintain compliance with the Bid Price Rule or other applicable requirements for continued listing on Nasdaq. If we are unable to maintain compliance with Nasdaq listing requirements, we could be subject to suspension and delisting proceedings. A delisting of our common stock and our inability to list on another national securities market could negatively impact us by: (i) reducing the liquidity and market price of our common stock; (ii) reducing the number of investors willing to hold or acquire our common stock, which could negatively impact our ability to raise equity financing; (iii) limiting our ability to use certain registration statements to offer and sell freely tradeable securities, thereby limiting our ability to access the public capital markets; and (iv) impairing our ability to provide equity incentives to our employees.

We do not intend to pay dividends on our common stock for the foreseeable future

We have paid no dividends on our common stock to date and we do not anticipate paying any dividends to holders of our common stock in the foreseeable future. While our future dividend policy will be based on the operating results and capital needs of the business, we currently anticipate that we will retain any earnings to finance our future expansion and for the implementation of our business plan. Investors should take note of the fact that a lack of a dividend can further affect the market value of our common stock and could significantly affect the value of any investment in our Company.

Our articles of incorporation allow for our board to create new series of preferred stock without further approval by our stockholders, which could adversely affect the rights of the holders of our common stock

Our board of directors has the authority to fix and determine the relative rights and preferences of preferred stock. Our board of directors has the authority to issue up to 30,000,000 shares of our preferred stock without further stockholder approval. 1,000,000 shares of preferred stock are designated Series B Preferred Stock and as of the date of this Report, 130,000 of such shares are outstanding and held by our Chief Executive Officer. Our board of directors could authorize the creation of additional series of preferred stock that would grant to holders of preferred stock the right to our assets upon liquidation, or the right to receive dividend payments before dividends are distributed to the holders of common stock. In addition, subject to the rules of any securities exchange on which our stock is then listed, our board of directors could authorize the creation of additional series of preferred stock that has greater voting power than our common stock or that is convertible into our common stock, which could decrease the relative voting power of our common stock or result in dilution to our existing stockholders.

Additional stock offerings in the future or the issuance of stock upon exercise of outstanding warrants may dilute then-existing shareholders' percentage ownership in our Company

Given our plans and expectations that we will need additional capital and personnel, we anticipate that we will need to issue additional shares of common stock or securities convertible or exercisable for shares of common stock, including convertible preferred stock, convertible notes, stock options or warrants. In addition, as of the date of filing of this report, we had 15,227,962 Series B Warrants issued and outstanding, each exercisable to purchase one share of our common stock at an exercise price of $2.07 per warrant. The issuance of additional securities in the future will dilute the percentage ownership of our current stockholders.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Our Company recognizes the critical importance of cybersecurity in protecting our sensitive data, intellectual property, and the personal information of our employees and partners. We have implemented a comprehensive cybersecurity risk management program that includes the following key components:

Risk Assessment and Management

We conduct regular risk assessments to identify and evaluate potential cybersecurity threats and vulnerabilities. Our risk management framework is aligned with industry standards such as the NIST Cybersecurity Framework (CSF) and ISO 27001. We continuously monitor and update our cybersecurity measures to address emerging threats and ensure the protection of our assets.

Cybersecurity Governance

Our management oversees our cybersecurity risk management efforts. Our senior management team is actively involved in cybersecurity policies, procedures and strategy development.

Incident Response and Recovery

We have a robust incident response plan in place to quickly detect, respond to, and recover from cybersecurity incidents. We collaborate with external cybersecurity experts and law enforcement agencies to enhance our incident response capabilities.

Employee Training and Awareness

We provide ongoing cybersecurity training and awareness programs for all employees to promote a culture of security. Our training programs cover topics such as phishing prevention, secure data handling, and recognizing potential cyber threats.

Third-Party Risk Management

We assess the cybersecurity practices of our third-party vendors and partners to ensure they meet our security standards. Our contracts with third parties include provisions for cybersecurity requirements and incident reporting.

Regulatory Compliance

We comply with all relevant cybersecurity regulations and standards, including the Health Insurance Portability and Accountability Act (HIPAA) and the General Data Protection Regulation (GDPR). We regularly review and update our cybersecurity policies and procedures to ensure compliance with evolving regulatory requirements.

Investments in Cybersecurity

We continuously invest in advanced cybersecurity technologies, including threat detection and prevention systems, encryption, and secure access controls. Our cybersecurity is part of our overall budget which is reviewed and approved by our board of directors to ensure adequate resources are allocated to protect our assets.

Cybersecurity Incidents

During the past fiscal year, we experienced no cybersecurity incidents.

ITEM 2. PROPERTIES

Our principal place of business is located at 333 Las Olas Way, CU4 Suite 433, Fort Lauderdale, FL 33301. We are not party to a lease agreement in connection with this office space. We pay rent month-to-month and have access to additional space on a pay-per-use basis. We believe this space is sufficient for our needs for the next year.

Our wholly owned subsidiary, Nora Pharma, currently occupies a 23,500 square foot facility located at 1565 Boulevard Lionel-Boulet, Varennes, Quebec, Canada, J3X 1P7 pursuant to a lease agreement that expires in January 2030, with an option to extend for 5 years. This site is composed of 18,500 square feet of warehouse space and 5,000 square feet of executive office space. The facility houses all administrative, marketing, quality control, regulatory affairs, and other operations personnel, as well as a Health Canada licensed warehouse space. We pay a monthly rent of $27,250 CAD (approximately $19,900 USD), including taxes. We estimate that this facility is adequate for annual sales of approximately $50 to $75 million, past which we will need to find additional space. We classified this lease as an operating lease but we account for liabilities and benefits resulting therefrom.

ITEM 3. LEGAL PROCEEDINGS

We are not party to, and our property is not the subject of, any legal proceedings, except as set forth below.

On January 16, 2026, the Company received a demand letter from the attorneys of Mr. Andrew Telsey, the Company's former legal counsel, asserting that the Company and Mr. Telsey executed an employment agreement and demanding payment of $3,645,750 from the Company based on the Company's alleged termination of the purported employment agreement without cause. The Company believes this demand is without merit and has never executed an employment agreement with Mr. Telsey. On that basis, among other factors, the Company filed a complaint against Mr. Telsey on February 6, 2026 in the circuit court of the 17th judicial district in Broward County, Florida seeking a declaratory judgment providing that (i) the purported employment agreement is of no legal effect and is not binding upon the Company, (ii) no monies are owed by the Company to Mr. Telsey under the purported employment agreement, (iii) the Company should be awarded its attorney's fees and costs, and (iv) the Company should be awarded such other relief as the court deems just and proper. On March 30, 2026, the court granted the Company's motion for entry of default and entered a default and final judgment in favor of the Company. Pursuant to the court's order, the court declared that the purported employment agreement is of no legal effect and not binding on the Company, because the Company never executed the agreement, the Company did not breach the purported employment agreement, and no monies are owed by the Company to Mr. Telsey under the purported employment agreement. The court retained jurisdiction on the issues of entitlement and amount of attorney's fees and costs to the Company as the prevailing party.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

In this section, we provide information about the market for our common equity, the number of holders of our common stock, our dividend practices, and our repurchases of equity securities. In addition, we provide disclosures regarding our equity compensation plans and our policies and practices for granting stock options and stock appreciation rights, including awards made in close proximity to the release of material nonpublic information, as required under recently adopted SEC rules.

Market Information

Our common stock is listed on the Nasdaq Capital Market under the symbol "SBFM". As of April 2, 2026, we had 4,905,945 shares of our common stock issued and outstanding. We also have tradeable warrants exercisable to purchase shares of our common stock listed on the Nasdaq Capital Market under the symbol "SBFMW." As of April 2, 2026, we had 482 tradeable warrants outstanding exercisable at $220.00 per warrant.

Holders

As of April 2, 2026, there were approximately 117 holders of record of our common stock. The total number of beneficial owners exceeds holders of record due to Street-Name holdings.

Dividend Policy

We have not paid any dividends since our incorporation and do not anticipate paying any dividends in the foreseeable future. At present, our policy is to retain earnings, if any, to develop and market our products. Our payment of dividends in the future will depend upon, among other factors, our earnings, capital requirements, and operating financial conditions.

Repurchases of Equity Securities

We did not repurchase any shares of our common stock during the three months ended December 31, 2025. We currently do not have a Rule 10b5-1 plan or other repurchase arrangements in place.

Equity Compensation Plan Information

The following table sets forth information regarding our equity compensation plans as of December 31, 2025:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
Equity compensation plans approved by security holders*	–	–	683,000
Equity compensation plans not approved by security holders	–	–	–

*Represents our 2023 Equity Incentive Plan as amended on December 11, 2025 at the Company's 2025 Annual General Meeting of the shareholders.

Option and SAR Grant Timing in Relation to MNPI Releases

We have established policies and practices governing the timing and administration of equity awards, including stock options and stock appreciation rights ("SARs"). We may grant equity awards pursuant to our 2023 Equity Incentive Plan, as approved by the Compensation Committee, the Board of Directors at regularly scheduled meetings or by unanimous written consent. We do not coordinate the timing of option or SAR grants with the release of material non-public information ("MNPI"), nor do we time the public disclosure of MNPI for the purpose of affecting the value of executive compensation. We have not granted any such awards to date.

We have not granted stock options or SARs to any executive officer in periods proximate to the release of MNPI, as defined in Item 402(x) of Regulation S-K. Accordingly, no tabular disclosure under Item 402(x)(2) is required for the fiscal years ended December 31, 2024 and 2025. If we were to grant options or SARs in such circumstances in the future, we would provide the required tabular disclosure in accordance with SEC rules.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion highlights the principal factors that have affected our financial condition and results of operations as well as our liquidity and capital resources for the periods described. This discussion should be read in conjunction with our financial statements and the related notes included in this report. This discussion contains forward-looking statements. Please see "Cautionary Note Regarding Forward-Looking Statements" for a discussion of the uncertainties, risks and assumptions associated with these forward-looking statements.

Results of Operations

Comparison of Results of Operations for the fiscal years ended December 31, 2025 and 2024

During our fiscal year ended December 31, 2025, we generated revenues of $36,305,891, compared to revenues of $34,874,283 in 2024, an increase of approximately $1.4 million. The increase was the result of expansion of Nora Pharma sales efforts in the Provinces of Quebec, Ontario, Alberta, and British Columbia. The cost of sales in 2025 and 2024 for generating these revenues was $24,050,214 (66.2%) and $24,204,489 (69.4%), respectively. The 3.2% decrease in the cost of sales in 2025 was largely due to lower professional allowances incurred on the sale of products outside the Province of Quebec. In the Province of Quebec professional allowances are set by government regulations. We also had lower wholesalers' fees and discounts in 2025.

General and administrative ("G&A") expenses for our fiscal year ended December 31, 2025, were $18,482,706, compared to $16,481,915 during our fiscal year ended December 31, 2024, an increase of $2,000,791. The increase in the year ended December 31, 2025 is primarily attributable to a non-cash charge of $1,748,247 related to the impairment of intangible assets. In January 2026, we implemented initiatives to reduce our general and administrative expenses and better align our cost structure with the Company's objective of achieving profitability in the near term. Based on our current plans, we expect these initiatives to reduce expenses by approximately $2 million to $3 million in 2026. However, there can be no assurance that we will realize these anticipated reductions.

We had interest income of $280,901 in 2025, compared to interest income of $496,003 in 2024. The decrease was due to reduced interest rates and less cash on hand in 2025.

As a result of the foregoing, we incurred a net loss of $5,975,352 for the year ended December 31, 2025, compared to a net loss of $5,134,116 for the year ended December 31, 2024.

Liquidity and Capital Resources

As of December 31, 2025, we had cash and cash equivalents of $9,123,308.

During the fiscal years ended December 31, 2024 and 2025, we received aggregate proceeds of $6,478,624 in connection with warrant exercises.

On February 11, 2024, we redeemed certain warrants we issued on May 16, 2023, and April 28, 2022 for an aggregate purchase price of $3,139,651.

On February 15, 2024, we completed an underwritten public offering and in connection therewith, we issued an aggregate of 35,714 shares of common stock and received net proceeds of $8,522,411.

On January 3, 2025, we issued 127,443 shares of common stock upon the exercise of 127,443 Series B Warrants and received $355,298 in net proceeds.

On April 2, 2025, the Company issued 660,000 shares of common stock upon the exercise of 660,000 Series B Warrants and received $1,840,014 in net proceeds.

On April 3, 2025, the Company issued an aggregate of 1,188,404 shares of common stock in connection with a registered direct offering and received $1,828,596 in net proceeds.

On October 16, 2025, the Company issued 350,000 shares of common stock upon the exercise of 350,000 Series B Warrants and received net proceeds of $724,500.

Net cash used in operations was $5,331,073 in 2025, compared to $12,524,779 in 2024. The substantial decrease was due to more streamlined Nora Pharma operations and a significant decrease in the rate of inventory growth.

Cash flows used in investing activities were $836,306 during the year ended December 31, 2025, compared to $1,979,313 during our fiscal year ended December 31, 2024. The decrease of approximately $1.7 million was due to reduced acquisition of intangible assets and purchase of equipment for Nora Pharma's operations.

Net cash flows provided by financing activities were $4,748,408 in 2025, compared to $8,941,572 in 2024. The decrease was due to a smaller financing event in 2025 as well as the exercise of fewer warrants.

We believe our existing cash will be sufficient to fund our operations for the next 18 months. There is no assurance our estimates will be accurate. We have no committed sources of capital and we anticipate that we will need to raise additional capital in the future to expand our generic pharmaceutical operations. Additional capital may not be available on terms acceptable to us, or at all.

Critical Accounting Estimates

The discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, we evaluate our estimates based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Leases

We follow the guidance in *ASC 842 – Accounting for Leases*, as amended, which requires us to evaluate the lease agreements we enter into to determine whether they represent operating or capital leases at the inception of the lease.

Our wholly owned subsidiary, Nora Pharma, currently occupies a 23,500 square foot facility located at 1565 Boulevard Lionel-Boulet, Varennes, Quebec, Canada, J3X 1P7 pursuant to a lease agreement that expires in January 2030, with an option to extend for 5 years. This site is composed of 18,500 square feet of warehouse space and 5,000 square feet of executive office space. The facility houses all administrative, marketing, quality control, regulatory affairs, and other operations personal, as well as a Health Canada licensed warehouse space. We pay monthly rent of $27,250 CAD (approximately $19,900 USD), including taxes. We treat this lease as an operating lease but account for liabilities and benefits resulting therefrom.

Recently Adopted Accounting Standards

We have adopted all new accounting standards impacting operations.

Off-Balance Sheet Arrangements

We have not entered into any off-balance sheet arrangements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not required for a smaller reporting company.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Independent Registered Public Accounting Firm

To the Audit Committee and Shareholders of Sunshine Biopharma Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Sunshine Biopharma Inc. (the Company) as of December 31, 2025, and the related consolidated statements of operations and comprehensive loss, shareholders' equity, and cash flows for the year ended December 31, 2025 and the related notes (collectively referred to as the "financial statements"). In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025, and the results of its operations and its cash flows for the year-ended December 31, 2025, in conformity with accounting principles generally accepted in the United States of America. The financial statements of Sunshine Biopharma Inc., as of December 31, 2024, were audited by other auditors whose report dated April 1, 2025, expressed an unqualified opinion on those financial statements.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and the significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe our audits provides a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audits of the consolidated financial statements that were communicated, or required to be communicated, to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing separate opinion on the critical audit matter or on the accounts or disclosures to which they relate.

Improper Revenue Recognition

As discussed in the notes to the consolidated financial statements, the Company recognizes revenues related to three services derived from the sale of pharmaceutical products, including sale of pharmaceutical products to registered pharmacy or registered wholesaler, sale of health and wellness supplements products, and commissions related to selling pharmaceutical products. The Company recognizes revenues when customer receives the requested products for the sale of pharmaceutical products and upon settlement date for the sale of the health and wellness in the amount of consideration the Company expects to receive in exchange for the products or services provided.

Auditing the recognition of revenue involves significant challenge due to the inherent risk of revenue recognition. Related to sales of pharmaceutical products and health and wellness supplements, M&K tested a sample of sales transactions, formal proof of delivery, and cash collections. Related to sales commission for the sale of pharmaceutical products, M&K tested a sample of sales commission transactions, validity of commissions agreement and third-party sales data through the Company to the various parties

involved.

To evaluate the appropriateness and accuracy of the assessment by management, we evaluated management's assessment in relationship to the relevant agreements.

/s/ M&K CPAS, PLLC

We have served as the Company's auditor since 2025

The Woodlands, TX
April 3, 2026

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of
Sunshine Biopharma, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Sunshine Biopharma, Inc. as of December 31, 2024 and the related consolidated statements of operations and comprehensive loss, shareholders' equity, and cash flows, for the period ended December 31, 2024, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Sunshine Biopharma, Inc. as of December 31, 2024, and the results of its operations and its cash flows for each of the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the entity's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to Sunshine Biopharma, Inc. in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Sunshine Biopharma, Inc. is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

Critical audit matters are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

/s/ Bush & Associates CPA LLC

We have served as the Company's auditor since 2024.

Henderson, Nevada
April 1, 2025
PCAOB ID Number 6797

Sunshine Biopharma Inc.
Consolidated Balance Sheets

	December 31, 2025	December 31, 2024
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 9,123,308	$ 9,686,529
Accounts receivable	3,459,864	3,868,418
Inventory	13,472,025	11,278,105
Prepaid expenses	798,384	1,133,297
Total Current Assets	26,853,581	25,966,349
Long-Term Assets:		
Property & equipment	557,370	546,055
Intangible assets	1,889,370	3,019,717
Deferred tax asset	–	92,234
Right-of-use-asset	778,846	936,037
Total Long-Term Assets	3,225,586	4,594,043
TOTAL ASSETS	$ 30,079,167	$ 30,560,392
LIABILITIES		
Current Liabilities:		
Accounts payable & accrued expenses	$ 5,664,212	$ 5,543,085
Earnout payable	295,797	295,797
Income tax payable	268,276	268,276
Current portion - right-of-use-liability	215,637	207,756
Total Current Liabilities	6,443,922	6,314,914
Long-Term Liabilities:		
Right-of-use-liability	596,785	744,724
Total Long-Term Liabilities	596,785	744,724
TOTAL LIABILITIES	7,040,707	7,059,638
SHAREHOLDERS' EQUITY		
Preferred Stock, Series B $0.10 par value per share; 1,000,000 shares authorized; 130,000 shares issued and outstanding at December 31, 2025 and December 31, 2024, respectively	13,000	13,000
Common Stock, $0.001 par value per share; 3,000,000,000 shares authorized; 4,905,945 and 2,580,098 shares issued and outstanding at December 31, 2025 and December 31, 2024, respectively	4,905	2,580
Capital paid in excess of par value	98,100,990	93,354,907
Accumulated comprehensive income	(65,309)	(829,959)
Accumulated (Deficit)	(75,015,126)	(69,039,774)
TOTAL SHAREHOLDERS' EQUITY	23,038,460	23,500,754
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 30,079,167	$ 30,560,392

See Accompanying Notes To These Consolidated Financial Statements

Sunshine Biopharma Inc.
Consolidated Statement Of Operations and Comprehensive Loss

	December 31, 2025	December 31, 2024
Revenue:	$ 36,305,891	$ 34,874,283
Cost of Sales	24,050,214	24,204,489
Gross profit	12,255,677	10,669,794
General & Administrative Expenses:		
Accounting	698,083	967,614
Consulting	1,571,692	925,188
Director fees	400,000	400,000
Intangible assets impairment	1,748,247	–
Legal	385,142	875,698
Marketing	1,143,929	940,278
Office	3,864,584	3,110,026
R&D	604,308	933,902
Salaries	7,265,346	7,718,677
Taxes	469,305	387,005
Depreciation & amortization	332,070	223,527
Total General & Administrative Expenses	18,482,706	16,481,915
(Loss) from operations	(6,227,029)	(5,812,121)
Other Income (Expense):		
Foreign exchange gain (loss)	2,642	(44,082)
Interest income	280,901	496,003
Interest expense	–	(8,774)
Gain (Loss) on asset sale	(10,257)	–
Total Other Income (Expense)	273,286	443,147
Net (loss) before income taxes	(5,953,743)	(5,368,974)
Provision for income taxes	21,609	(234,858)
Net (Loss)	$ (5,975,352)	$ (5,134,116)
Other Comprehensive Income:		
Gain (Loss) from foreign exchange translation	764,650	(1,526,064)
Comprehensive (Loss)	(5,210,702)	(6,660,180)
(Loss) per common share (Basic)	$ (1.44)	$ (7.32)
Weighted average common shares outstanding (Basic)	4,157,086	701,749

See Accompanying Notes To These Consolidated Financial Statements

Sunshine Biopharma Inc.
Consolidated Statements of Cash Flows

	December 31, 2025	December 31, 2024
Cash Flows From Operating Activities:		
Net (Loss)	$ (5,975,352)	$ (5,134,116)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	332,070	223,527
Disposal of tangible assets	10,257	–
Stock issued for services	–	12,000
Intangible assets impairment	1,748,247	–
Accounts receivable	(116,173)	(2,338,195)
Inventory	(1,637,277)	(6,006,864)
Prepaid expenses	480,798	(207,167)
Right-of-use asset	203,836	(341,534)
Accounts Payable & accrued expenses	(189,956)	3,983,749
Lease liability	(187,523)	347,935
Earn-out payable	–	(2,252,034)
Income tax payable	–	(812,080)
Net Cash Flows (Used In) Operating Activities	(5,331,073)	(12,524,779)
Cash Flows From Investing Activities:		
Purchase of intangible assets	(661,815)	(322,258)
Purchase of equipment	(174,491)	(1,657,055)
Net Cash Flows (Used In) Investing Activities	(836,306)	(1,979,313)
Cash Flows From Financing Activities:		
Proceeds from public offering net (common stock)	1,828,596	8,522,411
Exercise of warrants	2,919,812	3,558,812
Purchase of treasury stock	–	(3,139,651)
Net Cash Flows Provided by Financing Activities	4,748,408	8,941,572
Cash and Cash Equivalents at Beginning of Period	9,686,529	16,292,347
Net (decrease) in cash and cash equivalents	(1,418,971)	(5,562,520)
Foreign currency translation adjustment	855,750	(1,043,298)
Cash and Cash Equivalents at End of Period	$ 9,123,308	$ 9,686,529
Supplementary Disclosure of Cash Flow Information:		
Cash paid for income taxes	$ –	$ 582,483
Cash paid for interest	$ –	$ 8,126
Stock issued for services	$ –	$ 12,000

See Accompanying Notes To These Consolidated Financial Statements

Sunshine Biopharma Inc.
Consolidated Statements of Shareholders' Equity

	Number of Common Shares Issued	Common Stock	Capital Paid in Excess of Par Value	Number of Preferred Shares Issued	Preferred Stock	Comprehensive Income	Accumulated Deficit	Total
Balance December 31, 2024	2,580,098	$ 2,580	$93,354,907	130,000	$ 13,000	$ (829,959)	$ (69,039,774)	$23,500,754
Exercise of warrants	1,137,443	1,137	2,918,675					2,919,812
Underwritten offering, net of issuance costs	1,188,404	1,188	1,827,408					1,828,596
Net (loss)						764,650	(5,975,352)	(5,210,702)
Balance at December 31, 2025	4,905,945	$ 4,905	$98,100,990	130,000	$ 13,000	$ (65,309)	$ (75,015,126)	$23,038,460
Balance December 31, 2023	14,012	$ 14	$84,415,900	10,000	$ 1,000	$ 696,105	$ (63,905,658)	$21,207,361
Preferred Stock issued to related party				120,000	12,000			12,000
Underwritten offering, net of issuance costs	13,214	13	8,522,398					8,522,411
Exercise of warrants	2,552,872	2,554	3,556,260					3,558,812
Repurchase of warrants			(3,139,651)					(3,139,651)
Net (loss)						(1,526,064)	(5,134,116)	(6,660,180)
Balance at December 31, 2024	2,580,098	$ 2,580	$93,354,907	130,000	$ 13,000	$ (829,959)	$ (69,039,774)	$23,500,754

See Accompanying Notes To These Consolidated Financial Statements

Note 1 – Description of Business

The Company was incorporated under the name Mountain West Business Solutions, Inc. on August 31, 2006, in the State of Colorado. Effective October 15, 2009, the Company acquired Sunshine Biopharma Inc. in a transaction classified as a reverse acquisition. Upon completion of the reverse acquisition transaction, the Company changed its name to Sunshine Biopharma Inc. and began operating as a pharmaceutical company.

Sunshine Biopharma has two wholly owned subsidiaries: (i) Nora Pharma Inc. ("Nora Pharma"), a Canadian corporation with a portfolio of pharmaceutical products consisting of 71 generic prescription drugs on the market in Canada, and (ii) Sunshine Biopharma Canada Inc. ("Sunshine Canada"), a Canadian corporation which develops and sells nonprescription, over-the-counter ("OTC") supplements. The Company operates the two subsidiaries as a single business segment. Sales of the OTC supplements represent less than 3% of the Company's total annual sales.

The Company is not subject to material customer concentration risks as it sells its products directly to pharmacies in several Canadian Provinces. However, Provincial governments in Canada reimburse patients for their prescription drug expenditures to various degrees under drug reimbursement programs, making generic drugs prices highly dependent on government policies which may change over time. The most recent negotiations between the pan-Canadian Pharmaceutical Alliance ("pCPA"), the entity that negotiates drug prices on behalf of the government, and the Canadian Generic Pharmaceutical Association ("CGPA") resulted in updated generic pricing for certain products which took effect on October 1, 2023. The updated prices are valid for three years and the agreement contains an option to extend for an additional two years. On February 10, 2024, the Canadian federal government joined the generic drug reimbursement program as a payor under the Pharmacare Act. This development further strengthened the Canadian generic drug market, which is the Company's current focus.

In addition, the Company is engaged in the development of the following proprietary drugs:

- K1.1 mRNA, a lipid nano-particle (LNP) targeted for liver cancer
- SBFM-PL4, a protease inhibitor for treatment of Coronavirus infections

Note 2 – Summary of Significant Accounting Policies

This summary of significant accounting policies is presented to assist the reader in understanding the Company's financial statements. The consolidated financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to Generally Accepted Accounting Principles in the United States ("GAAP") and have been consistently applied in the preparation of the financial statements.

PRINCIPLES OF CONSOLIDATION

The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries, Nora Pharma Inc. and Sunshine Biopharma Canada Inc., both wholly owned. All intercompany accounts and transactions have been eliminated in consolidation.

USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The more significant estimates and assumptions made by management are valuation of equity instruments, depreciation of property and equipment, and deferred tax asset valuation. Actual results could differ from those estimates as the current economic environment has increased the degree of uncertainty inherent in these estimates and assumptions.

TRADE ACCOUNTS RECEIVABLE AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

Trade accounts receivable are stated at net realizable value. The majority of customers are not extended credit and therefore time to maturity for receivables is short. On a periodic basis, management evaluates its trade accounts receivable and determines whether to record an allowance for doubtful accounts. Management analysis for the periods ended December 31, 2024 and 2025 determined that no allowance for doubtful accounts needed to be recorded. A receivable is considered past due if the Company has not received payments based on agreed-upon terms. The Company generally does not require any security or collateral to support its receivables. As of December 31, 2025 and 2024, the balances of accounts receivable were $3,459,864 and $3,868,418, respectively.

INVENTORY VALUATION

The Company's inventory is comprised of finished goods. Inventory is valued at the lower of cost and net realizable value. Cost is determined using the first in, first out method. Net realizable value is the estimated selling price in the ordinary course of business, less the costs necessary to make the sale. The cost of inventory includes the purchase price and other costs directly attributable to the acquisition of the finished goods. The Company regularly reviews inventories to determine if the carrying value exceeds net realizable value and, when determined necessary, an allowance to reduce the carrying value to net realizable value is recorded. The net realizable value is calculated based on a combination of factors, including (i) aging, (ii) historical sell-through patterns, and (iii) product-specific considerations. Write-downs are recorded within cost of goods sold and are not subsequently reversed. As of December 31, 2025 and 2024, there were allowances for obsolescence of $475,153 and $0, respectively.

CASH AND CASH EQUIVALENTS

For the Balance Sheets and Statements of Cash Flows, all highly liquid investments with maturity of 90 days or less are considered to be cash equivalents. The Company had a cash balance of $9,123,308 and $9,686,529 as of December 31, 2025 and December 31, 2024, respectively. At times such cash balances may be in excess of the FDIC limit of $250,000 in the U.S. or the $100,000 CAD (approximately $73,000 USD) limit in Canada. At December 31, 2025, the Company had deposits totaling approximately $7 million in the U.S and $2 million in Canada.

PROPERTY AND EQUIPMENT

Property and equipment are reviewed for recoverability when events or changes in circumstances indicate that its carrying value may exceed future undiscounted cash inflows. As of December 31, 2025 and 2024, the Company had not identified any such impairment. Repairs and maintenance are charged to operations when incurred and improvements and renewals are capitalized.

Property and equipment are stated at cost. Depreciation is calculated according to the following methods at the following annual rates and period for financial reporting purposes and accelerated methods for tax purposes. Their estimated useful lives are as follows:

Office Equipment:	Straight-line and Declining balance method	5-7 Years / 20%
Computer Equipment:	Declining balance method	55%
Laboratory Equipment:	Straight-line method	5 Years
Vehicles:	Straight-line and Declining balance method	5 Years / 30%

INTANGIBLE ASSETS

Intangible assets are amortized over their estimated useful lives according to the following methods at the following annual rates and period:

Licenses:	Straight-line method	5 Years
Website:	Declining balance method	55%

Intangible assets are tested for recoverability when events or changes in circumstances indicate that their carrying amount may not be recoverable. The carrying amount of a long-lived asset is not recoverable when it exceeds the sum of the undiscounted cash flows expected to result from its use and eventual disposal. In such a case, an impairment loss must be recognized and is equivalent to the excess of the carrying amount of a long-lived asset over its fair value.

INTELLECTUAL PROPERTY RIGHTS - PATENTS AND LICENSES

The cost of patents and licenses acquired is capitalized and is amortized over the remaining life of the patents or licenses.

The Company evaluates recoverability of identifiable intangible assets whenever events or changes in circumstances indicate that intangible assets carrying amount may not be recoverable. Such circumstances include but are not limited to: (i) a significant decrease in the market value of an asset, (ii) a significant adverse change in the extent or manner in which an asset is used, or (iii) an accumulation of cost significantly in excess of the amount originally expected for the acquisition of an asset. The Company measures the carrying amount of such assets against the estimated undiscounted future cash flows associated with it.

BASIC AND DILUTED NET GAIN (LOSS) PER SHARE

The Company computes gain or loss per share in accordance with *ASC 260 – Earnings per Share*. ASC 260 requires presentation of both basic and diluted earnings per share (“EPS”) on the face of the income statement. Basic net income (loss) per share is calculated by dividing net income (loss) by the weighted-average common shares outstanding. Diluted net income (loss) per share is calculated by dividing net income (loss) by the weighted-average common shares outstanding during the period using the treasury stock method or the two-class method, whichever is more dilutive. As the Company incurred net losses for the years ended December 31, 2025 and 2024, no potentially dilutive securities were included in the calculation of diluted earnings per share as the impact would have been anti-dilutive. Accordingly, diluted EPS information is not included in this report.

INCOME TAXES

In accordance with *ASC 740 – Income Taxes*, the provision for income taxes is computed using the asset and liability method. The liability method measures deferred income taxes by applying enacted statutory rates in effect at the balance sheet date to the differences between the tax basis of assets and liabilities and their reported amounts on the financial statements. The resulting deferred tax assets or liabilities have been adjusted to reflect changes in tax laws as they occur. A valuation allowance is provided when it is more likely than not that a deferred tax asset will not be realized.

The Company expects to recognize the financial statement benefit of an uncertain tax position only after considering the probability that a tax authority would sustain the position in an examination. For tax positions meeting a “more-likely-than-not” threshold, the amount to be recognized in the financial statements will be the benefit expected to be realized upon settlement with the tax authority. For tax positions not meeting the threshold, no financial statement benefit is recognized. As of December 31, 2025, the Company had no uncertain tax positions. The Company recognizes interest and penalties, if any, related to uncertain tax positions as general and administrative expenses. The Company currently has no federal or state tax examinations nor has it had any federal or state examinations since its inception. To date, the Company has not incurred any interest or tax penalties.

For Canadian and U.S. tax purposes, the Company’s 2022 through 2024 tax years remain open for examination by the tax authorities under the normal three-year statute of limitations.

FUNCTIONAL CURRENCY

The U.S. dollar is the functional currency of the Company which is operating in the United States. The functional currency for the Company's Canadian subsidiaries is the Canadian dollar.

The Company translates its Canadian subsidiaries' financial statements into U.S. dollars as follows:

- Assets and liabilities are translated at the exchange rate in effect as of the financial statement date.
- Income statement accounts are translated using the weighted average exchange rate for the period.

The Company includes translation adjustments from currency exchange and the effect of exchange rate changes on intercompany transactions of a long-term investment nature as a separate component of shareholders’ equity. There are currently no transactions of a long-term investment nature, nor any gains or losses from non-U.S. currency transactions.

CONCENTRATION OF CREDIT RISKS

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash equivalents and trade receivables. The Company places its cash equivalents with high credit quality financial institutions.

FINANCIAL INSTRUMENTS AND FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company applies the provisions of accounting guidance, *ASC 825 – Financial Instruments*. ASC 825 requires all entities to disclose the fair value of financial instruments, both assets and liabilities recognized and not recognized on the balance sheet, for which it is practicable to estimate fair value, and defines fair value of a financial instrument as the amount at which the instrument could be exchanged in a current transaction between willing parties. As of December 31, 2025 and 2024, the fair value of cash, accounts receivable and notes receivable, accounts payable, accrued expenses, and other payables approximated carrying value due to the short maturity of the instruments, quoted market prices or interest rates which fluctuate with market rates.

The Company defines fair value as the price that would be received to sell an asset or be paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company applies the following fair value hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

- Level 1 – Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

- Level 2 – Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3 – Level 3 inputs are unobservable inputs for the asset or liability in which there is little, if any, market activity for the asset or liability at the measurement date.

The carrying value of financial assets and liabilities recorded at fair value is measured on a recurring or nonrecurring basis. Financial assets and liabilities measured on a non-recurring basis are those that are adjusted to fair value when a significant event occurs. The Company had no financial assets or liabilities carried and measured on a nonrecurring basis during the reporting periods. Financial assets and liabilities measured on a recurring basis are those that are adjusted to fair value each time a financial statement is prepared.

NOTES PAYABLE

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method. The Company had no notes payable as of December 31, 2025 and 2024.

REVENUE RECOGNITION

Over 97% of the Company's revenues are derived from the sale of pharmaceutical products. Pharmaceutical products can only be sold to a specific customer that is either a registered pharmacy or a registered wholesaler. The Company therefore sells only to customers registered with Health Canada, the Canadian equivalent of the FDA. Contracts are drawn up between the wholesalers and the Company for all indirect sales. In the case of direct sales to pharmacies, purchase orders are used instead of contracts. A purchase order, forecast, or other written instructions to purchase any of the Company's products placed by the customer constitutes an irrevocable offer to purchase. The customer is responsible for ensuring that the terms of any such order are complete and accurate. The purchase order is only deemed to be accepted when the Company (in its sole discretion) accepts the purchase order and delivers on the purchase. The acceptance of any purchase order can be full or partial, at the sole discretion of the Company. No variations to these conditions are binding on the Company unless agreed to in writing between the customer and the Company.

No significant judgments are made in connection with any contracts as the price is already determined, the collection is reasonably assured, and performance obligation is fulfilled when the customer receives the goods. The Company is not required to apply any specific judgments, estimations, or assumptions to determine the price of its products.

Taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction, that are collected by the Company from a customer, are excluded from revenue. Shipping and handling costs associated with outbound freight after control over a product has been transferred to a customer are accounted for as a fulfillment cost and are included in cost of revenues. The amount invoiced for each product is fixed at the Company's current price list on the date of shipping and known in advance by the customer and does not vary.

The Company fulfills its performance obligation when the customer receives the requested products. When the products leave the Company's warehouse, the transport to the customer is insured and the transfer of ownership to the customer takes place when the customer receives the goods. At this point, the Company issues an invoice for the products and remits the applicable sales taxes (GST and QST) to the appropriate governmental agency. The revenue is recognized when the invoice is issued. Unless otherwise agreed to and signed by both parties, payment terms are within 30 days from the date of the invoice. The collection is reasonably assured because of the nature of the Company's customers. The Company is conducting sales only in Canada. Prices are listed in Canadian dollars and may vary from one Province or Territory to another within Canada. All products sold by the Company are labelled and approved for sale in Canada only and are not intended for export outside of Canada.

In the event of any breach by the Company of any product warranty (whether by reason of defective materials, production faults or otherwise), the Company's liability is limited to, at Company's option, (i) replacement of the product(s) in question, or (ii) reimbursement of the purchase price. The Company carries product liability insurance and is not liable for products' failure to comply with the warranty of products if the failure or damage arises because of the customer's negligence, deliberate damage, misuse or failure to store the products in conditions per Health Canada specifications. The Company is not liable (whether in contract, in tort or otherwise) for any (i) indirect, special or consequential loss or damage, or (ii) loss of profit, goodwill, business or revenue (in each case whether direct or indirect). These conditions also apply to any replacement products supplied by the Company.

The Company warrants to the customer that, at the time of delivery, the products are compliant with all mandatory quality standards required by applicable regulatory and legal requirements. In return, the customer is required to warrant to the Company that it holds all relevant permits and approvals required under applicable laws to purchase, store, distribute, sell and use the Company's products. Visible defects or damages must be reported to the Company in writing immediately, but no later than five (5) business days after receipt of the products. Hidden defects must be reported to the Company in writing immediately, but no later than five (5) business days after the customer becomes aware of such defects. The Company is not be deemed to be in breach of the terms or otherwise liable to customer for any delay in performance or non-performance of its obligations due to circumstances beyond its control, including but not limited to, acts of God, floods, droughts, earthquakes or other natural disasters, terrorist attacks, wars, preparations for war, armed conflicts, civil commotions or riots, epidemics or pandemics, fires, strikes, lockouts, shortages of material or labor, breakdown or damage to machinery or equipment, accidents, any law or governmental order or other regulations or action taken by a governmental entity, or default of any third party suppliers or provider of services or products, or any causes not within the Company's control.

LEASES

The Company recognizes and measures its leases in accordance with *ASC 842 – Leases*. The Company is a lessee in a non-cancellable operating lease for office space. The Company determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. The Company recognizes a lease liability and a right-of-use (ROU) asset at the commencement date. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. The discount rate is the implicit rate if it is readily determinable or otherwise the Company uses its incremental borrowing rate. The implicit rates of the Company's lease are not readily determinable and accordingly, the Company uses its incremental borrowing rate based on the information available at the commencement date for all leases. The Company's incremental borrowing rate for a lease is the 6% interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment. The ROU asset is subsequently measured throughout the lease term at the remaining amount (i.e. present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. Lease cost for lease payments is recognized on a straight-line basis over the lease term.

The Company has elected, for all underlying classes of assets, not to recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement, and do not include an option to purchase the underlying asset that the Company is reasonably certain to exercise. The Company recognizes the lease cost associated with its short-term leases on a straight-line basis over the lease term.

Under the available practical expedient, we account for the lease and non-lease components as a single lease component for all classes of underlying assets as both a lessee and lessor. Further, we elected a short-term lease exception policy on all classes of underlying assets, permitting us to not apply the recognition requirements of this standard to short-term leases (i.e. leases with terms of 12 months or less).

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

ASU 2023-09 – Income Taxes (Topic 740): Improvements to Income Tax Disclosures, enhances the transparency and decision usefulness of income tax disclosures. Adjustments to the annual disclosure of income taxes include: (1) a tabular rate reconciliation comprised of eight specific categories, (2) incomes taxes paid, disaggregated between significant national, state, and foreign jurisdictions, (3) eliminates requirements to disclose the nature and estimate of reasonably possible changes to unrecognized tax benefits in the next 12 months or that an estimated range cannot be made, and (4) adds a requirement to disclose income (or loss) from continuing operations before income tax expense (or benefit) by national and foreign, and income tax expense (or benefit) from continuing operations disaggregated between national, state and foreign. The *ASU 2023-09* is effective for public business entities for fiscal years beginning on or after December 15, 2024, and for all other entities for fiscal years beginning on or after December 31, 2025, with early adoption permitted. The amendments in *ASU 2023-09* were adopted by the Company on a prospective basis. There was no material change to the Company's financial statements reporting as a result of adopting *ASU 2023-09*.

ASU 2024-03 – Income Statement (Reporting Comprehensive Income) Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses, requires disaggregation of specific expense categories in the notes to the financial statements and a qualitative description of the remaining expense amounts not separately disaggregated. This standard is effective for annual reporting periods beginning after December 15. 2026, and requires prospective application with the option to apply it retrospectively. We intend to adopt this standard in our Annual Report on Form 10-K for the year ending December 31. 2027.

The Company has implemented all other new accounting pronouncements that are in effect and that may impact its financial statements and does not believe that there are any other new pronouncements that have been issued that might have a material impact on its financial position or results of operations.

Note 3 – Acquisition of Nora Pharma Inc.

On October 20, 2022, the Company acquired all of the issued and outstanding shares of Nora Pharma Inc. ("Nora Pharma"), a Canadian privately held pharmaceutical company. The purchase price for the shares was $18,860,637 which was paid in cash ($14,346,637) and by the issuance of 1,850 shares of the Company's common stock valued at $4,514,000 or $2,440.00 per share. Nora Pharma sells generic pharmaceutical products in Canada. Nora Pharma's operations are authorized by a Drug Establishment License issued by Health Canada.

As part of the consideration for Nora Pharma, the Company agreed to a $5,000,000 CAD ($3,632,000 USD) earnout amount payable to Mr. Malek Chamoun, the seller of Nora Pharma. The earnout is payable in the form of twenty (20) payments of $250,000 CAD for every $1,000,000 CAD increase in gross sales (as defined in the Purchase Agreement) above Nora Pharma's June 30, 2022 gross sales, provided that his employment with the Company is not terminated pursuant to the Company's employment agreement with him. The total earnout amount of $3,632,000 has been recorded as a salary payable. During the fiscal year ended December 31, 2023, the Company paid an earnout amount of $1,426,914 CAD (approximately $1,036,500 USD) for the fiscal year ended December 31, 2022. On April 22, 2024, the Company paid another earnout amount of $3,093,878 CAD (approximately $2,247,400 USD) for the fiscal year ended December 31, 2023. As of December 31, 2025, the remaining earnout balance was $479,208 CAD ($295,797 USD). This remaining earnout amount is currently in dispute following dismissal of Mr. Chamoun by the Company on April 14, 2025 (See Note 17).

Note 4 – Intangible Assets

Intangible assets consisted of the following:

Year Ended December 31,		2024
Balance as of December 31, 2023	$	1,444,259
License fees additions		1,651,617
Balance at December 31, 2024		3,095,876
Less: accumulated amortization		(76,159)
Intangible assets, net at December 31, 2024	$	3,019,717

Year Ended December 31,		2025
Balance as of December 31, 2024	$	3,019,717
License fees additions		774,355
Balance at December 31, 2025		3,794,072
Less: impairment*		(1,748,247)
Less accumulated amortization		(156,455)
Intangible assets, net at December 31, 2025	$	1,889,370

* The impairment was a result of the determination by the Company that certain product licenses could not be commercialized

The amortization amounts of intangible assets for 2025 and 2024 were $37,758 and $77,009, respectively.

As of December 31, 2025, the estimated amortization expense of the Company's intangible assets for each of the next five years is as follows:

2026	$	212,414
2027		212,414
2028		212,414
2029		212,414
2030		58,093

Note 5 – Plant, Property and Equipment

Property, plant and equipment are stated at cost. Depreciation of property, plant and equipment begins in the month when the asset is placed into service and is provided using the straight-line method for financial reporting purposes at rates based on the estimated useful lives of the assets. Estimated useful lives range from three to twenty years. Property, plant and equipment consist of the following:

Year Ended December 31,	2025	2024
Equipment	$ 335,464	$ 336,880
Computer equipment	69,139	53,531
Furniture and fixtures	45,462	50,686
Leasehold improvements	92,706	88,306
Vehicles	507,478	353,185
Total	1,070,249	882,588
Less: Accumulated depreciation	(512,879)	(336,533)
Plant, property and equipment, net	$ 557,370	$ 546,055

Depreciation expense for the years ended December 31, 2025 and 2024 amounted to $176,346 and $146,518, respectively.

Note 6 – Inventory

Inventory consists solely of finished goods purchased for resale. Inventory is stated at the lower of cost or net realizable value. Cost represents the amount paid to acquire the finished goods. The Company uses the first in, first out (FIFO) method to determine cost. Under the FIFO method, the earliest purchased units are deemed sold first, so ending inventory reflects the most recent purchase costs.

The Company evaluates inventory for potential obsolescence based on a combination of factors, including (i) aging, (ii) historical sell-through patterns, and (iii) product-specific considerations. When estimated net realizable value is lower than cost, the Company records an allowance for obsolescence for the difference. Write-downs are recorded within cost of goods sold and are not subsequently reversed.

Inventory is comprised of the following:

Year Ended December 31,	2025	2024
Finished goods	$ 13,947,178	$ 11,278,105
Allowance for obsolete inventory	(475,153)	–
Total Inventory, net of allowance	$ 13,472,025	$ 11,278,105

Note 7 – Prepaid Expenses

The prepaid expenses category is comprised of the following:

Year Ended December 31,	2025	2024
Prepaid taxes	$ 206,242	$ 657,437
Permits and insurance	486,797	399,176
Other prepaid expenses	105,345	76,684
Total	$ 798,384	$ 1,133,297

Note 8 – Cost of Sales

Cost of Sales is accounted for in accordance with *ASC 705 – Cost of Sales and Services*. The Company purchases all commercial inventory as finished pharmaceutical products from third party suppliers and does not conduct internal manufacturing.

These costs are capitalized into inventory in accordance with *ASC 330* and recognized in Cost of Sales when control of the related inventory transfers to the customer under *ASC 606*. Inventory is recorded at cost.

The Company evaluates inventory for excess, expiration, and obsolescence at each reporting period. Inventory that becomes unsalable due to shelf-life limitations, regulatory changes, product discontinuation, or forecasted demand shortfalls is written down to its net realizable value, with the charge recorded in Cost of Sales. Previously recorded write downs are not reversed.

The Company's Cost of Sales category is comprised of the following:

Year Ended December 31,	2025	2024
Finished goods	$ 8,866,208	$ 8,116,534
Professional allowances	11,909,812	13,714,009
Other allowances	1,086,575	666,913
Wholesalers' fees & discounts	650,333	1,699,286
Inventory adjustment	1,162,303	236,555
Freight	374,983	438,105
Total	$ 24,050,214	$ 24,204,489

Note 9 – Reverse Stock Splits

Effective April 17, 2024 and August 8, 2024, the Company completed 1-for-100 and 1-for-20 reverse splits of its common stock, respectively. The Company had previously completed three (3) reverse stock splits including a 1-for-200 reverse split on February 9, 2022, and two 1-for-20 reverse splits, one in 2019 and the other in 2020. The Company's financial statements included in this report reflect all five (5) reverse stock splits on a retroactive basis for all periods presented and for all references to common stock, unless specifically stated otherwise.

Note 10 – Capital Stock

The Company's authorized capital is comprised of 3,000,000,000 shares of common stock, par value $0.001, and 30,000,000 shares of preferred stock, $0.10 par value. As of December 31, 2024, the Company had authorized 1,000,000 shares of Series B Preferred Stock. The Series B Preferred Stock is non-convertible and non-redeemable. It has a liquidation preference equal to the stated value of $0.10 per share, relative to the common stock and gives the holder the right to 1,000 votes per share. As of December 31, 2024 and 2025, 130,000 shares of Series B Preferred Stock were outstanding and held by the Company's Chief Executive Officer.

On February 8, 2024, the Company issued 20,000 shares of Series B Preferred Stock to the Company's CEO for a purchase price of $0.10 per share.

On February 15, 2024, the Company completed an underwritten public offering and in connection therewith it issued an aggregate of 35,714 shares of common stock and received $8,522,411 in net proceeds. In connection with this offering, the Company issued 22,500 pre-funded warrants (the “2024 Pre-Funded Warrants”) exercisable at $2.00 per share, 3,986 Series A Warrants exercisable at $4,200.00 per share (subject to adjustment), or pursuant to an alternative cashless exercise provision, and 7,973 Series B Warrants exercisable at $4,760.00 per share, subject to adjustment. As of December 31, 2025, (i) all of the 2024 Pre-Funded Warrants have been exercised resulting in the Company receiving net proceeds of $45,000, (ii) all of the Series A Warrants have been exercised pursuant to the alternative cashless provision resulting in the Company receiving $0 in proceeds, and (iii) 15,577,965 Series B Warrants remained outstanding and their exercise price had been adjusted to $2.07 as a result of two reverse stock splits and a financing event which were conducted subsequent to their issuance. The Series B Warrants expire in February 2029.

On March 4, 2024, the Company issued 100,000 shares of Series B Preferred Stock to the Company’s CEO for a purchase price of $0.10 per share.

In April and May 2024, the Company issued 1,120,784 shares of common stock in connection with the cashless exercise of all of the Series A Warrants and received $0 in proceeds.

On August 16, 2024, the Company issued 150,285 shares of common stock in connection with the rounding up of fractional shares following the reverse stock splits of April 17, 2024 and August 8, 2024.

In August and September 2024, the Company issued 678,865 shares of common stock in connection with the exercise of 678,865 Series B Warrants and received aggregate net proceed of $1,895,610.

In November and December 2024, the Company issued 580,438 shares of common stock in connection with the exercise of 580,438 Series B Warrants and received aggregate net proceeds of $1,618,203.

On January 3, 2025, the Company issued 127,443 shares of common stock upon the exercise of 127,443 Series B Warrants and received $355,298 in net proceeds.

On April 2, 2025, the Company issued 660,000 shares of common stock upon the exercise of 660,000 Series B Warrants and received $1,840,014 in net proceeds.

On April 3, 2025, the Company issued an aggregate of 1,188,404 shares of common stock in connection with a registered direct offering and received $1,828,596 in net proceeds.

On October 16, 2025, the Company issued 350,000 shares of common stock upon the exercise of 350,000 Series B Warrants and received net proceeds of $724,500.

As of December 31, 2025 and 2024, the Company had 4,905,945 and 2,580,098 shares of common stock issued and outstanding, respectively.

The Company has declared no dividends since inception.

Note 11 –Warrants

The Company accounts for issued warrants either as a liability or equity in accordance with *ASC 480-10* or *ASC 815-40*. Under *ASC 480-10*, warrants are considered a liability if they are mandatorily redeemable and they require settlement in cash, other assets, or a variable number of shares. If warrants do not meet liability classification under *ASC 480-10*, the Company considers the requirements of *ASC 815-40* to determine whether the warrants should be classified as a liability or as equity. Under *ASC 815-40*, contracts that may require settlement for cash are liabilities, regardless of the probability of the occurrence of the triggering event. Liability-classified warrants are measured at fair value on the issuance date and at the end of each reporting period. Any change in the fair value of the warrants after the issuance date is recorded in the consolidated statements of operations as a gain or loss. If warrants do not require liability classification under *ASC 815-40*, in order to conclude warrants should be classified as equity, the Company assesses whether the warrants are indexed to its common stock and whether the warrants are classified as equity under *ASC 815-40* or other applicable GAAP standard. Equity-classified warrants are accounted for at fair value on the issuance date with no changes in fair value recognized after the issuance date.

In 2022, 2023, 2024, and 2025, the Company completed six (6) financing events, and in connection therewith, it issued warrants as follows:

Issuance Date/Type	Number	Exercise Price	Expiry Date
Feb 17, 2022 (“Tradeable Warrants”)*	2,051	$4,440.00	February 2027
Mar 14, 2022 (“2022 Pre-Funded Warrants”)	1,846	$2.00	Unlimited
Mar 14, 2022 (“Investor Warrants”)	1,801	$4,440.00	March 2027
Apr 28, 2022 (“April Warrants”)	4,862	$7,520.00	April 2027
May 16, 2023 (“May Pre-Funded Warrants”)	1,751	$2.00	Unlimited
May 16, 2023 (“May Investor Warrants”)	5,952	$1,180.00	November 2028
Feb 15, 2024 (“2024 Pre-Funded Warrants”)	22,500	$2.00	Unlimited
Feb 15, 2024 (“Series A Warrants”)	3,986**	$4,200.00**	August 2026
Feb 15, 2024 (“Series B Warrants”)	7,973**	$4,760.00**	February 2029
Apr 03, 2025 (“2025 Pre-Funded Warrants”)	260,000	$0.001	Unlimited

* These warrants trade under the ticker symbol SBFMW
** Subject to adjustment

On February 11, 2024, the Company redeemed all of the April Warrants and all of the May Investor Warrants for an aggregate purchase price of $3,139,651.

As of December 31, 2025, all of the 2022 Pre-Funded Warrants, all of the May Pre-Funded Warrants, all of the 2024 Pre-Funded Warrants, all of the 2025 Pre-Funded Warrants, a total of 1,569 Tradeable Warrants, 1,401 Investor Warrants, all of the Series A Warrants, and 2,269,303 Series B Warrants (as adjusted) were exercised resulting in aggregate net proceeds of $18,136,992 received by the Company.

The Company’s outstanding warrants as of December 31, 2025 consisted of the following:

Type	Number	Exercise Price	Expiry Date
Tradeable Warrants*	482	$220.00	February 2027
Investor Warrants	400	$4,000.00	March 2027
Series B Warrants	15,227,962**	$2.07**	February 2029

* These warrants trade under the ticker symbol SBFMW
** As adjusted following the financing event of April 3, 2025 and subject to further adjustment of the number of warrants and exercise price upon certain corporate actions such that the aggregate exercise price of the warrants remains unchanged

Note 12 – Earnings Per Share

The following table* sets forth the computation of basic net income (loss) per share:

Year Ended December 31,	2025	2024
Net gain (loss) attributable to common stock	$ (5,975,352)	$ (5,134,116)
Weighted average outstanding shares of common stock (Basic)	4,157,086	701,749
Net gain (loss) per share attributable to common stock (Basic)	$ (1.44)	$ (7.32)

* Diluted net gain (loss) per share is not included in this table as the Company incurred net losses for the years ended December 31, 2025 and 2024 and inclusion of dilutive instruments would have an anti-dilutive effect.

Note 13 – Income Taxes

The components of the provision for income taxes were as follows:

Year Ended December 31,	2025	2024
Current:		
Federal	–	–
State	–	50
Foreign	(73,330)	(90,434)
Total Current	(73,330)	(90,384)
Deferred:		
Federal	–	–
State	–	–
Foreign	94,939	(144,474)
Total Deferred	94,939	(144,474)
Total Income Tax Expense / (Benefit)	21,609	(234,858)

The Company's effective tax rate differs from the federal statutory rate as follows:

Year Ended December 31,	2025		2024	
Pre-Tax Book Income	(1,250,286)	21.00%	(1,121,714)	20.89%
State and Local Income Taxes	44,533	(0.75%)	40	0.00%
Effect of Rates Different than Statutory	151,341	(2.54%)	62,181	(1.16%)
Other Foreign Taxes	–	0.00%	(119,181)	2.22%
Permanent Adjustments	54,987	(0.92%)	56,092	(1.04%)
Change in Valuation Allowance	1,107,342	(18.60%)	569,920	(10.62%)
Rate Change	–	0.00%	149,237	(2.78%)
Prior Year True up	(86,308)	1.45%	156,540	(2.92%)
Other	–	–%	12,027	(0.22%)
	21,609	(0.36%)	(234,858)	4.37%

The components of the net deferred tax assets were as follows:

Year Ended December 31,	2025	2024
Deferred Tax Assets:		
Net Operating Loss, Credits and Carryforwards	7,785,678	6,460,638
Fixed Assets	2,818	–
Intangibles	622,658	614,734
Research and Development	25,327	25,327
Other deferred tax assets	–	95,935
Lease Liability	9,232	252,407
Valuation Allowance	(8,445,713)	(6,967,294)
Total Deferred Tax Assets	–	481,747
Deferred Tax Liabilities:		
Other deferred tax liabilities	–	(67)
Fixed Assets	–	(141,396)
Intangibles	–	–
Right-of-Use Assets	–	(248,050)
Total Deferred Tax Liabilities	–	(389,513)
Net Deferred Tax Liability	–	92,234

As of December 31, 2025, the Company has federal, state, foreign and provincial net operating loss carryforwards of approximately $26 million, $16.1 million, $4.3 million, and $3.3 million, respectively. Of the federal net operating loss forwards, approximately $9.4 million have expiration dates from 2027 to 2037. The remainder can be carried forward indefinitely but limited to 80% of taxable income. The foreign and provincial net operating loss carryforwards have a carryforward period of 20 years.

Deferred tax assets are reduced by a valuation allowance if it is more likely than not that some portion or all of a deferred tax asset will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences are deductible. In making this determination, management considers all available positive and negative evidence affecting specific deferred assets, including the Company's past and anticipated future performance, the reversal of deferred tax liabilities, the length of carryback and carry-forward periods, and the implementation of the tax planning strategies.

Objective positive evidence is necessary to support a conclusion that a valuation allowance is not needed for all or a portion of deferred tax assets when significant negative evidence exists. Cumulative losses in recent years are the most compelling form of negative evidence considered by management in making this determination. For the years ended December 31, 2025 and 2024, management has determined that based on all available evidence, a valuation allowance of $8.4 million and $7.0, respectively is appropriate.

The Company’s evaluation of uncertain tax matters was performed for tax years ended through December 31, 2025. Generally, the Company is subject to U.S. audit for the years ended December 31, 2024, 2023, and 2022 and may be subject to examination for amounts relating to net operating loss carryforwards generated in periods prior to December 31, 2024. The company is subject to Canada audit for the years ended December 31, 2024, 2023, 2022 and 2021 for Sunshine Biopharma Canada Inc and subject to Canada audit for the years ended December 31, 2024, 2023 and 2022 and June 30, 2022 for Nora Pharma Inc and may be subject to examination for amounts relating to net operating loss carryforwards generated in periods prior to December 31, 2024.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was enacted in the U.S. The OBBBA makes permanent key elements of the Tax Cuts and Jobs Act, including 100% bonus depreciation, domestic research cost expensing, and the business interest expense limitation. ASC Topic 740, Income Taxes, requires the tax effects of changes in tax rates and laws to be recognized in the period in which the legislation is enacted. Those effects, both current tax and deferred tax, are reported as part of continuing operations. The Company is currently assessing the impact of OBBBA on its Consolidated Financial Statements but currently does not believe that the OBBBA will have a material impact on the Company's income tax expense.

Note 14 – Leases

The Company has obligations as a lessee for office space with initial non-cancellable terms in excess of one year. The Company classified the lease as an operating lease. The lease contains a renewal option for a period of five years. Because the Company is certain to exercise the renewal option, the optional period is included in determining the lease term, and associated payments under the renewal option are included in the lease payments. The Company’s lease does not include termination options for either party to the lease or restrictive financial or other covenants. Payments due under the lease contract include fixed payments plus a variable Payment. The Company’s office space lease requires it to make variable payments for the Company’s proportionate share of building’s property taxes, insurance, and common area maintenance. These variable lease payments are not included in lease payments used to determine lease liability and are recognized as variable costs when incurred.

Amounts reported on the balance sheet as of December 31, 2025 were as follows:

Operating lease ROU asset	$	778,846
Operating Lease liability - Short-term	$	215,637
Operating lease liability - Long-term	$	596,785
Remaining lease term		4 years
Discount rate		6%

Amounts disclosed for ROU assets obtained in exchange for lease obligations and reductions of ROU assets resulting from reductions of lease obligations include amounts reduced from the carrying amount of ROU assets resulting from deferred rent.

Maturities of lease liabilities under non-cancellable operating leases at December 31, 2025 are as follows:

2026	$	215,637
2027	$	204,428
2028	$	193,794
2029	$	183,705
Thereafter	$	14,858

Note 15 – Segment Reporting

The Company operates as one operating segment, which is also its one reportable segment, as the Chief Executive Officer, acting as the Chief Operating Decision Maker ("CODM"), evaluates financial performance and allocates resources on a consolidated, enterprise-wide basis. The Company's operations are managed as an integrated pharmaceutical business focused on the research, development, and commercialization of prescription drugs and supplements.

Although the Company conducts activities through multiple legal entities — including Sunshine Biopharma Inc. (U.S.), Sunshine Biopharma Canada Inc. (Canada), and Nora Pharma Inc. (Canada) — these entities operate under a unified management structure with shared economic characteristics, common product development objectives, and centralized decision making. As such, they do not meet the criteria for separate operating segments under *ASC 280 – Segment Reporting*.

In accordance with *ASU 2023-07*, the Company provides the following information regarding its single reportable segment:

- Measure of Segment Profit (Loss): The CODM evaluates performance using consolidated operating income (loss), which is consistent with the amounts presented in the accompanying consolidated financial statements.
- Significant Segment Expenses: Research and development expenses, and supply chain costs, selling and marketing expenses, and general and administrative expenses are all incurred and reviewed on a consolidated basis.
- Other Segment Items: Interest income, interest expense, foreign exchange gains and losses, and other non-operating items are also managed and reviewed on a consolidated basis.
- Reconciliation: As the Company has only one reportable segment, no additional reconciliation to consolidated totals is required beyond what is presented in the consolidated statements of operations.

The Company's operations are conducted primarily in Canada and substantially all long-lived assets are located in this jurisdiction. Revenues are generated from customers located in Canada.

Note 16 – Management and Director Compensation

The Company paid its officers cash compensation totaling $1,425,942 and $1,850,243 for the years ended December 31, 2025 and 2024, respectively. Of these amounts attributable to the Company's CEO, $0 and $800,000, respectively was paid to Advanomics Corporation, a company controlled by the CEO of the Company. In addition, the Company's CEO was paid $12,000 in 2024 through the issuance of 120,000 shares of Series B Preferred Stock valued at $12,000.

The Company paid its five directors cash compensation of $80,000 each, totaling $400,000 for each of the years ended December 31, 2025 and 2024.

Note 17 – Legal Matters

On April 14, 2025, the Company terminated the employment of Mr. Malek Chamoun, president of the Company's wholly owned Canadian subsidiary, Nora Pharma. On April 17, 2025, the Company received a demand letter (the "Demand Letter") from the attorneys of Mr. Chamoun requesting that the Company pay to Mr. Chamoun $7,307,025 CAD (approximately $5,300,000 USD) within five (5) days. In response to the Demand Letter, the Company issued a letter on May 1, 2025 advising that the demands contained in the Demand Letter, including the sum of $7,307,025 CAD (approximately $5,300,000 USD), are completely unfounded and that it intends to defend itself vigorously. No provision or accrual was made in the financial statements for any litigation liability or legal expense which the Company may incur in connection with this alleged claim.

Note 18 – Subsequent Events

On January 16, 2026, the Company received a demand letter from the attorneys of Mr. Andrew Telsey, the Company's former legal counsel, asserting that the Company and Mr. Telsey executed an employment agreement and demanding payment of $3,645,750 from the Company based on the Company's alleged termination of the purported employment agreement without cause. The Company believes this demand is without merit and has never executed an employment agreement with Mr. Telsey. On that basis, among other factors, the Company filed a complaint against Mr. Telsey on February 6, 2026 in the circuit court of the 7th judicial district in Broward County, Florida seeking a declaratory judgment providing that (i) the purported employment agreement is of no legal effect and is not binding upon the Company, (ii) no monies are owed by the Company to Mr. Telsey under the purported employment agreement, (iii) the Company should be awarded its attorney's fees and costs, and (iv) the Company should be awarded such other relief as the court deems just and proper. On March 30, 2026, the court granted the Company's motion for entry of default and entered a default and final judgment in favor of the Company. Pursuant to the court's order, the court declared that the purported employment agreement is of no legal effect and not binding on the Company, because the Company never executed the agreement, the Company did not breach the purported employment agreement, and no monies are owed by the Company to Mr. Telsey under the purported employment agreement. The court retained jurisdiction on the issues of entitlement and amount of attorney's fees and costs to the Company as the prevailing party.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report.

These controls are designed to ensure that information required to be disclosed in the reports we file or submit pursuant to the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission, and that such information is accumulated and communicated to our management, including our CEO and CFO, to allow timely decisions regarding required disclosure.

Based on this evaluation, our management, including our CEO and CFO concluded that our disclosure controls and procedures were effective as of December 31, 2025, at reasonable assurance levels.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate "internal control over financial reporting," as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act. Our system of internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external reporting purposes in accordance with US GAAP.

Our internal control over financial reporting includes those policies and procedures that: (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with U.S. GAAP, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (c) provide reasonable assurance regarding prevention or timely detection of unauthorized use, acquisition, or disposition of our assets that could have a material effect on the consolidated financial statements.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our internal control over financial reporting as of December 31, 2025, and they concluded that our internal control over financial reporting was effective as of December 31, 2025. In making this assessment, we utilized the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control — Integrated Framework (2013).

No Attestation Report by Independent Registered Accountant

The effectiveness of our internal control over financial reporting as of December 31, 2025, has not been audited by our independent registered public accounting firm by virtue of our exemption from such requirement as a smaller reporting company.

Changes in Internal Controls over Financial Reporting

There were no changes in our internal control over financial reporting during the three months ended December 31, 2025.

ITEM 9B. OTHER INFORMATION

During the quarter ended December 31, 2025, no director or officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

Directors and Officers

The following individuals currently serve as our Board of Directors and executive officers.

Name	Age	Position(s)
Dr. Steve N. Slilaty	73	President, Chief Executive Officer and Chairman of the Board
Mr. Camille Sebaaly	64	Chief Financial Officer, Director and Secretary
Dr. Rabi Kiderchah	53	Director
Mr. David Natan	72	Director
Dr. Andrew Keller	72	Director
Mr. Michel Roy	58	Chief Commercial Officer

Dr. Steve N. Slilaty was appointed as our chief executive officer and chairman of our board of directors on October 15, 2009. Dr. Slilaty is an accomplished scientist and business executive. His scientific publications are widely cited. Sunshine Biopharma is the third in a line of biotechnology companies that Dr. Slilaty founded and managed. The first, *Quantum Biotechnologies Inc.* later known as *Qbiogene Inc.*, was founded in 1991 and is now a member of a family of companies owned by *MP Biomedicals*, a global life science company headquartered in Santa Ana, California. The second company which Dr. Slilaty founded, *Genomics One Corporation*, conducted an initial public offering of its capital stock in 1999 and, on the basis of its ownership of Dr. Slilaty's patented TrueBlue® Technology, *Genomics One* became one of the key participants in the Human Genome Project and reached a market capitalization of $1 billion in 2000. Formerly, Dr. Slilaty was a research team leader at the *Biotechnology Research Institute (Montreal)*, a division of the *National Research Council of Canada*. Dr. Slilaty is one of the pioneers of Gene Therapy having developed the first gene delivery system applicable to humans in 1983 [*Science* ***220:*** *725-727 (1983)*]. Dr. Slilaty's other distinguished scientific career accomplishments included (i) the discovery of a new class of enzymes, the S24 Family of Proteases (IUBMB Enzyme: EC 3.4.21.88) [*Proc. Natl. Acad. Sci. U.S.A.* ***84:*** *3987-3991 (1987)*]. In addition, Dr. Slilaty (i) developed the first site-directed mutagenesis system applicable to double-stranded DNA [*Analyt. Biochem.* ***185:*** *194-200 (1990)*], (ii) cloned the gene for the first yeast-lytic enzyme (lytic b-1,3-glucanase) [*J. Biol. Chem.* ***266:*** *1058-1063 (1991)*], (iii) developed a new molecular strategy for increasing the rate of enzyme reactions [*Protein Engineering* ***4:*** *919-922 (1991)*], and (iv) constructed a powerful new cloning system for genomic sequencing (TrueBlue® Technology) [*Gene* ***213:*** *83-91 (1998)*]. Most recently, Dr. Slilaty helped a team of researchers at the University of Arizona in the design and testing of a novel series of Coronavirus PLpro inhibitors [*J. Med. Chem. 2024,* ***67:*** *13681−13702*]. Additional works of Dr. Slilaty in the area of PLpro inhibitors has recently been submitted for publication [*J. Med. Chem. In press*]. *These* and other works of Dr. Slilaty are cited in research papers, editorials, review articles and textbooks. Dr. Slilaty is the author of 20 original research papers and 12 issued and pending. These and other works of Dr. Slilaty are cited in research papers, editorials, review articles and textbooks. Dr. Slilaty received his Ph.D. degree in Molecular Biology from the University of Arizona in 1983 and Bachelor of Science degree in Genetics and Biochemistry from Cornell University in 1976. Dr. Slilaty has received research grants from the NIH and NSF and he is the recipient of the 1981 University of Arizona Foundation award for Meritorious Performance in Teaching. Dr. Slilaty's scientific and executive experience qualify him to serve on our board of directors.

Mr. Camille Sebaaly was appointed as our chief financial officer, secretary and a director of our Company on October 15, 2009. He resigned as a director of the Company in October 2021. Mr. Sebaaly held a number of senior executive positions in various areas including financial management, business development, project management and finance. As an executive and an entrepreneur, he combines expertise in strategic planning and finance with strong skills in business development and deal structure and negotiations. In addition, Mr. Sebaaly worked in operations, general management, investor relations, marketing and business development with emphasis on international business and marketing of advanced technologies including hydrogen generation and energy saving. In the area of marketing, Mr. Sebaaly has evaluated market demands and opportunities, created strategic marketing and business development plans, designed marketing communications and launched market penetration programs. Mr. Sebaaly graduated from State University of New York at Buffalo with an Electrical and Computer Engineering Degree in 1987. Mr. Sebaaly's technical and business experience qualify him to serve on our board of directors.

Dr. Rabi Kiderchah has served as a director of our Company since October 2021. Dr. Kiderchah is a licensed physician in Canada. From 2000 until August 2021, he was working at Argenteuil Hospital, Lachute, Quebec, Canada, as an emergency room physician. He has also worked as what is referred to in Canada as a "medecins depanneurs", working in rural areas where there are not enough ER doctors. Since August 2011 he has worked at Rabi Kiderchah Medecin Inc. as a freelance physician in the Quebec, Canada area. He received a Bachelor of Science degree in 1994 and an MD degree in 1998 from the University of Montreal. Dr. Kidercha's medical knowledge and experience qualify him to serve on our board of directors.

Mr. David Natan currently serves as President and Chief Executive Officer of Natan & Associates, LLC, a financial consulting firm offering chief financial officer services to public and private companies in a variety of industries, both domestically and internationally, since 2007. From 2010 to May 2020, Mr. Natan served as Chief Executive Officer of ForceField Energy, Inc. (OTCMKTS: FNRG), a company focused on the solar industry and LED lighting products. From February 2002 to November 2007, Mr. Natan served as Executive Vice President of Reporting and Chief Financial Officer of PharmaNet Development Group, Inc., a drug development services and clinical trials company, and, from June 1995 to February 2002, as Chief Financial Officer and Vice President of Global Technovations, Inc., a manufacturer and marketer of oil analysis instruments and speakers and speaker components. Before that, Mr. Natan served various roles in increasing responsibility with Deloitte & Touche LLP, a global accounting and consulting firm. Mr. Natan currently serves as a member of the Board of Directors and Chair of the Audit Committees of Sow Good Inc. (Nasdaq: SOWG), a candy distributor, and Indaptus Therapuetics (Nasdaq: INDP), since December 2025. Additionally, since April 2025, Mr. Natan has served as a member of the Board of Directors and Audit Committee Chair of FIEE, Inc., a technology company specializing in SAAS solutions and AI software development. Previously, Mr. Natan has served as a director for the following public companies: Global Technovations, Forcefield Energy, Black Titan (Nasdaq: BTTC), Vivakor Inc. (Nasdaq: VIVK), NetBrands Corp. (OTC: NBND), OpGen Inc. (OTC: OPGN), and Bio Green Med Solutions (Nasdaq: BGMS). Mr. Natan is a CPA (inactive), holds a B.A. in Economics from Boston University, and was appointed to Omicron Delta Epsilon, an international honor society in the field of Economics. Mr. Natan's financial knowledge and experience qualify him to serve on our board of directors.

Dr. Andrew M. Keller has served as a director of our Company since February 2022. From 2016 through November 2019, Dr. Keller was the Chief Medical Officer at the Western Connecticut Medical Group, Bethel CT, a multispecialty organization. He was employed by this group beginning in 1989, and in 2003 became Chief – Section of Cardiovascular Diseases. In 2014 he was appointed Chief Medical Informatics Officer. Previously, Dr. Keller was an Assistant Professor of Medicine/Radiology at Columbia University, The College of Physicians and Surgeons, NY, NY. Dr. Keller retired as a practicing physician in 2019. Upon his retirement as a practicing physician Dr. Keller enrolled as a full-time student at Quinnipiac University College of Law, where he graduated with a Juris Doctor degree in 2023. In July 2023, Dr. Keller passed the Bar exam and was admitted to practice law in the State of Connecticut in November 2023. Since November 2023 he has been employed at the Law Office of Robin P. Keller LLC, Norwalk, CT advocating for the educational needs of disabled children with medically complex diagnoses. Dr. Keller received a Doctor of Medicine degree in 1979 from The Ohio State University and a Bachelor of Arts degree in Physics, Magna Cum Laude from Ithaca College in 1975. Dr. Keller's medical knowledge and experience qualify him to serve on our board of directors.

Mr. Michel Roy was appointed as our Chief Commercial Officer in January 2025. Mr. has held various leadership roles in business development, licensing, sales and operations management in various pharmaceutical companies. From July 2020 to November 2024, Mr. Roy founded and led the Canadian operations of Shilpa Medicare Ltd., a large multinational pharmaceutical company headquartered in Karnataka, India. From 2014 to June 2020, Mr. Roy was Vice President, Business Development and Sales for Intas Pharmaceuticals Ltd., a major pharmaceutical company having its head office in Ahmedabad (India) with a strong presence in over 85 countries. During his tenure at Intas, Mr. Roy was responsible for strategic planning, business development, sales, financial management, and regulatory affairs. At the beginning of his career, he worked as a consultant and had positions with various international Contract Research Organization companies. Mr. Roy received his Executive Master of Business Administration (EMBA) at John Molson School of Business in 2010 and his Master of Science (M.Sc.) at Université de Montréal in 1999. He also received a Bachelor of Commerce, Major in Economics, at Concordia University in 1990.

Corporate Governance

Board of Directors Term of Office

Directors are elected at our annual meeting of shareholders and serve for one year until the next annual meeting of shareholders or until their successors are elected and qualified.

Committees of our Board of Directors

We have established an audit committee, a compensation committee, and a corporate governance and nominating committee of our board of directors. Each committee is comprised of each of our independent directors. David Natan is our audit committee financial expert.

No Family Relationships

There is no family relationship between any director and executive officer or among any directors or executive officers.

Involvement in Certain Legal Proceedings

Our directors and executive officers have not been involved in any of the following events during the past ten years:

1. any bankruptcy petition filed by or against such person or any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;

2. any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);

3. being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him from or otherwise limiting his involvement in any type of business, securities or banking activities or to be associated with any person practicing in banking or securities activities;

4. being found by a court of competent jurisdiction in a civil action, the SEC or the CFTC to have violated a Federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated;

5. being subject of, or a party to, any Federal or state judicial or administrative order, judgment decree, or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of any Federal or state securities or commodities law or regulation, any law or regulation respecting financial institutions or insurance companies, or any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or

6. being subject of or party to any sanction or order, not subsequently reversed, suspended, or vacated, of any self-regulatory organization, any registered entity or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Code of Ethics

We have adopted a Code of Ethics that applies to our principal executive officer, principal financial officer, and principal accounting officer. Our Code of Ethics is available on our website at www.sunshinebiopharma.com.

Insider Trading Policy

We have adopted an insider trading policy governing the purchase, sale, and other dispositions of our securities by directors, senior management, and employees. A copy of the Insider Trading Policy has been incorporated by reference as an exhibit to this report.

ITEM 11. EXECUTIVE COMPENSATION

The following table sets forth compensation information for services rendered by our executive officers in all capacities during the last two completed fiscal years.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Options ($)	Other ($)	Total ($)
Dr. Steve N. Slilaty	2024	411,587	800,000*	–	–	1,211,587
Chief Executive Officer and Director	2025	465,953	--	–	–	465,953
Camille Sebaaly	2024	302,031	50,000	–	–	352,031
Chief Financial Officer and Director	2025	412,278	--	–	–	412,278
Dr. Abderrazzak Merzouki**	2024	241,625	45,000	–	–	286,625
Former Chief Operating Officer	2025	264,545	--	–	–	264,545
Mr. Michel Roy	2024	–	–	–	–	–
Chief Commercial Officer	2025	283,166	--	--	--	283,166

* This amount was paid to Advanomics Corporation, a company controlled by Dr. Slilaty.
** Dr. Merzouki resigned as chief operating officer on February 5, 2026.

We have not granted stock options or stock appreciation rights (“SARs”) to any of our executive officers during the last fiscal year or in prior years. We do not maintain any policies or practices regarding the timing of option or SAR grants in relation to the disclosure of material nonpublic information because we do not utilize these forms of compensation and we do not currently anticipate granting stock options or SARs in the foreseeable future.

Because we did not grant any stock options or SARs during the applicable period, no Item 402(x) tabular disclosure is required or provided in this report.

Employment Agreements

On October 21, 2024, we entered into an amended employment agreement with Dr. Steve N. Slilaty, our Chief Executive Officer. Pursuant to the amended employment agreement, deemed effective January 1, 2024, Dr. Slilaty will continue to serve as our CEO, and will also serve as the chief executive officer of our wholly-owned subsidiary, Nora Pharma. Dr. Slilaty will receive an annual base salary of $386,000, which will increase annually in the amount of 5% or the change in the U.S. Consumer Price Index, whichever is greater. Dr. Slilaty will also be entitled to an annual bonus in an amount to be determined by our board of directors. The agreement has an indefinite term. If the agreement is terminated by us "without cause", or by Dr. Slilaty for "good reason" (each as defined in the agreement), Dr. Slilaty will be entitled to a severance payment of $14 million. In the event the employment agreement is terminated for other reasons, we will pay Dr. Slilaty $3 million.

On October 21, 2024, we entered into an employment agreement with Mr. Camille Sebaaly, our Chief Financial Officer. Pursuant to the employment agreement, deemed effective January 1, 2024, Mr. Sebaaly will continue to serve as our Chief Financial Officer and will also serve as Secretary of Nora Pharma. Mr. Sebaaly will receive an annual base salary of $411,000 CAD (approximately $287,700 USD), which will increase annually in the minimum amount of 5% or the change in the U.S. Consumer Price Index, whichever is greater. Mr. Sebaaly will also be entitled to an annual bonus in an amount to be determined by our Board of Directors. The employment agreement has an indefinite term. If the employment agreement is terminated by us without cause, Mr. Sebaaly will be entitled to a severance payment of $2 million CAD (approximately $1.4 million USD).

On January 13, 2025, we appointed Mr. Michel Roy as our Chief Commercial Officer, and in connection therewith, entered into an employment agreement with Mr. Roy. Pursuant to the employment agreement, Mr. Roy will receive an initial annual base salary of $400,000 CAD (approximately $280,000 USD), which will increase annually by the greater of 5% or the increase in the U.S. Consumer Price Index. In the event we terminate Mr. Roy's employment without cause, Mr. Roy will receive a severance payment of $500,000 CAD (approximately $350,000 USD), plus the minimum notice of termination (or compensation in lieu thereof) to which he would be entitled under applicable law. The employment agreement has an indefinite term.

Outstanding Equity Awards at 2025 Fiscal Year-End

We did not have any outstanding equity awards as of December 31, 2025.

Director Compensation

The following table sets forth the compensation we paid to our directors for services as director during the years ended December 31, 2025 and 2024.

Name	Cash ($)	Options ($)	Other ($)	Total ($)
Dr. Andrew Keller	80,000	–	–	80,000
Dr. Rabi Kiderchah	80,000	–	–	80,000
Dr. Abderrazzak Merzouki	80,000	–	–	80,000
Mr. David Natan	80,000	–	–	80,000
Dr. Steve N. Slilaty	80,000	–	–	80,000

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth certain information, as of April 2, 2026, with respect to the beneficial ownership of the outstanding common stock and Series B Preferred Stock by (i) any holder of more than five (5%) percent; (ii) each of our executive officers and directors; and (iii) our directors and executive officers as a group.

We have determined beneficial ownership in accordance with the rules of the SEC. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting power or investment power with respect to those securities. The table lists applicable percentage ownership based on 4,905,945 shares of common stock and 130,000 shares of Series B Preferred Stock outstanding as of April 2, 2026. In addition, under SEC rules, beneficial ownership of common stock includes shares of our common stock issuable pursuant to the conversion or exercise of securities that are either immediately exercisable or convertible into common stock or exercisable or convertible into common stock within 60 days of April 2, 2026. These shares are deemed to be outstanding and beneficially owned by the person holding those securities for the purpose of computing the percentage ownership of that person, but they are not treated as outstanding for the purpose of computing the percentage ownership of any other person. Unless otherwise indicated, the persons or entities identified in this table have sole voting and investment power with respect to all shares shown as beneficially owned by them, subject to applicable community property laws.

Title of Class	Name and Address of Beneficial Owner	Amount	Percent of Class
Common	Dr. Steve N. Slilaty[1] c/o Sunshine Biopharma Inc. 333 Las Olas Way, CU4 Suite 433 Fort Lauderdale, FL 33301	1,911[3]	*
Series B Preferred		130,000[2]	100%
Common	Camille Sebaaly[1] c/o Sunshine Biopharma Inc. 333 Las Olas Way, CU4 Suite 433 Fort Lauderdale, FL 33301	60	*
Common	Dr. Andrew Keller[1] c/o Sunshine Biopharma Inc. 333 Las Olas Way, CU4 Suite 433 Fort Lauderdale, FL 33301	0	*
Common	Mr. David Natan[1] c/o Sunshine Biopharma Inc. 333 Las Olas Way, CU4 Suite 433 Fort Lauderdale, FL 33301	0	*
Common	Dr. Rabi Kiderchah[1] c/o Sunshine Biopharma Inc. 333 Las Olas Way, CU4 Suite 433 Fort Lauderdale, FL 33301	1	*
Common	Mr. Michel Roy[1] c/o Sunshine Biopharma Inc. 333 Las Olas Way, CU4 Suite 433 Fort Lauderdale, FL 33301	1	*
	All Officers and Directors as Group (6 persons)	1,973	*
Common	Intracoastal Capital LLC[4]	544,500	9.99%

* Less than 1%.

(1) Officer and/or director of our Company.

(2) Each share of Series B Preferred Stock gives the holder the right to 1,000 votes per share.

(3) Includes (i) 2 shares owned by Advanomics Corporation, a company controlled by Dr. Slilaty and (ii) 1,850 shares owned by Malek Chamoun which Dr. Slilaty controls through a voting agreement dated October 20, 2022.

(4) Represents shares of common stock issuable upon exercise of a warrant (the “Intracoastal Warrant”) held by Intracoastal Capital LLC ("Intracoastal"), and all such shares represent beneficial ownership of approximately 9.99% of the common stock, based on (1) 4,905,945 shares of common stock outstanding, plus (2) 544,500 shares issuable upon exercise of the Intracoastal Warrant. Based on Schedule 13G filed with the SEC on May 23, 2025, such shares may be deemed beneficially owned by Intracoastal, Mitchell P. Kopin and Daniel B. Asher (the “Reporting Persons”).The foregoing excludes 1,882,009 shares of common stock issuable upon exercise of the Intracoastal Warrant because the Intracoastal Warrant contains a blocker provision under which the holder thereof does not have the right to exercise the Intracoastal Warrant to the extent (but only to the extent) that such exercise would result in beneficial ownership by the holder thereof, together with the holder's affiliates, and any other persons acting as a group together with the holder or any of the holder's affiliates, of more than 9.99% of the common stock. Without such blocker provision, each of the Reporting Persons may have been deemed to have beneficial ownership of 2,426,509 shares of common stock. The address of the stockholder is 245 Palm Trail, Delray Beach, Florida 33483.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Related Transactions

On February 8, 2024, we sold 20,000 shares of Series B Preferred Stock to Dr. Slilaty for a purchase price equal to the stated value of $0.10 per share.

On March 4, 2024, we sold 100,000 shares of Series B Preferred Stock to Dr. Slilaty for a purchase price equal to the stated value of $0.10 per share.

Director Independence

Our independent directors consist of Dr. Kiderchah, Mr. Natan and Dr. Keller.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The amounts presented in the following table represent fees billed by the Company's independent registered public accounting firm during each fiscal year, regardless of the period in which the related services were performed. Fees are categorized in accordance with SEC rules as Audit Fees, Audit-Related Fees, Tax Fees, and All Other Fees. Audit Fees include the audit of the Company's annual financial statements, reviews of interim financial statements, and services normally provided in connection with statutory and regulatory filings. Audit-Related Fees consist of assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements but are not reported as Audit Fees. Tax Fees include tax compliance, tax planning, and tax advisory services. All Other Fees include permissible advisory services and access to accounting research tools:

Fiscal Years Ended December 31,	2025	2024
Audit Fees – M&K	$ 119,909	$ –
Audit Fees – Bush & Associates	180,863	339,000
Audit Fees – Borgers	–	225,500
Audit-Related Fees – M&K	–	–
Audit-Related Fees – Bush & Associates	–	–
Audit-Related Fees – Borgers	–	110,000
Tax Fees – M&K	–	–
Tax Fees – Bush & Associates	–	–
Tax Fees – Borgers	–	–
All Other Fees – M&K	–	–
All Other Fees – Bush & Associates	–	–
All Other Fees – Borgers	–	–
Total – M&K	119,909	–
Total – Bush & Associates	180,863	339,000
Total – Borgers	–	335,500

PART IV

ITEM 15. EXHIBITS

3.1	Articles of Incorporation (2)
3.2	Certificate of Amendment to Articles of Incorporation filed November 2, 2009 (3)
3.3	Statement of Share and Equity Capital Exchange (4)
3.4	Articles of Amendment to Articles of Incorporation filed July 13, 2010 (4)
3.5	Articles of Amendment to Articles of Incorporation filed May 27, 2015 (5)
3.6	Articles of Amendment to Articles of Incorporation (6)
3.7	Articles of Amendment to Articles of Incorporation (7)
3.8	Articles of Amendment to Articles of Incorporation (25)
3.9	Articles of Amendment to Articles of Incorporation (26)
3.10	Certificate of Correction (27)
3.11	Bylaws (14)
4.1	Description of Registrant's Securities (16)
10.1	Patent Purchase Agreement with Advanomics Corporation (8)
10.2	Second Patent Purchase Agreement with Advanomics Corporation (9)
10.3	Amendment No. 1 to Patent Purchase Agreement with Advanomics Corporation dated October 8, 2016, including Secured Convertible Promissory Note (10)
10.4	Amendment No. 1 to Patent Purchase Agreement with Advanomics Corporation dated December 28, 2016, including Secured Convertible Promissory Note (10)
10.5	Form of Warrant, dated February 17, 2022 (1)
10.6	Warrant Agent Agreement between the Company and Equiniti, dated February 17, 2022 (1)
10.7	Sponsored Research Agreement, dated October 6, 2020, between the Company and the University of Georgia Research Foundation, Inc. (11) *
10.8	Research Agreement between the Company and Arizona Board of Regents on behalf of the University of Arizona (12)
10.9	Form of Warrant, dated March 14, 2022 (15)
10.10	Form of Amendment to Warrant, dated March 24, 2022 (17)
10.11	Amended Employment Agreement, dated October 21, 2024 between Sunshine Biopharma Inc. and Dr. Steve Slilaty (18)
10.12	Employment Agreement, dated October 21, 2024, between the Company and Camille Sebaaly (18)
10.13	Share Purchase Agreement between Sunshine Biopharma Inc., Malek Chamoun and Nora Pharma Inc. (19)
10.14	License Agreement between the Company and the University of Arizona (20) *
10.15	Amendment No. 1 to Warrant Agent Agreement, dated October 18, 2023 (21)
10.16	2023 Equity Incentive Plan (22)
10.17	Form of Warrant Agency Agreement (28)
10.18	Form of Series B Warrant (23)
10.19	Employment Agreement between the Company and Michael Roy (29)
14.1	Code of Ethics (13)
19	Insider Trading Policy (30)
21	Subsidiaries (24)
23.1	Consent of Bush & Associates CPA LLC (filed herewith)
23.2	Consent of M&K CPAS, PLLC (filed herewith)
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act (filed herewith)
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act (filed herewith)
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
97.1	Clawback policy (24)
EX-101	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
EX-104	Cover Page Interactive Data File (formatted in iXBRL, and included in exhibit 101).

* Portions of the exhibit have been omitted.

(1) Incorporated by reference to 8-K filed with the SEC on February 17, 2022
(2) Incorporated by reference to SB-2 filed with the SEC on October 19, 2007.
(3) Incorporated by reference to 8-K filed with the SEC on November 6, 2009.
(4) Incorporated by reference to 10-Q filed with the SEC on August 4, 2010.
(5) Incorporated by reference to 8-K filed with the SEC on June 1, 2015.
(6) Incorporated by reference to 8-K filed with the SEC on June 24, 2020.
(7) Incorporated by reference to 8-K filed February 9, 2022.
(8) Incorporated by reference to 8-K filed with the SEC on October 9, 2015.
(9) Incorporated by reference to 8-K filed with the SEC on December 28, 2015.
(10) Incorporated by reference to 8-K filed with the SEC on March 14, 2016.
(11) Incorporated by reference to S-1/A filed with the SEC on January 24, 2022.
(12) Incorporated by reference to 8-K filed with the SEC on February 25, 2022.
(13) Incorporated by reference to 10-K filed with the SEC on May 1, 2020.
(14) Incorporated by reference to 8-K filed with the SEC on April 19, 2023.
(15) Incorporated by reference to 8-K filed with the SEC on March 15, 2022.
(16) Incorporated by reference to 10-K filed with the SEC on March 21, 2022.
(17) Incorporated by reference to 8-K filed with the SEC on March 24, 2022.
(18) Incorporated by reference to 8-K filed with the SEC on October 23, 2024.
(19) Incorporated by reference to 8-K filed with the SEC on October 20, 2022.
(20) Incorporated by reference to 8-K filed with the SEC on February 28, 2023.
(21) Incorporated by reference to 8-K filed with the SEC on October 20, 2023.
(22) Incorporated by reference to S-8 filed with the SEC on January 8, 2024.
(23) Incorporated by reference to 8-K filed with the SEC on February 15, 2024.
(24) Incorporated by reference to 10-K filed with the SEC on March 28, 2024.
(25) Incorporated by reference to 8-K filed with the April 23, 2024.
(26) Incorporated by reference to 8-K filed with the August 12, 2024.
(27) Incorporated by reference to post-effective Amendment No. 1 to Form S-1 filed with the SEC on November 6, 2024.
(28) Incorporated by reference to S-1/A filed with the SEC on February 9, 2024.
(29) Incorporated by reference to 8-K filed with the SEC on January 15, 2025.
(30) Incorporated by reference to 10-K filed with the SEC on April 1, 2025.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SUNSHINE BIOPHARMA INC.

Dated: April 3, 2026

By: /s/ Dr. Steve N. Slilaty
Dr. Steve N. Slilaty, Chief Executive Officer
(principal executive officer)

/s/ Camille Sebaaly
Camille Sebaaly, Chief Financial Officer
(principal financial and accounting officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Dr. Steve N. Slilaty Dr. Steve N. Slilaty	Chief Executive Officer and Director (Principal Executive Officer)	April 3, 2026
/s/ Camille Sebaaly Camille Sebaaly	Chief Financial Officer and Director (Principal Financial and Accounting Officer)	April 3, 2026
/s/ David Natan David Natan	Director	April 3, 2026
/s/ Dr. Andrew Keller Dr. Andrew Keller	Director	April 3, 2026
/s/ Dr. Rabi Kiderchah Dr. Rabi Kiderchah	Director	April 3, 2026

Exhibit 23.1

Bush & Associates CPA

To Whom It May Concern:

We hereby consent to the incorporation by reference in (i) the Registration Statement on Form S-3 (File Number 333-284142), (ii) the Registration Statement on Form S-3 (File Number 333-272197), (iii) the Registration Statement on Form S-3 (File Number 333-264830), (iv) the Registration Statement on Form S-3 (File Number 333-263998), (v) the Registration Statement on Form S-8 (File Number 333-276417), and (vi) the Registration Statement on Form S-1 (File Number 333-289230) for Sunshine Biopharma Inc. (the "Company") of our report dated April 1, 2025, relating to the consolidated financial statements of the Company for the year ended December 31, 2024, which appears in this Annual Report on Form 10-K.

Very truly yours,

/s/ Bush & Associates CPA LLC

Bush & Associates CPA LLC (PCAOB 6797)
Henderson, Nevada
April 3, 2026

Exhibit 23.2

To Whom It May Concern:

We hereby consent to the incorporation by reference in (i) the Registration Statement on Form S-3 (File Number 333-284142), (ii) S-3 (File Number 333-272197), (iii) S-3 (File Number 333-264830), (iv) S-3 File Number 333-263998), (v) S-8 (File Number 333-276417), and (vi) S-1 (File Number 333-289230) for Sunshine Biopharma Inc. (the “Company”) of our report dated April 3, 2026, relating to the consolidated financial statements of the Company, which appear in this Annual Report on Form 10-K.

Very truly yours,

/s/ M&K CPA’s, PLLC

The Woodlands, Texas

April 3, 2026

Exhibit 31.1

CERTIFICATION PURSUANT TO
18 USC, SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES OXLEY ACT OF 2002

I, Steve N. Slilaty, certify that:

1. I have reviewed this annual report on Form 10-K of Sunshine Biopharma Inc.;

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

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

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

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedure 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 upon 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 quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

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

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

Dated: April 3, 2026

/s/ Steve N. Slilaty
Steve N. Slilaty, Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO
18 USC, SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES OXLEY ACT OF 2002

I, Camille Sebaaly, certify that:

1. I have reviewed this annual report on Form 10-K of Sunshine Biopharma Inc.;

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

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

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

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedure 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 upon 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 quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

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

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

Dated: April 3, 2026

/s/ Camille Sebaaly
Camille Sebaaly, Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 USC, SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with this annual report of Sunshine Biopharma Inc. (the "Company") on Form 10-K for the fiscal year ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, the undersigned, in the capacities and on the date indicated below, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of our knowledge:

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

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

Dated: April 3, 2026 /s/ Steve N. Slilaty
Steve N. Slilaty, Chief Executive Officer

Dated: April 3, 2026 /s/ Camille Sebaaly
Camille Sebaaly, Chief Financial Officer