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

FORM 10-Q

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

For the quarterly period ended: **June 30, 2026**

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

For the transition period from to

Commission File Number: 001-41282

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

Colorado	**20-5566275**
(State of other jurisdiction of incorporation)	(IRS Employer ID No.)

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

(954) 330-0684
(Issuer's Telephone Number)

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

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common Stock	SBFM	The NASDAQ Stock Market LLC
Common Stock Purchase Warrants	SBFMW	The NASDAQ Stock Market LLC

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act. (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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

The number of shares of the registrant's common stock, par value $0.001, issued and outstanding as of August 13, 2026, was 3,877,337 shares.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Sunshine Biopharma Inc.
Consolidated Balance Sheets

	June 30, 2026 (Unaudited)	December 31, 2025
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 13,748,301	$ 9,123,308
Accounts receivable	4,035,360	3,459,864
Inventory	12,121,796	13,472,025
Deposits	281,480	–
Prepaid expenses	478,490	798,384
Total Current Assets	30,665,427	26,853,581
Long-Term Assets:		
Property & equipment	477,047	557,370
Intangible assets	1,841,970	1,889,370
Right-of-use-asset	648,457	778,846
Total Long-Term Assets	2,967,474	3,225,586
TOTAL ASSETS	$ 33,632,901	$ 30,079,167
LIABILITIES		
Current Liabilities:		
Accounts payable & accrued expenses	$ 4,852,488	$ 5,664,212
Earnout payable	295,797	295,797
Income tax payable	268,276	268,276
Right-of-use-liability	202,518	215,637
Total Current Liabilities	5,619,079	6,443,922
Long-Term Liabilities:		
Right-of-use-liability	475,820	596,785
Total Long-Term Liabilities	475,820	596,785
TOTAL LIABILITIES	6,094,899	7,040,707
SHAREHOLDERS' EQUITY		
Preferred Stock Series B $0.10 par value per share; 1,000,000 shares authorized 130,000 shares issued and outstanding	13,000	13,000
Common Stock $0.001 par value per share; 3,000,000,000 shares authorized 2,388,516 shares issued and outstanding at June 30, 2026 and 490,595 shares issued and outstanding at December 31, 2025	2,389	491
Capital paid in excess of par value	106,004,591	98,105,404
Accumulated comprehensive income	(658,935)	(65,309)
Accumulated (Deficit)	(77,823,043)	(75,015,126)
TOTAL SHAREHOLDERS' EQUITY	27,538,002	23,038,460
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 33,632,901	$ 30,079,167

See Accompanying Notes To These Financial Statements.

Sunshine Biopharma Inc.
Consolidated Statements of Operations and Comprehensive Loss (Unaudited)

	3 Months Ended June 30, 2026	3 Months Ended June 30, 2025	6 Months Ended June 30, 2026	6 Months Ended June 30, 2025
Revenue	$ 9,263,687	$ 9,410,230	$ 17,352,452	$ 18,311,571
Cost of Sales	6,837,005	5,987,364	12,744,780	12,158,279
Gross profit	2,426,682	3,422,866	4,607,672	6,153,292
General & Administrative Expenses:				
Accounting	164,801	75,611	340,610	369,370
Consulting	318,864	736,727	462,012	1,102,014
Director fees	100,000	100,000	200,000	200,000
Legal	331,003	64,995	420,079	92,194
Marketing	209,337	201,658	459,560	600,019
Office	762,187	806,605	1,633,795	1,732,483
R&D	13,222	196,232	44,946	411,509
Salaries	1,923,660	2,048,676	3,632,144	3,574,122
Taxes	138,492	112,675	268,148	222,851
Impairment of intangible assets	–	1,061,809	–	1,061,809
Depreciation and amortization	77,974	72,533	154,833	137,326
Total General & Administrative Expenses	4,039,540	5,477,521	7,616,127	9,503,697
(Loss) from operations	(1,612,858)	(2,054,655)	(3,008,455)	(3,350,405)
Other Income (Expense):				
Foreign exchange gain (loss)	(6)	1,940	(24)	2,391
Interest income	48,816	72,715	97,242	148,082
Settlement proceeds	–	–	103,320	–
Total Other Income	48,810	74,655	200,538	150,473
Net (loss) before income taxes	(1,564,048)	(1,980,000)	(2,807,917)	(3,199,932)
Provision for income taxes	–	209,166	–	249,327
Net (Loss)	$ (1,564,048)	$ (1,770,834)	$ (2,807,917)	$ (2,950,605)
Other comprehensive income:				
Gain (Loss) from foreign exchange translation	(315,629)	1,084,557	(593,626)	1,110,746
Comprehensive (Loss)	$ (1,879,677)	$ (686,277)	$ (3,401,543)	$ (1,839,859)
Basic (Loss) per common share	$ (1.15)	$ (3.94)	$ (2.95)	$ (8.19)
Weighted Average Common Shares Outstanding (Basic)	1,365,324	449,611	952,435	360,465

See Accompanying Notes To These Financial Statements.

Sunshine Biopharma Inc.
Consolidated Statements of Cash Flows (Unaudited)

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Cash Flows From Operating Activities:		
Net (Loss)	$ (2,807,917)	$ (2,950,605)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	154,833	137,236
Intangible asset impairment	–	1,061,809
Stock issued for services	96,900	–
Accounts receivable	(698,211)	492,384
Inventory	872,395	(1,123,909)
Deposits	(281,480)	–
Prepaid expenses	288,429	255,639
Reduction in right-of-use asset	102,765	94,402
Accounts Payable & accrued expenses	(612,523)	(849,702)
Lease liability	(105,268)	(75,536)
Income tax payable	–	(10,118)
Net Cash (Used In) Operating Activities	(2,990,077)	(2,968,400)
Cash Flows From Investing Activities:		
Purchase of intangible assets	(97,494)	(594,714)
Purchase of equipment	(12,144)	(167,490)
Net Cash (Used In) Investing Activities	(109,638)	(762,204)
Cash Flows From Financing Activities:		
Proceeds from public offering	5,085,000	1,828,596
Exercise of warrants	2,719,185	2,195,312
Net Cash Provided by Financing Activities	7,804,185	4,023,908
Cash and Cash Equivalents at Beginning of Period	9,123,308	9,686,529
Net increase (decrease) in cash and cash equivalents	4,704,470	293,304
Foreign currency translation adjustment	(79,477)	325,487
Cash and Cash Equivalents at End of Period	$ 13,748,301	$ 10,305,320
Supplementary Disclosure of Cash Flow Information:		
Cash paid for interest	$ –	$ –
Cash paid for income taxes	$ –	$ –

See Accompanying Notes To These Financial Statements.

Sunshine Biopharma Inc.
Consolidated Statements of Shareholders' Equity (Unaudited)

Three Months Period	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 March 31, 2026	490,595	$ 491	$ 98,105,404	130,000	$ 13,000	$ (343,306)	$ (76,258,995)	$21,516,594
Exercise of Series B Warrants	261,327	262	807,773	–	–	–	–	808,035
Exercise of Series C Warrants	382,230	382	1,910,768	–	–	–	–	1,911,150
Public offering, net of issuance costs	1,200,000	1,200	5,083,800	–	–	–	–	5,085,000
Common stock issued for services	10,000	10	96,890	–	–	–	–	96,900
Reverse split share adjustment	44,364	44	(44)	–	–	–	–	–
Net (loss)	–	–	–	–	–	(315,629)	(1,564,048)	(1,879,677)
Balance at June 30, 2026	2,388,516	$ 2,389	$106,004,591	130,000	$ 13,000	$ (658,935)	$ (77,823,043)	$27,538,002
Balance March 31, 2025	270,754	$ 271	$ 93,712,514	130,000	$ 13,000	$ (803,770)	$ (70,219,545)	$22,702,470
Exercise of Series B Warrants	66,000	66	1,839,948	–	–	–	–	1,840,014
Public offering, net of issuance costs	118,840	119	1,828,478	–	–	–	–	1,828,597
Net (loss)	–	–	–	–	–	1,084,557	(1,770,834)	(686,277)
Balance at June 30, 2025	455,595	$ 456	$ 97,380,940	130,000	$ 13,000	$ 280,787	$ (71,990,379)	$25,684,804
Six Months Period								
Balance December 31, 2025	490,595	$ 491	$ 98,105,404	130,000	$ 13,000	$ (65,309)	$ (75,015,126)	$23,038,460
Exercise of Series B Warrants	261,327	262	807,773	–	–	–	–	808,035
Exercise of Series C Warrants	382,230	382	1,910,768	–	–	–	–	1,911,150
Public offering, net of issuance costs	1,200,000	1,200	5,083,800	–	–	–	–	5,085,000
Common stock issued for services	10,000	10	96,890	–	–	–	–	96,900
Reverse split share adjustment	44,364	44	(44)	–	–	–	–	–
Net (loss)	–	–	–	–	–	(593,626)	(2,807,917)	(3,401,543)
Balance at June 30, 2026	2,388,516	$ 2,389	$106,004,591	130,000	$ 13,000	$ (658,935)	$ (77,823,043)	$27,538,002
Balance December 31, 2024	258,010	$ 258	$ 93,357,229	130,000	$ 13,000	$ (829,959)	$ (69,039,774)	$23,500,754
Exercise of Series B Warrants	78,744	79	2,195,233	–	–	–	–	2,195,312
Public offering, net of issuance costs	118,840	119	1,828,478	–	–	–	–	1,828,597
Net (loss)	–	–	–	–	–	1,110,746	(2,950,605)	(1,839,859)
Balance at June 30, 2025	455,595	$ 456	$ 97,380,940	130,000	$ 13,000	$ 280,787	$ (71,990,379)	$25,684,804

See Accompanying Notes To These 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, 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 60 generic prescription drugs on the market in Canada, and (ii) Sunshine Biopharma Canada Inc., 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 SARS Coronavirus infections

Note 2 – Basis of Presentation

The unaudited financial statements of the Company for the three and six month periods ended June 30, 2026 and 2025 have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and pursuant to the requirements for reporting on Form 10-Q and Regulation S-X. Accordingly, they do not include all the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. However, such information reflects all adjustments (consisting solely of normal recurring adjustments), which are, in the opinion of management, necessary for the fair presentation of the financial position and the results of operations. Results shown for interim periods are not necessarily indicative of the results to be obtained for a full fiscal year. The balance sheet information as of December 31, 2025, was derived from the audited financial statements included in the Company's financial statements as of and for the year ended December 31, 2025, included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") on April 3, 2026. These financial statements should be read in conjunction with that report.

Note 3 – Reverse Stock Splits

Effective June 1, 2026, April 17, 2024, and August 8, 2024, the Company completed 1-for-10, 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 six (6) reverse stock splits on a retroactive basis for all periods presented and for all references to common stock, unless specifically stated otherwise.

Note 4 – 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 185 shares of the Company's common stock valued at $4,514,000 or $24,400.00 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 was 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 would not be 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 June 30, 2026, the remaining earnout balance was $479,208 CAD ($295,797 USD). This remaining earnout amount was paid by the Company following settlement of the dispute between the Company and Mr. Chamoun on July 8, 2026 (See Note 15).

Note 5 – Intangible Assets

Intangible assets consisted of the following:
Schedule of intangible assets

Period Ended	June 30, 2026	December 31, 2025
Intangible assets at beginning of period, net	$ 1,889,370	$ 3,019,717
Purchase of additional intangible assets (drug licenses & dossiers)	32,681	774,355
Total	1,922,051	3,794,072
Less impairment*	–	(1,748,247)
Less accumulated amortization	(80,081)	(156,455)
Intangible assets, net	$ 1,841,970	$ 1,889,370

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

Note 6 – 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:

Schedule of plant property and equipment

Period Ended	June 30, 2026	December 31, 2025
Equipment	$ 291,406	$ 335,464
Computer equipment	88,800	69,139
Furniture and fixtures	43,850	45,462
Leasehold improvements	93,961	92,706
Vehicles	489,479	507,478
Total	1,007,496	1,070,249
Less accumulated depreciation	(530,449)	(512,879)
Plant, property and equipment, net	$ 477,047	$ 557,370

Note 7 – Inventory

Inventory consists solely of finished goods purchased for resale. Inventory is stated at cost which represents the amount paid to acquire the finished goods. 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:

Schedule of inventory

Period Ended	June 30, 2026	December 31, 2025
Finished goods	$ 12,966,453	$ 13,947,178
Allowance for obsolete inventory	(844,657)	(475,797)
Total Inventory, net of allowance	$ 12,121,796	$ 13,472,025

Note 8 – Leases

The Company has obligations as a lessee for warehouse and 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 June 30, 2026 were as follows:

Operating lease ROU asset	$	648,457
Operating Lease liability - Short-term		202,518
Operating lease liability - Long-term		475,820
Remaining lease term		4 Years 3 Months
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 June 30, 2026 are as follows:

2026	$	102,720
2027		197,177
2028		186,920
2029		177,190
Thereafter		14,331

Note 9 – Income Taxes

Our Income tax (expense) / benefit of $0 and $0 for the three and six months ended June 30, 2026, respectively, is primarily due to operations outside of the United States and changes in valuation allowance related to certain deferred tax assets generated or utilized in the applicable period.

Our Income tax (expense) / benefit of $209,166 and $249,327 for the three and six months ended June 30, 2025, respectively, is primarily due to operations outside of the United States and changes in valuation allowance related to certain deferred tax assets generated or utilized in the applicable period.

Deferred tax assets are regularly reviewed for recoverability by jurisdiction and valuation allowances are established based on historical and projected future taxable losses and the expected timing of the reversal of existing temporary differences. The Company has recorded valuation allowances against all of its deferred tax assets of June 30, 2026, and the Company expects to maintain these valuation allowances until there is sufficient evidence that future earnings can be achieved, which is uncertain at this time.

The Company's consolidated financial statements contain various tax related entries as a result of operations of the two Canadian subsidiaries and are in compliance with Canadian tax laws.

The Company only recognizes tax benefits from an uncertain tax position if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statement from such a position are measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate resolution. To date, the Company has not recognized such tax benefits in its financial statements.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was enacted in the U.S. bringing various changes to U.S. tax law. 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. The OBBBA also amended section 951A for taxable years beginning after December 31, 2025, replacing the prior global intangible low-taxed income regime with a net CFC tested income inclusion framework. The legislation also modified related provisions, including the deduction under Section 250 for amounts included under Section 951A. *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 its impact on its Consolidated Financial Statements but does not believe that the OBBBA will have a material impact on the Company's income tax expense.

Note 10 – Management and Director Compensation

The Company paid its officers aggregate cash compensation of $593,844 and $524,504 for the three-month periods ended June 30, 2026 and 2025, respectively. For the six-month periods ended June 30, 2026 and 2025, the Company paid its officers aggregate cash compensation of $845,004 and $988,801, respectively. Of the amounts paid through June 30, 2026, $232,000 was paid to Advanomics Corporation, a company controlled by the CEO of the Company.

The Company paid its directors aggregate cash compensation of $100,000 for each of the three-month periods ended June 30, 2026 and 2025, and $200,000 for each of the six-month periods ended June 30, 2026 and 2025.

In April 2026, one of the directors of the Company received a stock award of 10,000 shares of common stock valued at $96,900.

Note 11 – 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 June 30, 2026, 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 June 30, 2026, 130,000 shares of Series B Preferred Stock were outstanding and held by the Company’s Chief Executive Officer.

On January 3, 2025, the Company issued 12,744 shares of common stock upon the exercise of 12,744 Series B Warrants and received $355,298 in net proceeds.

On April 2, 2025, the Company issued 66,000 shares of common stock upon the exercise of 66,000 Series B Warrants and received $1,840,014 in net proceeds.

On April 3, 2025, the Company issued an aggregate of 118,840 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 35,000 shares of common stock upon the exercise of 35,000 Series B Warrants and received net proceeds of $724,500.

On May 19, 2026, the Company completed a public offering and received gross proceeds of approximately $6.0 million. The offering consisted of 1,200,000 Common Units (or Pre-Funded Units), each consisting of (i) one (1) share of common stock or one (1) pre-funded warrant and (ii) two (2) Series C Warrants to purchase one (1) share of common stock per warrant at an initial exercise price of $5.00. The public offering price per Common Unit was $5.00 (or $4.9999 per Pre-Funded Unit, which is equal to the public offering price per Common Unit sold in the offering minus an exercise price of $0.0001 per share under the pre-funded warrants). The pre-funded warrants were immediately exercisable and could be exercised at any time until exercised in full. All of the pre-funded warrants have been exercised as of June 30, 2026. The Series C Warrants are exercisable immediately and expire five years after the initial issuance date. The exercise price and number of shares issuable under the Series C Warrants are subject to adjustment as described in more detail in the final prospectus filed in connection with the offering.

As of June 30, 2026 and December 31, 2025, the Company had 2,388,516 and 490,595 shares of common stock issued and outstanding, respectively.

The Company has declared no dividends since inception.

Note 12 – 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, 2025, and 2026, the Company completed seven (7) financing events, and in connection therewith, it issued warrants as follows:

Schedule of warrants issued with financing

Issuance Date/Type	Number		Exercise Price	Expiry Date
Feb 17, 2022 (“Tradeable Warrants”)*	206	$	44,400.00	February 2027
Mar 14, 2022 (“2022 Pre-Funded Warrants”)	185	$	20.00	Unlimited
Mar 14, 2022 (“Investor Warrants”)	181	$	44,400.00	March 2027
Apr 28, 2022 (“April Warrants”)	487	$	75,200.00	April 2027
May 16, 2023 (“May Pre-Funded Warrants”)	176	$	20.00	Unlimited
May 16, 2023 (“May Investor Warrants”)	596	$	11,800.00	November 2028
Feb 15, 2024 (“2024 Pre-Funded Warrants”)	2,250	$	20.00	Unlimited
Feb 15, 2024 (“Series A Warrants”)	399**	$	42,000.00**	August 2026
Feb 15, 2024 (“Series B Warrants”)	798**	$	47,600.00**	February 2029
Apr 3, 2025 (“2025 Pre-Funded Warrants”)	26,000	$	0.01	Unlimited
May 19, 2026 (“Series C Warrants”)	2,400,000**	$	5.00**	May 2031
May 19, 2026 (“2026 Pre-Funded Warrants”)	84,000	$	0.0001	Unlimited

* These warrants trade on Nasdaq under the 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 June 30, 2026, all of the pre-funded warrants, a total of 157 Tradeable Warrants, 141 Investor Warrants, all of the Series A Warrants, 86,937 Series B Warrants (as adjusted), and 382,230 Series C Warrants were exercised resulting in aggregate net proceeds of $20,856,176 received by the Company.

The Company's outstanding warrants as of June 30, 2026 consisted of the following:

Schedule of warrants outstanding

Type	Number	Exercise Price	Expiry Date
Tradeable Warrants	49	$ 2,200.00	February 2027
Investor Warrants	40	$ 40,000.00	March 2027
Series B Warrants	12,980,583*	$ 2.3949*	February 2029
Series C Warrants	2,017,770**	$ 5.00**	May 2031

* As adjusted and subject to further adjustments.

** The Series C Warrants adjusted to 4,035,540 warrants with an exercise price of $2.50 per share on July 6, 2026, twenty (20) days following the mailing of the Company's related 14C to the shareholders of record.

Note 13 – Earnings Per Share

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

Schedule of computation of basic net income per share

Six Months Ended June 30,	2026	2025
Net gain (loss) attributable to common stock	$ (2,807,917)	$ (2,950,605)
Weighted average outstanding shares of common stock	952,435	360,465
Net gain (loss) per share attributable to common stock	$ (2.95)	$ (8.19)

* Diluted net income (loss) per share is not included in this table as the Company incurred net losses for the years ended December 31, 2026 and 2025 and inclusion of dilutive instruments would have an anti-dilutive effect.

Note 14 – 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 in Canada and substantially all long-lived assets are located in this jurisdiction. Revenues are generated from customers located in Canada.

Note 15 – Legal Matters

On April 10, 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 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. On July 8, 2026, the Company entered into an agreement of transaction and mutual release (the "Release Agreement") with Mr. Chamoun. Pursuant to the Release Agreement, the Company agreed to pay Mr. Chamoun $1,500,000 CAD (approximately $1,058,565 million USD) in full and final settlement of the dispute between the parties. The total amount of the settlement had been accrued under earnout payable, salaries, and reimbursable employee expenses. The Company paid this amount in accordance with the Release Agreement on August 10, 2026.

Note 16 – Subsequent Events

On July 20, 2026, the Company entered into an At-The-Market Issuance Sales Agreement (the "Sales Agreement") with Aegis Capital Corp. (the "Agent"), under which the Company may, from time to time, sell shares of the Company's common stock, for an aggregate offering price of up to $4,000,000, in "at-the-market" offerings through or to the Agent, as exclusive sales agent (the "ATM Offering"). Subject to the terms and conditions of the Sales Agreement and the applicable placement notice, sales of the Company's common stock may be made by any method permitted by law deemed to be an "at-the-market offering" as defined in Rule 415(a)(4) under the Securities Act of 1933, as amended, including sales made directly on or through the Nasdaq Capital Market or any other existing trading market for the Company's common stock. The Agent will receive a commission from the Company of 3.0% of the gross proceeds from the sale of any shares of common stock under the Sales Agreement, in addition to reimbursement of certain expenses.

From July 27, 2026 through August 12, 2026, the Company sold 1,430,521 shares of its common stock under the ATM Offering and received $1,722,555 in net proceeds.

On August 3, 2026, the Company's Series B Warrants were adjusted to 25,477,133 warrants with an exercise price of $1.2202 per share as a result of sales of common stock by the Company under its ATM Offering .

On August 7, 2026, the Company issued 58,300 shares of common stock to one of its directors for services rendered to the Company.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with our consolidated financial statements and notes thereto included herein. This discussion includes 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 and in our annual report on Form 10-K for the year ended December 31, 2025. 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.

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 60 generic prescription drugs on the market in Canada, and (ii) Sunshine Biopharma Canada Inc., a Canadian corporation through which we develop and sell 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 generic 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 distribution agreements with various 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, however, 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) 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
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®
Clopidogrel	Cardiovascular	Plavix®
Dapagliflozin	Diabetes	Forxiga®
Docusate	Gastrointestinal	Colace®
Donepezil	Central nervous system	Aricept®
Doxycycline	Antibacterial	Vibramycin®
Duloxetine	Central nervous system	Cymbalta®
Dutasteride	Urology	Avodart®
Escitalopram	Central nervous system	Cipralex®
Ezetimibe	Cardiovascular	Ezetrol®

Finasteride	Urology	Proscar®
Fluconazole	Antifungal	Diflucan®
Fluoxetine	Central nervous system	Prozac®
Gabapentin	Central nervous system	Neurontin®
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®
Perindopril	Cardiovascular	Coversyl®
Pravastatin	Cardiovascular	Pravachol®
Pregabalin	Central nervous system	Lyrica®
Prucalopride	Women's Health	Resotran®
Quetiapine	Central nervous system	Seroquel®
Quetiapine XR	Central nervous system	Seroquel XR®
Ramipril	Cardiovascular	Altace®
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®
Zolmitriptan	Central nervous system	Zomig®
Zopiclone	Central nervous system	Imovane®

* Our distribution agreements were terminated effective December 31, 2025, reducing the drugs we have on the market from 71 to 60.

In addition to the 60 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 $11.2 billion a year generic drug 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 Infections)	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. The patent application was converted into a PCT Application on October 18, 2024 and published by the United States Patent and Trademark Office (“USPTO”) on September 4, 2025.

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 May 12, 2026, the United States Patent and Trademark Office ("USPTO") issued U.S. Patent No. 12,624,066 B2, entitled *Compounds and Methods for Treatment of Coronavirus Infection*. This newly issued patent protects our aforesaid technology for new chemical entities designed to inhibit coronavirus replication. We have been informed by the USPTO that our new patent is eligible for an extension of 706 days and will therefore expire in 2043 instead of 2041.

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*). Additional research results on our lead compound have more recently been published also in the Journal of Medicinal Chemistry in March 2026 (*J. Med. Chem. 2026, 69, 8433−8450*). Copies of these articles are available on our website at: www.sunshinebiopharma.com/scientific-publications/.

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 May 12, 2026, the United States Patent and Trademark Office ("USPTO") issued U.S. Patent No. 12,624,066 B2, entitled "Compounds and Methods for Treatment of Coronavirus Infection." This newly issued patent protects our aforesaid technology for new chemical entities designed to inhibit coronavirus replication. We have been informed by the USPTO that our new patent is eligible for an extension of 706 days and will therefore expire in 2043 instead of 2041.

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. The patent application was converted into a PCT Application on October 18, 2024 and published by the USPTO on September 4, 2025.

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 over 190 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.

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 USPTO (Registration No. 7,963,385) for "Sunshine Biopharma Inc." and Design.

On April 15, 2026, we received official trademark registration from the Canadian Intellectual Property Office of Canadian trademark registration (Registration No. LMC/TMA 1,402,862) for "Sunshine Biopharma Inc." and Design.

Results of Operations

Comparison of results of operations for the three months ended June 30, 2026 and 2025

During the three months ended June 30, 2026, we generated $9,263,687 in sales, compared to $9,410,230 for the three months ended June 30, 2025, a decrease of $146,543 (1.6%). The decrease is largely a result of termination of our distribution agreements effective December 31, 2025. The direct cost for generating these sales was $6,837,005 (73.8%) for the three months ended June 30, 2026, compared to $5,987,364 (63.6%) for the three months ended June 30, 2025. The increase in cost of sales was a result of the cost of finished goods increasing by $337,530 and sales rebates increasing by $245,966. In addition, inventory obsolescence increased by $207,977. Our gross profit for the three months ended June 30, 2026 was $2,426,682 (26.2%), compared to $3,422,866 (36.4%) for the three months ended June 30, 2025, a decrease of $996,184. The decrease was largely due to the increase in cost of sales.

General and administrative expenses during the three-month period ended June 30, 2026 were $4,039,540, compared to $5,477,521 during the three-month period ended June 30, 2025, a decrease of $1,437,981. The decrease was the net result of decreases in certain expense categories against modest increases in others. For the three months ended June 30, 2026, there was an increase in legal fees of $266,008 and accounting fees of $89,190, offset by a decrease in consulting fees by $417,863, salaries by $125,016, office expenses by $44,418, and R&D by $183,010, when compared to the same three-month period ended June 30, 2025. Overall, we incurred a loss of $1,612,858 from our operations for the three months ended June 30, 2026, compared to a loss of $2,054,655 from our operations in the three-month period ended June 30, 2025, a decrease of $441,797.

We had interest income of $48,816 during the three months ended June 30, 2026, compared to interest income of $72,715 during the three months ended June 30, 2025.

As a result, we incurred a net loss of $1,564,048 ($1.15 per share) for the three months ended June 30, 2026, compared to a net loss of $1,770,834 ($3.94 per share) for the three-month period ended June 30, 2025.

Comparison of results of operations for the six months ended June 30, 2026 and 2025

During the six months ended June 30 2026, we generated revenues of $17,352,452, compared to revenue of $18,311,571 for the six months ended June 30, 2025, a decrease of $959,119, or 5.2%. The direct cost for generating these revenues was $12,744,780 for the six months ended June 30, 2026 (73.4%), compared to $12,158,279 (66.4%) for the six months ended June 30, 2025. Our gross profit decreased by $1,545,620 from $6,153,292 for the six months ended June 30, 2025, to $4,607,672 for the same period in 2026.

General and administrative expenses during the six-month period ended June 30, 2026, were $7,616,127, compared to $9,503,697 during the six-month period ended June 30, 2025, a decrease of $1,887,570. The significant decrease was primarily attributable to a $1,061,809 impairment of intangible assets which did not occur in the six month ended June 30, 2026. The other expense categories which contributed to this decrease were consulting fees which decreased by $640,002 and R&D expenses which decreased by $366,563. These were partially offset by an increase in legal fees of $327,885. Overall, we incurred a loss of $3,008,455 from our operations in the six-month period ended June 30, 2026, compared to a loss from operations of $3,350,405 in the similar period of 2025, a decrease of $341,950.

We had interest income of $97,242 during the six months ended June 30, 2026, compared to interest income of $148,082 during the six months ended June 30, 2025. The decrease in interest income was a result of having less cash on hand in the 2026 period compared to 2025.

In addition, we had a one-time payment of $103,320 in the six months ended June 30, 2026 which we did not have in the six months ended June 30, 2025. This amount was allocated to us as part of a settlement of a class-action lawsuit against BF Borgers CPA PC, our previous auditor whom we terminated in May 2024.

As a result of the foregoing, we incurred a net loss of $2,807,917 ($2.95 per share) for the six-month period ended June 30, 2026, compared to a net loss of $2,950,605 ($8.19 per share) for the six-month period ended June 30, 2025.

Liquidity and Capital Resources

As of June 30, 2026, we had cash and cash equivalents of $13,748,301.

Net cash used in operating activities was $2,990,108 during the six months ended June 30, 2026, compared to $2,968,400 during the six-month period ended June 30, 2025, largely unchanged.

Cash flows used in investing activities were $109,638 for the six months ended June 30, 2026, compared to $762,204 for the six months ended June 30, 2025. The decrease was the result of fewer purchases of equipment and intangible assets (drug licenses) by Nora Pharma.

Cash flows provided by financing activities were $7,804,185 during the six months ended June 30, 2026, compared to $4,023,908 during the six months ended June 30, 2025. The increase was a result of a financing event which was completed on May 19, 2026.

We are currently generating revenue of approximately $9 million per quarter and incurring a quarterly deficit of approximately $1.5 million. Our attention is currently focused on increasing sales and streamlining operations to reduce expenses. We estimate that our existing cash on hand together with cash we generate from sales will be sufficient to fund our operations for the next 27 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 for expansion of our generic pharmaceuticals sales operations and further research and development. 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 we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

For a detailed list of significant accounting policies, please see our annual report on Form 10-K for the fiscal year ended December 31, 2025, including our financial statements and notes thereto included therein as filed with the SEC on April 3, 2026.

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 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are a smaller reporting company and are not required to provide the information under this item.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of 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 June 30, 2026, at reasonable assurance levels.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended June 30, 2026, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are not party to, and our property is not the subject of, any material legal proceedings.

ITEM 1A. RISK FACTORS

We are a smaller reporting company and are not required to provide the information under this item.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 5. OTHER INFORMATION

During the quarter ended June 30, 2026, 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 6. EXHIBITS

Exhibit No.	Description
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2022*
32.1	Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**
101	Inline XBRL Document Set for the financial statements and accompanying notes in Part I, Item 1, of this Quarterly Report on Form 10-Q.*
104	Inline XBRL for the cover page of this Quarterly Report on Form 10-Q, included in the Exhibit 101 Inline XBRL Document Set.*

* Filed herewith.
** Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized, on August 13, 2026.

SUNSHINE BIOPHARMA INC.

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

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

Exhibit 31.1

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

I, Dr. Steve N. Slilaty, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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 controls 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: August 13, 2026

/s/ Dr. Steve N. Slilaty
Dr. 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 quarterly report on Form 10-Q 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 controls 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: August 13, 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 quarterly report of Sunshine Biopharma Inc. (the "Company") on Form 10-Q for the quarterly period ended June 30, 2026, 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: August 13, 2026

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

Dated: August 13, 2026

/s/ Camille Sebaaly
Camille Sebaaly, Chief Financial Officer