

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

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

For the quarterly period ended January 31, 2026

Or

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

For the transition period from _____ to _____

Commission file number 001-11504

CHAMPIONS ONCOLOGY, INC.

(Exact name of registrant as defined in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

52-1401755

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

One University Plaza, Suite 307

Hackensack, New Jersey

(Address of principal executive offices)

07601

(Zip Code)

(201) 808-8400

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

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

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, par value \$0.001 per share	CSBR	The Nasdaq Stock Market LLC

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

None.

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, or a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

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

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

The number of shares of common stock of the Registrant outstanding as of March 11, 2026 was 13,886,826.

DOCUMENTS INCORPORATED BY REFERENCE - None

**INDEX TO FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED JANUARY 31, 2026**

PART I - FINANCIAL INFORMATION

Item 1.	<u>Financial Statements.</u>	
	<u>Condensed Consolidated Balance Sheets as of January 31, 2026 (unaudited) and April 30, 2025</u>	<u>4</u>
	<u>Unaudited Condensed Consolidated Statements of Operations for the Three and Nine Months Ended January 31, 2026 and 2025</u>	<u>5</u>
	<u>Unaudited Condensed Consolidated Statements of Changes in Stockholders' Equity (Deficiency) for the Nine Months Ended January 31, 2026 and 2025</u>	<u>6</u>
	<u>Unaudited Condensed Consolidated Statements of Cash Flows for the Nine Months Ended January 31, 2026 and 2025</u>	<u>7</u>
	<u>Notes to Unaudited Condensed Consolidated Financial Statements</u>	<u>8</u>
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>20</u>
Item 3.	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>25</u>
Item 4.	<u>Controls and Procedures</u>	<u>25</u>

PART II - OTHER INFORMATION

Item 1.	<u>Legal Proceedings</u>	<u>26</u>
Item 1A.	<u>Risk Factors</u>	<u>26</u>
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>26</u>
Item 3.	<u>Defaults Upon Senior Securities</u>	<u>26</u>
Item 4.	<u>Mine Safety Disclosures</u>	<u>26</u>
Item 5.	<u>Other Information</u>	<u>26</u>
Item 6.	<u>Exhibits</u>	<u>27</u>

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

**CHAMPIONS ONCOLOGY, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in Thousands)**

	January 31, 2026	April 30, 2025
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 7,127	\$ 9,785
Accounts receivable, net	12,067	11,204
Prepaid expenses and other current assets	991	1,369
Total current assets	20,185	22,358
Operating lease right-of-use assets, net	4,026	5,080
Property and equipment, net	3,705	4,375
Other long-term assets	196	196
Goodwill	335	335
Total assets	\$ 28,447	\$ 32,344
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 5,726	\$ 4,248
Accrued liabilities	3,346	2,556
Current portion of operating lease liabilities	1,529	1,471
Other current liability	78	135
Deferred revenue	9,998	15,443
Total current liabilities	20,677	23,853
Non-current operating lease liabilities	3,365	4,634
Other non-current liabilities	27	85
Total liabilities	\$ 24,069	\$ 28,572
Stockholders' equity:		
Common stock, \$.001 par value; 200,000,000 shares authorized; 14,007,159 and 13,897,503 shares issued; and 13,886,826 and 13,777,170 outstanding as of January 31, 2026 and April 30, 2025, respectively	14	14
Treasury stock, at cost	(708)	(708)
Additional paid-in capital	85,377	84,358
Accumulated deficit	(80,400)	(79,892)
Total stockholders' equity attributable to Champions Oncology, Inc.	4,283	3,772
Noncontrolling interest	95	—
Total stockholders' equity	4,378	3,772
Total liabilities and stockholders' equity	\$ 28,447	\$ 32,344

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

CHAMPIONS ONCOLOGY, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in Thousands, Except Per Share Amounts)

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2026	2025	2026	2025
Oncology revenue	\$ 16,559	\$ 17,039	\$ 45,590	\$ 44,589
Costs and operating expenses:				
Cost of oncology revenue	8,834	6,617	24,090	21,118
Research and development	2,271	1,719	6,969	4,862
Sales and marketing	2,666	1,806	6,520	5,236
General and administrative	2,975	2,398	8,519	6,813
Loss on disposal of equipment	89	—	110	—
Total costs and operating expenses	16,835	12,540	46,208	38,029
Income (loss) from operations	(276)	4,499	(618)	6,560
Other income, net	39	19	184	30
Income (loss) before provision for income taxes	(237)	4,518	(434)	6,590
Provision for income taxes	42	23	74	54
Net income (loss)	<u>\$ (279)</u>	<u>\$ 4,495</u>	<u>\$ (508)</u>	<u>\$ 6,536</u>
Net income (loss) per common share outstanding				
basic	<u>\$ (0.02)</u>	<u>\$ 0.33</u>	<u>\$ (0.04)</u>	<u>\$ 0.48</u>
diluted	<u>\$ (0.02)</u>	<u>\$ 0.31</u>	<u>\$ (0.04)</u>	<u>\$ 0.46</u>
Weighted average common shares outstanding				
basic	<u>13,886,797</u>	<u>13,700,627</u>	<u>13,805,647</u>	<u>13,620,686</u>
and diluted	<u>13,886,797</u>	<u>14,364,904</u>	<u>13,805,647</u>	<u>14,132,712</u>

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

CHAMPIONS ONCOLOGY, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIENCY)
(Dollars in Thousands)

	Common Stock		Treasury Stock		Additional Paid-in Capital	Non-Controlling Interest	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance April 30, 2025	13,897,503	\$ 14	120,333	\$ (708)	\$ 84,358	\$ —	\$ (79,892)	\$ 3,772
Stock-based compensation	—	—	—	—	178	30	—	208
Issuance of common stock on exercise of stock options	11,251	—	—	—	24	—	—	24
Net loss	—	—	—	—	—	—	(466)	(466)
Balance July 31, 2025	<u>13,908,754</u>	<u>\$ 14</u>	<u>120,333</u>	<u>\$ (708)</u>	<u>\$ 84,560</u>	<u>\$ 30</u>	<u>\$ (80,358)</u>	<u>\$ 3,538</u>
Stock-based compensation	—	—	—	—	218	31	—	249
Issuance of common stock on exercise of stock options	97,905	—	—	—	207	—	—	207
Net income	—	—	—	—	—	—	237	237
Balance October 31, 2025	<u>14,006,659</u>	<u>\$ 14</u>	<u>120,333</u>	<u>\$ (708)</u>	<u>\$ 84,985</u>	<u>61</u>	<u>\$ (80,121)</u>	<u>\$ 4,231</u>
Stock-based compensation	—	—	—	—	389	34	—	423
Issuance of common stock on exercise of stock options	500	—	—	—	3	—	—	3
Net loss	—	—	—	—	—	—	(279)	(279)
Balance January 31, 2026	<u>14,007,159</u>	<u>\$ 14</u>	<u>120,333</u>	<u>(708)</u>	<u>\$ 85,377</u>	<u>95</u>	<u>\$ (80,400)</u>	<u>\$ 4,378</u>

	Common Stock		Treasury Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity/ (Deficiency)
	Shares	Amount	Shares	Amount			
Balance April 30, 2024	13,714,099	\$ 14	120,333	\$ (708)	\$ 83,384	\$ (84,593)	\$ (1,903)
Stock-based compensation	—	—	—	—	258	—	258
Net income	—	—	—	—	—	1,313	1,313
Balance July 31, 2024	<u>13,714,099</u>	<u>\$ 14</u>	<u>120,333</u>	<u>\$ (708)</u>	<u>\$ 83,642</u>	<u>\$ (83,280)</u>	<u>\$ (332)</u>
Stock-based compensation	—	—	—	—	9	—	9
Issuance of common stock on exercise of stock options	105,137	—	—	—	276	—	276
Net income	—	—	—	—	—	728	728
Balance October 31, 2024	<u>13,819,236</u>	<u>\$ 14</u>	<u>120,333</u>	<u>\$ (708)</u>	<u>\$ 83,927</u>	<u>\$ (82,552)</u>	<u>\$ 681</u>
Stock-based compensation	—	—	—	—	256	—	256
Issuance of common stock on exercise of stock options	6,667	—	—	—	37	—	37
Net income	—	—	—	—	—	4,495	4,495
Balance January 31, 2025	<u>13,825,903</u>	<u>\$ 14</u>	<u>120,333</u>	<u>(708)</u>	<u>\$ 84,220</u>	<u>\$ (78,057)</u>	<u>\$ 5,469</u>

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

CHAMPIONS ONCOLOGY, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in Thousands)

	Nine Months Ended January 31,	
	2026	2025
Operating activities:		
Net (loss) income	\$ (508)	\$ 6,536
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:		
Stock-based compensation	880	523
Depreciation and amortization expense	1,056	1,246
Loss on sale and disposal of equipment	110	—
Gain on termination of operating lease	(9)	—
Operating lease right-of use assets	1,055	881
Allowance and estimated credit losses	(46)	(320)
Changes in operating assets and liabilities:		
Accounts receivable	(817)	(5,936)
Prepaid expenses and other current assets	379	782
Accounts payable	1,285	(1,135)
Accrued liabilities	790	106
Operating lease liabilities	(1,204)	(993)
Deferred revenue	(5,445)	(1,172)
Net cash (used in) provided by operating activities	<u>(2,474)</u>	<u>518</u>
Investing activities:		
Purchase of property and equipment	(325)	(136)
Proceeds from sale of equipment	23	—
Net cash used in investing activities	<u>(302)</u>	<u>(136)</u>
Financing activities:		
Proceeds from exercise of options	234	314
Finance lease payments	(116)	(112)
Net cash provided by financing activities	<u>118</u>	<u>202</u>
(Decrease) Increase in cash	(2,658)	584
Cash at beginning of period	9,785	2,618
Cash at end of period	<u>\$ 7,127</u>	<u>\$ 3,202</u>
Non-cash investing activities:		
Equipment purchased in accounts payable	\$ 195	\$ 428

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

CHAMPIONS ONCOLOGY, INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Organization, Use of Estimates and Basis of Presentation

Champions Oncology, Inc. (the "Company", or "we", or "our") is engaged in drug discovery and development through data-driven research strategies and innovative pharmacology, biomarker and data platforms. The Company's TumorGraft Technology Platform (the "Platform"), a comprehensive bank of unique, well characterized "Patient Derived XenoGrafts" (PDX) models, is an approach to personalizing cancer care based upon the implantation of human tumors in immune-deficient mice. The Company provides a technology platform to pharmaceutical and biotechnology companies using proprietary TumorGraft studies, which the Company believes may be predictive of how drugs may perform in clinical settings. Utilizing the Platform, the Company offers multiple services to pharmaceutical and biotechnology companies seeking personalized approaches to drug development. By performing studies to predict the efficacy of oncology drugs, our Platform is designed to facilitate drug discovery with lower costs and increased speed of drug development as well as increased adoption of existing drugs.

The Company has four operating subsidiaries: Champions Oncology (Israel), Limited, Champions Oncology U.K. Limited, Champions Oncology, S.R.L. (Italy), and Corellia A.I. Inc. ("Corellia"). For the three and nine months ended January 31, 2026 and 2025, there were no revenues earned by these subsidiaries.

The Company's foreign subsidiaries' functional currency is the U.S. dollar. Transaction gains and losses are recognized in earnings. The Company is subject to foreign exchange rate fluctuations in connection with the Company's international operations.

The accompanying condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Company operates in one reportable business segment. The condensed consolidated financial statements include the accounts of the Company and its subsidiaries in which it holds a controlling financial interest. Intercompany transactions and accounts have been eliminated. The Company's wholly owned subsidiary, Corellia, has issued equity-classified stock options to certain of its employees. Stock-based compensation expense is recognized over the requisite service period, with the corresponding equity recorded as non-controlling interest in the consolidated statement of stockholders' equity. Because the options are unexercised, they do not represent an actual ownership interest, and no portion of the Company's net income or loss is attributed to non-controlling interest until the options are exercised. Refer to Note 6.

These unaudited condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission, or the SEC. Certain information related to the Company's organization, significant accounting policies and footnote disclosures normally included in financial statements prepared in accordance with GAAP has been condensed or omitted. The April 30, 2025 condensed consolidated balance sheet in the accompanying interim condensed consolidated financial statements was derived from audited consolidated financial statements. The accounting policies followed in the preparation of these unaudited condensed consolidated financial statements are consistent with those followed in the Company's annual consolidated financial statements for the fiscal year ended April 30, 2025, as filed in the Company's Annual Report on Form 10-K with the SEC on July 23, 2025 (the "Annual Report"). In the opinion of management, these unaudited condensed consolidated financial statements contain all material adjustments necessary to fairly state our financial position, results of operations and cash flows for the periods presented and the presentations and disclosures herein are adequate when read in conjunction with the Annual Report. The results of operations for the interim periods are not necessarily indicative of the results of operations for a full fiscal year.

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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Note 2. Significant Accounting Policies

The significant accounting policies used in the preparation of these condensed consolidated financial statements are disclosed in our 2025 Annual Report and there have been no changes to the Company's significant accounting policies during the nine months ended January 31, 2026.

Liquidity

The Company's liquidity needs have typically arisen from the funding of its research and development programs and the launch of new products and services, working capital requirements, and other strategic initiatives. Historically, the Company has met these cash requirements through cash on hand, working capital management, and sales of products and services. In the past, the Company has also received proceeds from certain private placements and public offerings of our securities. For the nine months ended January 31, 2026, the Company had a net loss of approximately \$508,000, an accumulated deficit of approximately \$80.4 million, negative working capital of \$492,000 and cash of \$7.1 million. Despite the negative working capital, we believe that our cash on hand, together with expected cash flows from operations, are adequate to fund operations through at least the next twelve months from the filing of this report. Should the Company be required to raise additional capital or seek to obtain financing, there can be no assurance that management would be successful in raising such capital or obtaining such financing on terms acceptable to us, if at all.

Earnings Per Share

Basic net income or loss per share is computed by dividing the net income or loss for the period by the weighted-average number of shares of common stock outstanding during the period. Diluted net income per share is computed by dividing the net income for the period by the weighted-average number of shares of common stock plus dilutive potential common stock considered outstanding during the period. Such dilutive shares consist of incremental shares that would be issued upon exercise of the Company's common stock options.

A reconciliation of net income (loss) and number of shares used in computing basic and diluted earnings per share was as follows:

(Dollars in Thousands)	Three Months Ended January 31,		Nine Months Ended January 31,	
	2026	2025	2026	2025
Basic net income (loss) per share computation:				
Net income (loss)	\$ (279)	\$ 4,495	\$ (508)	\$ 6,536
Weighted Average common shares – basic	13,886,797	13,700,627	13,805,647	13,620,686
Basic net income (loss) per share	<u>\$ (0.02)</u>	<u>\$ 0.33</u>	<u>\$ (0.04)</u>	<u>\$ 0.48</u>
Diluted net income (loss) per share computation:				
Net income (loss)	\$ (279)	\$ 4,495	\$ (508)	\$ 6,536
Weighted Average common shares	13,886,797	13,700,627	13,805,647	13,620,686
Incremental shares from assumed exercise of stock options	—	664,277	—	512,026
Adjusted weighted average share – diluted	<u>13,886,797</u>	<u>14,364,904</u>	<u>13,805,647</u>	<u>14,132,712</u>
Diluted net income (loss) per share	<u>\$ (0.02)</u>	<u>\$ 0.31</u>	<u>\$ (0.04)</u>	<u>\$ 0.46</u>

The following table reflects the total potential common stock instruments outstanding at January 31, 2026 and 2025 including those that could have an effect on the future computation of dilution per common share, had their effect not been anti-dilutive.

	January 31,	
	2026	2025
Total common stock equivalents	2,548,665	499,490

Revenue Recognition

The Company recognizes revenue in accordance with Accounting Standards Codification ("ASC") 606 ("ASC 606"), Revenue from Contracts with Customers. The objective of the standard is to establish a single comprehensive revenue recognition model that is designed to create greater comparability of financial statements across industries and jurisdictions. Under this standard, companies recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services.

All revenue is generated from contracts with customers. The Company recognizes revenue when control of these services is transferred to the customer in an amount, referred to as the transaction price, that reflects the consideration to which the Company is expected to be entitled in exchange for those services. The Company determines revenue recognition utilizing the following five steps: (1) identification of the contract with a customer, (2) identification of the performance obligations in the contract (promised goods or services that are distinct), (3) determination of the transaction price, (4) allocation of the transaction price to the performance obligations, and (5) recognition of revenue when, or as, the Company transfers control of the product or service for each performance obligation. The Company records revenues net of any tax assessments by governmental authorities, such as value added taxes, that are imposed on and concurrent with specific revenue generating transactions.

The majority of the Company's revenue arrangements are service contracts that are completed within a year or less. There are a few contracts that range in duration between 1 and 3 years. Substantially all of the Company's performance obligations, and associated revenue, are transferred to the customer over time. Most of the Company's contracts can be terminated by the customer without cause. In the event of termination, the Company's contracts provide that the customer pay the Company for services rendered through the termination date. The Company generally receives compensation based on a predetermined invoicing schedule relating to specific milestones for that contract.

Amendments to contracts are common. The Company evaluates each amendment which meets the criteria of a contract modification under ASC 606. Each modification is further evaluated to determine whether the contract modification should be accounted for as a separate contract or as a continuation of the original agreement.

The Company accounts for amendments as a separate contract as they meet the criteria under ASC 606-10-25-12.

Pharmacology Study and Other Services

The Company generally enters into contracts with customers to provide oncology services with payments based on fixed-fee arrangements. At contract inception, the Company assesses the services promised in the contracts with customers to identify the performance obligations in the arrangement. The Company's fixed-fee arrangements for oncology services are considered a single performance obligation because the Company provides a highly-integrated service.

The Company recognizes revenue over time using a progress-based input method since there is no single output measure that would fairly depict the transfer of control over the life of the performance obligation. Revenue is recognized for the single performance obligation over time due to the Company's right to payment for work performed to date and the performance does not create an asset with an alternative use. The Company recognizes revenue as portions of the overall performance obligation are completed as this best depicts the progress of the performance obligation.

License Revenue

The Company also enters into contracts to provide access to certain PDX model data via a license agreement with payments based on a fixed-fee arrangement. The Company's current data licenses contain a single performance obligation of delivering access to the licensed data. The Company recognizes this license revenue at a point in time when the performance obligation is satisfied by delivery of the access to the data.

Incremental Costs of Obtaining a Contract (Sales Commissions)

Under ASC 606, the costs of obtaining a contract can be expensed immediately, rather than capitalized and amortized, if the amortization period is one year or shorter. Sales commissions for the Company represent contract costs with a term of one year or less. Therefore, under ASC 606, the Company elected the practical expedient to expense these costs as incurred.

Accounts Receivables, Unbilled Services and Deferred Revenue

In general, billings and payments are established by contractual provisions including predetermined payment schedules, which may or may not correspond to the timing of the transfer of control of the Company's services under the contract. In general, the Company's intention in its invoicing (payment terms) is to maintain cash neutrality over the life of the contract. Upfront payments, when they occur, are intended to cover certain expenses the Company incurs at the beginning of the contract. Neither the Company nor its customers view such upfront payments and contracted payment schedules as a means of financing. Unbilled services primarily arise when the revenue recognized exceeds the amount billed to the customer. Such situations occur due to divergences between revenue recognition and the invoicing milestones which are based on predetermined payment terms. Unbilled services are classified as a component of accounts receivable on the balance sheet.

Accounts receivable are customer obligations due under normal trade terms. The Company extends credit to its customers based on their creditworthiness and historical data and performs ongoing credit evaluations of our customers' financial condition. The Company maintains a provision for estimated credit losses related to accounts receivable for future expected bad debt resulting from the inability or unwillingness of our customers to make required payments. We estimate our provision for estimated credit losses based on relevant information such as historical experience, current economic conditions, and future expectations of specifically identified customer balances. This provision is adjusted as appropriate to reflect current conditions. After all attempts to collect a receivable have failed, the receivable is written off against the provision. We do not obtain collateral from our customers to secure accounts receivable.

Deferred revenue consists of unearned payments received in excess of revenue recognized. As the contracted services are subsequently performed and the associated revenue is recognized, the deferred revenue balance is reduced by the amount of the revenue recognized during the period. Deferred revenue is classified as a current liability on the condensed consolidated balance sheet as the Company expects to recognize the associated revenue in less than one year.

Segment Reporting

Operating segments are identified as components of an enterprise for which separate discrete financial information is available for evaluation by the Company's chief operating decision maker ("CODM") and relied upon when making decisions regarding resource allocation and assessing performance. When evaluating the Company's financial performance, the CODM reviews total revenues, total expenses, and expenses by functional classification, using this information to make decisions on a Company-wide basis.

The Company currently operates in one reportable segment pertaining to oncology services. The CODM for the Company is the Chief Executive Officer (the "CEO"). The Company's CEO reviews operating results on an aggregate basis and manages the Company's operations on a consolidated basis for the purpose of evaluating financial performance and allocating resources. Accordingly, the Company has determined that it has a single reportable and operating segment structure. The CEO uses net income or loss as well as revenue results to allocate resources in the annual budgeting and forecasting process and also uses that measure as a basis for evaluating financial performance regularly by comparing actual results with established budgets and forecasts. All significant expense categories are presented on our condensed Consolidated Statements of Operations. The measure of segment assets is reported on the condensed Consolidated Balance Sheet as total assets. Segment revenues and expenses are identical to that disclosed in the accompanying condensed Consolidated Statements of Operations.

Reclassifications

Certain prior period amounts have been reclassified to conform to the current period's presentation.

Recently Issued Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09, "Improvements to Tax Disclosures" (Topic 740). The new guidance is intended to enhance the transparency and decision usefulness of income tax disclosures through changes to the rate reconciliation and the income taxes paid information disclosed. The ASU is effective retrospectively for fiscal years beginning after December 15, 2024, with early adoption permitted. The Company adopted this ASU as of May 1, 2025 and it has been included in the required disclosures in our financial statements since.

In November 2024 and January 2025, the FASB issued ASU 2024-03, "Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures" (Subtopic 220-40) "Disaggregation of Income Statement Expenses" and ASU 2025-01 "Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures" (Subtopic 220-40): Clarifying the Effective Date". The new guidance is intended to enhance transparency and disclosures by requiring public business entities to disclose additional information about specific expense categories in the notes to financial statements at interim and annual reporting periods. The ASU is effective for the first annual reporting periods after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027, with early adoption permitted. The Company is in the process of evaluating the impact that the adoption of this ASU will have on its financial statements and related disclosures, which is not expected to be material.

Note 3. Accounts Receivable, Unbilled Services and Deferred Revenue

Accounts receivable and unbilled services were as follows (in thousands):

	January 31, 2026	April 30, 2025	May 1, 2024
Accounts receivable	\$ 6,896	\$ 6,835	\$ 4,886
Unbilled services	6,155	5,398	5,941
Total accounts receivable and unbilled services	13,051	12,233	10,827
Less: Allowances for doubtful accounts and estimated credit losses	(984)	(1,029)	(1,301)
Total accounts receivable, net	<u>\$ 12,067</u>	<u>\$ 11,204</u>	<u>\$ 9,526</u>

Allowances for doubtful accounts and estimated credit losses were as follows (in thousands):

Beginning balance April 30, 2025	\$ (1,029)
Plus: Provision for credit losses and doubtful accounts	(13)
Less: Reversal of provision for credit losses and doubtful accounts, net	58
Less: Reversal for amounts subsequently collected	—
Less: Write offs	—
Ending balance January 31, 2026	<u>\$ (984)</u>

Deferred revenue was as follows (in thousands):

	January 31, 2026	April 30, 2025	May 1, 2024
Deferred revenue	\$ 9,998	\$ 15,443	\$ 12,094

Note 4. Revenue from Contracts with Customers

Oncology Revenue

The following table represents disaggregated revenue for the three and nine months ended January 31, 2026 and 2025 (in thousands):

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2026	2025	2026	2025
Pharmacology services	\$ 16,184	\$ 11,670	\$ 43,929	\$ 37,237
TOS data license revenue	—	4,500	468	4,500
Other TOS revenue	375	869	1,193	2,852
Total oncology revenue	<u>\$ 16,559</u>	<u>\$ 17,039</u>	<u>\$ 45,590</u>	<u>\$ 44,589</u>

Translational Oncology Solutions ("TOS") license revenue represents revenue from the sale of a license to access certain of the Company's PDX data. Other TOS revenue represents additional services provided to the Company's pharmaceutical and biotechnology customers, specifically flow cytometry services and software-as-a-service ("SaaS") provided via our Lumin Bioinformatics software ("Lumin").

Note 5. Property and Equipment

Property and equipment is recorded at cost and primarily consists of laboratory equipment, computer equipment and software, capitalized software development costs, and furniture and fixtures. Depreciation and amortization is calculated on a straight-line basis over the estimated useful lives of the various assets ranging from three to nine years. Property and equipment consisted of the following (table in thousands):

	January 31, 2026	April 30, 2025
Furniture and fixtures	\$ 246	\$ 246
Computer equipment and software	2,187	2,165
Capitalized software development costs	1,888	1,888
Laboratory equipment	11,386	11,323
Assets in progress	113	124
Leasehold improvements	361	317
Total property and equipment	16,181	16,063
Less: Accumulated depreciation and amortization	<u>(12,476)</u>	<u>(11,688)</u>
Property and equipment, net	<u>\$ 3,705</u>	<u>\$ 4,375</u>

Depreciation and amortization expense was \$341,000 and \$398,000 for the three months ended January 31, 2026 and 2025, respectively. Depreciation and amortization expense, excluding expense recorded under finance leases, was \$302,000 and \$360,000 for the three months ended January 31, 2026 and 2025, respectively.

Depreciation and amortization expense was \$1.1 million and \$1.2 million for the nine months ended January 31, 2026 and 2025, respectively. Depreciation and amortization expense, excluding expense recorded under finance leases, was \$940,000 and \$1.1 million for the nine months ended January 31, 2026 and 2025, respectively.

As of January 31, 2026 and April 30, 2025, property, plant and equipment included gross assets held under finance leases of \$1.0 million. Related depreciation expense was approximately \$39,000 and \$38,000 for the three months ended January 31, 2026 and 2025, respectively, and \$116,000 and \$112,000 for the nine months ended January 31, 2026 and 2025, respectively.

During the three months ended January 31, 2026, the Company disposed of lab equipment with a cost of \$358,000 and accumulated depreciation of \$245,000, for proceeds of \$23,000, resulting in a loss on sale and disposal of equipment of \$90,000. During the nine months ended January 31, 2026, the Company disposed of lab equipment with a cost of \$402,000 and accumulated depreciation of \$269,000, for proceeds of \$23,000, resulting in a loss on sale and disposal of equipment of \$110,000. During the three and nine months ended January 31, 2025, the Company did not dispose of any equipment.

Finance Lease

During fiscal year 2023, the Company recognized a finance lease for laboratory equipment. This equipment was obtained as the result of a laboratory supplies purchase commitment with costs of approximately \$368,000 at inception through June 2027. Cash payments for this lease are in the form of consideration for purchasing lab supplies under a purchase commitment agreement. The present value of the minimum future obligations of \$368,000 was calculated based on an interest rate of 3.5%. Depreciation and amortization expense related to this finance lease was \$19,000 and \$18,400 for the three months ended January 31, 2026 and 2025, respectively, and \$57,000 and \$55,000, for the nine months ended January 31, 2026 and 2025, respectively. Interest on the related finance lease liability was approximately \$1,000 and \$1,600 for the three months ended January 31, 2026 and 2025, respectively. Interest on the related finance lease liability was approximately \$3,400 and \$5,300 for the nine months ended January 31, 2026 and 2025, respectively.

During fiscal year 2022, the Company recognized a finance lease for laboratory equipment. This equipment was obtained as the result of a laboratory supplies purchase commitment with costs of approximately \$370,000 at inception through December 2025. Cash payments for this lease are in the form of consideration for purchasing lab supplies under a purchase commitment agreement. At the commencement of the commitment, the present value of the minimum future obligations of \$370,000 was calculated based on an interest rate of 3.25%. Depreciation and amortization expense related to this finance lease was \$20,000 and \$19,300 for the three months ended January 31, 2026 and 2025, respectively, and \$59,000 and \$57,000, for nine months ended January 31, 2026 and 2025, respectively. Interest on the related finance lease liability was less than \$100 and \$700, respectively, for the three months ended January 31, 2026 and 2025. Interest on the related finance lease liability was less than \$1,000 and \$2,500, respectively, for the nine months ended January 31, 2026 and 2025.

As noted above, the Company's financing leases are for laboratory equipment. The associated liabilities for these leases are classified on the condensed consolidated balance sheets within other current and other non-current liabilities. The weighted average remaining lease term of these leases is 1.33 years.

Financing lease assets (lab equipment) and lease liabilities related to our current financing leases are as follows (in thousands):

	January 31, 2026	April 30, 2025
Financing lease net asset	\$ 105	\$ 220
Current portion of financing lease liabilities	78	60
Non-current portion of financing lease liabilities	27	160

Future minimum lease payments due each fiscal year as follows (in thousands):

2026 (remaining)	\$ 20
2027	80
2028	7
Total undiscounted liabilities	107
Less: Imputed interest	(2)
Present value of minimum lease payments	\$ 105

Refer to Note 7, Leases, for information on operating leases.

Note 6. Stock-Based Payments

Stock-based compensation expense was recognized as follows (table in thousands):

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2026	2025	2026	2025
General and administrative	\$ 352	\$ 209	\$ 692	\$ 299
Sales and marketing	20	31	45	122
Research and development	35	2	99	9
Cost of oncology revenue	16	14	44	93
Total stock-based compensation expense	<u>\$ 423</u>	<u>\$ 256</u>	<u>\$ 880</u>	<u>\$ 523</u>

For the three and nine months ended January 31, 2026, stock-based compensation expense for research and development includes approximately \$34,000 and \$95,000 respectively, for options granted by the Company's wholly-owned subsidiary, Corellia, to certain of its employees.

The Company has in place a 2021 Equity Incentive Plan and 2010 Equity Incentive Plan as well as the 2023 Global Equity Incentive Plan which is specific to Corellia (collectively, the "Plans"). In general, these Plans provide for stock-based compensation to the Company's employees, directors and non-employees. The 2010 and 2021 Plans also provide for limits on the aggregate number of shares that may be granted, the term of grants and the strike price of option awards.

2021 Equity Incentive Plan

As part of the 2021 Annual Shareholders Meeting, shareholders approved the adoption of the 2021 Equity Incentive Plan ("2021 Equity Plan"). The purpose of the 2021 Equity Plan is to grant (i) Non-statutory Stock Options; (ii) Incentive Stock Options; (iii) Restricted Stock Awards; and/or (iv) Stock Appreciation Rights (collectively, stock-based compensation) to its employees, directors and non-employees. Total stock awards under the 2021 Equity Plan shall not exceed 2 million shares of common stock. Options and Stock Appreciation Rights expire no later than ten years from the date of grant and the awards vest as determined by the Company's Board of Directors. Options and Stock Appreciation Rights have a strike price not less than 100% of the fair market value of the common stock subject to the option or right at the date of grant. As of January 31, 2026, approximately 173,000 shares were available for issue under this plan.

2010 Equity Incentive Plan

On February 18, 2011, shareholders owning a majority of the issued and outstanding shares of the Company executed a written consent approving the 2010 Equity Incentive Plan ("2010 Equity Plan"). The purpose of the 2010 Equity Plan is to grant (i) Non-statutory Stock Options; (ii) Restricted Stock Awards; and (iii) Stock Appreciation Rights (collectively, stock-based compensation) to its employees, directors and non-employees. Total stock awards under the 2010 Equity Plan shall not exceed 30,000,000 shares of common stock. Options and Stock Appreciation Rights expire no later than ten years from the date of grant and the awards vest as determined by the Board. Options and Stock Appreciation Rights have a strike price not less than 100% of the fair market value of the common stock subject to the option or right at the date of grant. After February 2021, no more shares were available to be issued from this plan. As of January 31, 2026, approximately 734,000 options granted under the 2010 plan were still outstanding.

2023 Global Equity Incentive Plan

As part of the establishment of Corellia, the subsidiary's Board of Directors approved the adoption of the 2023 Global Equity Incentive Plan ("the Plan"). The purpose of the Plan is to grant (i) Non-statutory Stock Options; (ii) Incentive Stock Options; and/or (iii) Restricted Stock Awards (collectively, stock-based compensation) to its employees, directors and non-employees. Options expire no later than ten years from the date of grant. Options awards vest as follows, unless otherwise determined by the subsidiary's Board or Plan Administrator, twenty-five percent (25%) of the options grant on the first anniversary of the vesting commencement date (and in the absence of such determination, of date on which such Options were granted), and six and one-quarter percent (6.25%) of the options grant at the end of each subsequent three-month period thereafter over the course of the following three (3) years.

Stock Option Grants

Black-Scholes and Monte Carlo assumptions used to calculate the fair value of Champions options granted by the Company during the three and nine months ended January 31, 2026 and 2025 were as follows:

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2026	2025	2026	2025
Expected term in years	6	6	6	6
Risk-free interest rates	3.75% - 3.84%	4.09% - 4.34%	3.75% - 4.50%	3.58% - 4.48%
Volatility	54.94% - 56.31%	54.54% - 56.37%	54.94% - 62.00%	54.54% - 62.72%
Dividend yield	—%	—%	—%	—%

The weighted average fair value of stock options granted during the three months ended January 31, 2026 and 2025 was \$3.54 and \$2.64, respectively. The weighted average fair value of stock options granted during the nine months ended January 31, 2026 and 2025 was \$4.16 and \$2.58, respectively.

Black-Scholes assumptions used to calculate the fair value of Corellia options granted by Corellia during May 2025 were as follows:

	Nine Months Ended January 31,	
	2026	2025
Expected term in years	6	0
Risk-free interest rates	4.15%	—%
Volatility	65%	—%
Dividend yield	—%	—%

The weighted average fair value of stock options granted during the nine months ended January 31, 2026 was \$1,364. There have been no Corellia stock options granted prior to the first quarter of fiscal 2026 and no options were granted during the three months ended January 31, 2026.

Due to the absence of an active market for the Corellia's common stock, Corellia utilized methodologies in accordance with the framework of the American Institute of Certified Public Accountants Technical Practice Aid, Valuation of Privately-Held Company Equity Securities Issued as Compensation, to estimate the fair value of its common stock. In determining the exercise prices for stock options granted, Corellia has considered the estimated fair value of the common stock as of the measurement date. The estimated fair value of the common stock has been determined at each grant date based upon a variety of factors, including the illiquid nature of the common stock. Among other factors are Corellia's financial position and historical financial performance, the status of technological developments within its' research, the composition and ability of the current research and management team, an evaluation or benchmark of the Company's competition and the current business climate in the marketplace. Significant changes to the key assumptions underlying the factors used could result in different fair values of common stock at each valuation date.

The Company's stock options activity for the 2021 and 2010 equity incentive plans for the nine months ended January 31, 2026 was as follows:

	Directors and Employees	Non- Employees	Total	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Outstanding, April 30, 2025	1,642,351	36,331	1,678,682	\$ 4.98	4.9	\$ 4,434,000
Granted	1,103,972	—	1,103,972	7.17	9.5	
Exercised	(109,656)	—	(109,656)	2.13		
Forfeited	(58,625)	—	(58,625)	7.65		
Canceled	(12,375)	—	(12,375)	7.26		
Expired	(53,333)	—	(53,333)	11.96		
Outstanding, January 31, 2026	<u>2,512,334</u>	<u>36,331</u>	<u>2,548,665</u>	\$ 5.83	6.6	\$ 4,556,000
Vested and expected to vest as of January 31, 2026	<u>2,512,334</u>	<u>36,331</u>	<u>2,548,665</u>	\$ 5.83	6.6	\$ 4,556,000
Exercisable as of January 31, 2026	<u>1,426,449</u>	<u>7,500</u>	<u>1,433,949</u>	\$ 4.83	4.4	\$ 4,000,000

The remaining unrecognized stock-based compensation expense at January 31, 2026 was \$4.1 million. Of this amount, \$1.5 million relates to time-based awards with a remaining weighted average recognition period of 3.05 years and \$780,000 related to market based awards with a remaining weighted average recognition period of 2.0 years. The remaining \$1.8 million of unrecognized stock-based compensation expense relates to performance-based awards for which expense will only be recognized when it becomes probable that the Company will achieve such defined financial targets. As of January 31, 2026, there were 465,000 options that have these performance-based vesting provisions and are subject to forfeiture, in whole or in part, if these performance conditions are not achieved. Management assesses, on an ongoing basis, the probability of whether the performance criteria will be achieved and, if it is deemed probable, stock-based compensation expense is recognized over the relevant performance period.

The stock options activity for the Corellia 2023 Global equity incentive plan for the nine months ended January 31, 2026 was as follows:

	Directors and Employees	Non- Employee es	Total	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Outstanding, April 30, 2025	—	—	—	\$ —	\$ —	\$ —
Granted	300	—	300	\$ 1,682.00	9.30	
Outstanding, January 31, 2026	<u>300</u>	<u>—</u>	<u>300</u>	\$ 1,682.00	9.30	\$ 110,000
Vested and expected to vest as of January 31, 2026	<u>300</u>	<u>—</u>	<u>300</u>	\$ 1,682.00	9.30	\$ 110,000
Exercisable as of January 31, 2026	<u>—</u>	<u>—</u>	<u>—</u>	\$ —	—	\$ —

The remaining unrecognized stock-based compensation expense at January 31, 2026 was \$314,000. This amount relates to time-based awards with a remaining weighted average recognition period of 2.3 years

Share Repurchase Program

On March 29, 2023, the Board of Directors approved a share repurchase program authorizing the Company to purchase up to an aggregate of \$5.0 million of the Company's common stock. The share repurchase program is designed in accordance with Rule 10b-18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The shares may be purchased from time to time in the open market, as permitted under applicable rules and regulations, at prevailing market prices. The timing and amount of repurchases will depend on market conditions, share price, applicable legal requirements and other factors. The program does not obligate the Company to acquire a minimum number of shares. As of January 31, 2026, the Company had purchased 120,300 shares of its common stock, at an average price of \$5.73 per share, totaling approximately \$708,000 and leaving an available balance of approximately \$4.3 million authorized by the Board for use in the program as of that date. The last purchase was made during fiscal year 2024.

Note 7. Leases

The Company accounts for its leases under FASB ASC Topic 842, Leases. Under this guidance, arrangements meeting the definition of a lease are classified as operating or financing leases and are recorded on the consolidated balance sheet as both a right-of-use ("ROU") asset and lease liability, calculated by discounting fixed lease payments over the lease term at the rate implicit in the lease, if applicable, or the Company's incremental borrowing rate. As the Company's leases do not provide an implicit rate, the Company uses an incremental borrowing rate based on the information available at the lease commencement date in determining the present value of lease payments. Lease liabilities are increased by interest and reduced by payments each period, and the right-of-use asset is amortized over the lease term. For operating leases, interest on the lease liability and the amortization of the right-of-use asset result in straight-line rent expense over the lease term.

Operating Leases

The Company currently leases certain office equipment and its office and laboratory facilities under non-cancelable operating leases. Rent expense for operating leases is recognized on a straight-line basis over the lease term from the lease commencement date through the scheduled expiration date. Rent expense totaled \$454,000 and \$453,000, respectively, for the three months ended January 31, 2026 and 2025. Rent expense totaled \$1.4 million for both the nine months ended January 31, 2026 and 2025. The Company considers its facilities adequate for its current operational needs.

The Company leases the following facilities:

- One University Plaza, Suite 307, Hackensack, New Jersey 07601, which, since November 2011, serves as the Company's corporate headquarters. The lease expires in November 2026. The Company recognized \$19,000 and \$17,000, respectively, of rent expense relative to this lease for the three months ended January 31, 2026 and 2025. The Company recognized \$58,000 and \$55,000, respectively, of rent expense relative to this lease for the nine months ended January 31, 2026 and 2025.
- 1330 Piccard Drive Suite 025, Rockville, MD 20850, which consists of laboratory and office space where the Company conducts operations related to its primary service offerings. The Company executed the original lease in January 2017. The lease was amended to expand the premises and extend the expiration date in March 2020 and again in December 2020. The operating commencement date was August 11, 2017. This lease expires in February 2029. The Company recognized \$422,000 of rent expense relative to this lease for both the three months ended January 31, 2026 and 2025. The Company recognized \$1.3 million of rent expense relative to this lease for both the nine months ended January 31, 2026 and 2025.
- VIA LEONE XIII, 14, Milan, Italy, which consists of laboratory and office space where the Company conducts operations related to its flow cytometry service offerings. The Company executed the lease in November 2022. The lease was set to expire October 31, 2028. During the three months ended October 31, 2025, the Company exercised its right to terminate the lease early. The lease will terminate April 30, 2026 and the Company will no longer utilize a physical site in Italy. As part of this lease modification, during the three months ended October 31, 2025, the Company recorded a reduction to its right of use asset related to this lease of \$108,000. Simultaneously, the Company recorded a reduction to the current and non-current portions of the related operating lease liabilities of \$16,000 and \$101,000, respectively. These reductions resulted in the recording of a gain on lease termination of \$9,000. The Company recognized \$12,000 and \$13,000, respectively, of rent expense relative to this lease for both the three months ended January 31, 2026 and 2025. The Company recognized \$38,000 of rent expense relative to this lease for both the nine months ended January 31, 2026 and 2025.

ROU assets and lease liabilities related to our current operating leases are as follows (in thousands):

	January 31, 2026	April 30, 2025
Operating lease right-of-use assets, net	\$ 4,026	\$ 5,080
Current portion of operating lease liabilities	1,529	1,471
Non-current portion of operating lease liabilities	3,365	4,634

As of January 31, 2026, the weighted average remaining operating lease term and the weighted average discount rate were 3.02 years and 5.82%, respectively. As of January 31, 2025, the weighted average remaining operating lease term and the weighted average discount rate were 4.00 years and 5.88%, respectively.

Future minimum lease payments due each fiscal year as follows (in thousands):

2026 (remaining)	\$ 742
2027	2,869
2028	2,816
2029	2,364
Thereafter	—
Total undiscounted liabilities	8,791
Less: Imputed interest	(3,897)
Present value of minimum lease payments	<u>\$ 4,894</u>

The composition of total lease cost for three and nine months ended January 31, 2026 and 2025 were as follows (in thousands):

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2026	2025	2026	2025
Operating lease costs	\$ 446	\$ 434	\$ 1,331	\$ 1,295
Financing lease costs:				
Amortization of leased assets	39	38	116	112
Interest on lease liabilities	1	2	4	8
Total lease costs	<u>\$ 486</u>	<u>\$ 474</u>	<u>\$ 1,451</u>	<u>\$ 1,415</u>

Refer to Note 5, Property and Equipment, for information on financing leases.

Note 8. Related Party Transactions

Related party transactions include transactions between the Company and its shareholders, management, or affiliates. The following transactions were in the normal course of operations and were measured and recorded at the exchange amount, which is the amount of consideration established and agreed to by the parties.

Consulting Services

During the nine months ended January 31, 2026 and 2025, the Company recognized \$0 and \$12,000, respectively, for consulting services provided by an affiliate of a Board member, unrelated to his duty as a Board member. During both the three months ended January 31, 2026 and 2025, the Company recognized \$0 for such services.

Such amounts, if applicable, are included in general and administrative expenses in the accompanying condensed consolidated statements of operations. As of January 31, 2026, \$0 was due to this related party.

Note 9. Commitments and Contingencies

Legal Matters

The Company is not currently party to any legal matters to its knowledge. The Company is not aware of any other matters that would have a material impact on the Company's financial position or results of operations.

Royalties

The Company contracts with third-party vendors to license tumor samples for development into PDX models and use in our pharmacology TOS business. These types of arrangements have an upfront fee ranging from nil to \$30,000 per tumor sample depending on the successful growth of the tumor model and ability to develop them into a sellable product. The upfront costs are expensed as incurred. In addition, under certain agreements, for a limited period of time, the Company is subject to royalty payments if the licensed tumor models are used for sale in our TOS business, ranging from 2% to 20% of the contract price after recouping certain initiation costs. Some of these arrangements also set forth an annual minimum royalty due regardless of tumor models used for sale. For the three months ended January 31, 2026 and 2025, we have recognized approximately \$199,000 and \$117,000, respectively, in expense related to these royalty arrangements. For the nine months ended January 31, 2026 and 2025, we have recognized approximately \$372,000 and \$302,000, respectively, in expense related to these royalty arrangements.

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

The following discussion of our historical results of operations and our liquidity and capital resources should be read in conjunction with the condensed consolidated financial statements and related notes that appear elsewhere in this Report and our 2025 Annual Report.

Forward-Looking Statements

This Report contains certain "forward-looking statements," which include information relating to future events, future financial performance, strategies, expectations, competitive environment, regulation, and availability of resources. These forward-looking statements include, without limitation, statements regarding: proposed new programs; expectations that regulatory developments or other matters will not have a material adverse effect on our financial position, results of operations, or liquidity; statements concerning projections, predictions, expectations, estimates, or forecasts as to our business, financial and operational results, and future economic performance; and statements of management's goals and objectives and other similar expressions concerning matters that are not historical facts. Words such as "may," "should," "could," "would," "predicts," "potential," "continue," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates" and similar expressions, as well as statements in future tense, identify forward-looking statements.

Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward-looking statements are based on information available at the time those statements are made or management's good faith belief as of that time with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements.

Forward-looking statements speak only as of the date the statements are made. Factors that could cause actual results to differ from those discussed in the forward-looking statements include, but are not limited to, those described in "Risk Factors" in Part I, Item 1A of our 2025 Annual Report, as updated in our subsequent reports filed with the SEC, including any updates found in Part II, Item 1A of this or other reports on Form 10-Q, if any. You should not put undue reliance on any forward-looking statements. We assume no obligation to update forward-looking statements to reflect actual results, changes in assumptions, or changes in other factors affecting forward-looking information, except to the extent required by applicable securities laws. If we do update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements.

Overview and Recent Developments

We are a technology-enabled research organization engaged in creating transformative technology solutions to be utilized in drug discovery and development. Our research center consists of a comprehensive set of computational and experimental

research platforms. Our pharmacology, biomarker, and data platforms are designed to facilitate drug discovery and development at lower costs and increased speeds. We perform studies which we believe may predict the efficacy of experimental oncology drugs or approved drugs as stand-alone therapies or in combination with other drugs and can simulate the results of human clinical trials. These studies include in vivo studies that rely on implanting multiple tumors from our TumorBank in mice and testing the therapy of interest on these tumors. Studies may also include bioinformatics analysis that reveal the differences in the genetic signatures of the tumors that responded to a therapy as compared to the tumors that did not respond. Additionally, we provide computational or experimental support to identify novel therapeutic targets, select appropriate patient populations for clinical evaluation, identify potential therapeutic combination strategies, and develop biomarker hypothesis of sensitivity or resistance. These studies include the use of our in vivo, ex vivo, analytical and computational platforms.

We are engaged in the development and sale of advanced technology solutions and products to personalize the development and use of oncology drugs through our Translational Oncology Solutions ("TOS"). This technology ranges from computational-based discovery platforms, unique oncology software solutions, and innovative and proprietary experimental tools such as in vivo, ex vivo and biomarker platforms. Utilizing our TumorGraft Technology Platform (the "Platform"), a comprehensive bank of unique, well characterized Patient Derived Xenograft ("PDX") models, we provide select services to pharmaceutical and biotechnology companies seeking personalized approaches to drug development. By performing studies to predict the efficacy of oncology drugs, our Platform facilitates drug discovery with lower costs and increased speed of drug development as well as increased adoption of existing drugs.

We offer access to certain PDX model data via licensing agreements. As our Platform has been expanded over time with the collection of models and the enhancement of their characterization, we have developed a robust multi-omic dataset with substantial potential for both drug discovery and development. This dataset serves as a vital resource for both our pharmaceutical and biotechnology customer who gain access to model-specific data and further their research via licensed access.

We also offer Lumin Bioinformatics ("Lumin"), an oncology data-driven Software as a Service ("SaaS") program. Our Lumin software contains comprehensive information derived from our research services and clinical studies. Lumin leverages our large Datacenter coupled with analytics and artificial intelligence to provide a robust tool for computational cancer research. Insights developed using Lumin can provide the basis for biomarker hypotheses, reveal potential mechanisms of therapeutic resistance, and guide the direction of additional preclinical evaluations.

Our drug discovery and development business leverages the computational and experimental capabilities within our platforms. Our discovery strategy utilizes our Datacenter, coupled with artificial intelligence and other advanced computational analytics, to identify novel therapeutic targets. We then employ the use of our proprietary experimental platforms to validate these targets for further drug development efforts.

We have a pipeline of targets at various stages of discovery and validation, with a select group that has progressed to therapeutic development. Our commercial strategy for the validated targets and therapeutics established from this business is wide-ranging and still being developed. It will depend on many factors, and will be specific for each target or therapeutic area identified. All expenses associated with this part of our business are research and development and are expensed as incurred.

We regularly evaluate strategic options to create additional value from our drug discovery business, which may include, but are not limited to, potential spin-out transactions or capital raises.

Liquidity and Capital Resources

Our liquidity needs have typically arisen from the funding of our research and development programs and the launch of new products, working capital requirements, and other strategic initiatives. In the past, we have met these cash requirements through our cash on hand, working capital management, proceeds from certain private placements and public offerings of our securities, and sales of products and services. For the nine months ended January 31, 2026 and 2025, the Company had a net loss of \$508,000 and net income of \$6.5 million, respectively. As of January 31, 2026, the Company had an accumulated deficit of approximately \$80.4 million, negative working capital of \$492,000 and cash of \$7.1 million. For the nine months ended January 31, 2026, the Company used cash flow in operations of approximately \$2.5 million. Despite our negative working capital at this date and cash used in operations for the period, we believe that our cash on hand, together with expected cash flows from operations, are adequate to fund operations through at least March 2027. Should the Company be required to raise additional capital, there can be no assurance that management would be successful in raising such capital on terms acceptable to us, if at all.

Operating Results

The following table summarizes our operating results for the periods presented below (dollars in thousands):

	For the Three Months Ended January 31,				
	2026	% of Revenue	2025	% of Revenue	% Change
Oncology revenue	\$ 16,559	100.0 %	\$ 17,039	100.0 %	(2.8)%
Costs and operating expenses:					
Cost of oncology revenue	8,834	53.3	6,617	38.8	33.5
Research and development	2,271	13.7	1,719	10.1	32.1
Sales and marketing	2,666	16.1	1,806	10.6	47.6
General and administrative	2,975	18.0	2,398	14.1	24.1
Loss on sale and disposal of equipment	89	0.5	—	—	100.0
Total costs and operating expenses	16,835	101.6	12,540	73.6	34.3
Income from operations	<u>\$ (276)</u>	<u>(1.6)%</u>	<u>\$ 4,499</u>	<u>26.4 %</u>	<u>(106.2)%</u>
For the Nine Months Ended January 31,					
	2026	% of Revenue	2025	% of Revenue	% Change
Oncology revenue	\$ 45,590	100.0 %	\$ 44,589	100.0 %	2.2 %
Costs and operating expenses:					
Cost of oncology revenue	24,090	52.8	21,118	47.4	14.1
Research and development	6,969	15.3	4,862	10.9	43.3
Sales and marketing	6,520	14.3	5,236	11.7	24.5
General and administrative	8,519	18.7	6,813	15.3	25.0
Loss on sale and disposal of equipment	110	0.2	—	—	100.0
Total costs and operating expenses	46,208	101.3	38,029	85.2	21.5
Income (loss) from operations	<u>\$ (618)</u>	<u>(1.3)</u>	<u>\$ 6,560</u>	<u>14.7 %</u>	<u>(109.4)%</u>

Oncology Revenue

Oncology revenue, primarily derived from research services, totaled \$16.6 million for the three months ended January 31, 2026, compared to \$17.0 million for the same period in 2025, a decrease of \$480,000 or 2.8%. Oncology revenue, primarily derived from research services, totaled \$45.6 million for the nine months ended January 31, 2026, compared to \$44.6 million for the same period in 2025, an increase of \$1.0 million or 2.2%.

Our revenues are comprised of the following:

(in 000s)	Three Months Ended January 31,		Nine Months Ended January 31,	
	2026	2025	2026	2025
Pharmacology services	\$ 16,184	\$ 11,670	\$ 43,929	\$ 37,237
TOS license revenue	—	4,500	468	4,500
Other TOS revenue	375	869	1,193	2,852
Total oncology revenue	\$ 16,559	\$ 17,039	\$ 45,590	\$ 44,589

Pharmacology Services

- Pharmacology services revenue increased for both the three- and nine- month periods ended January 31, 2026 compared to the same periods in 2025. The increase reflects modest improvement in bookings and conversion of previously booked studies into revenue, as well as the timing of study completion during the quarter. Bookings represent the total value of signed statements of work and convert to revenue over time as the Company fulfills its contractual performance obligations. The level of study activity reaching completion during a given quarter can vary depending on the timing and progress of individual studies.

TOS Data License Revenue

- Revenue from TOS data licenses was \$0 for the three months ended January 31, 2026, compared to \$4.5 million for the same period in 2025. The prior-year amount reflects the recognition of a single data license transaction during that period. For the nine months ended January 31, 2026, TOS data license revenue totaled \$0.5 million, compared to \$4.5 million for the same period in 2025.

Other TOS Revenue

- Other TOS Revenue includes additional services provided to the Company's pharmaceutical and biotechnology customers, including flow cytometry and SaaS offerings provided through Lumin which are not part of the Company's current strategic focus.
- Other TOS revenue decreased for both the three- and nine-month periods ended January 31, 2026 compared to the same periods in 2025. Flow cytometry services revenue decreased approximately \$0.5 million for the three months ended January 31, 2026 and \$1.6 million for the nine months ended January 31, 2026 compared to the same periods in 2025, primarily due to lower clinical bookings and a strategic de-emphasis on this part of our business. The decrease in Other TOS revenue also reflects lower SaaS revenue during the current periods.

Cost of Oncology Revenue

Cost of oncology revenue increased \$2.2 million or 33.5% to \$8.8 million for the three months ended January 31, 2026, as compared to \$6.6 million in the prior year period. For the nine months ended January 31, 2026, cost of oncology revenue increased \$3.0 million or 14.1% to \$24.1 million, as compared to \$21.1 million in the prior year period. The increases for both periods were primarily attributable to outsourced laboratory services, including more than \$2.0 million of radiolabeling work performed by third-party laboratories during the current quarter. Management expects that as this radiolabeling work transitions into Champions' laboratories over the coming quarters, the Company will benefit from a more favorable cost structure.

Research and Development

Research and development expense for the three months ended January 31, 2026 and 2025 were \$2.3 million and \$1.7 million, respectively, an increase of approximately \$552,000 or 32.1%. Research and development expense for the nine months ended January 31, 2026 and 2025 were \$7.0 million and \$4.9 million, respectively, an increase of approximately \$2.1 million or 43.3%.

The significant components of research and development expense are comprised of the following:

(in 000s)	Three Months Ended January 31,		Nine Months Ended January 31,	
	2026	2025	2026	2025
Compensation	\$ 940	\$ 700	\$ 2,600	\$ 2,000
Laboratory Supplies	400	570	1,700	1,500
Mice Costs	70	180	260	560
Outside Services	700	70	1,900	143

Research and development expense increased for both the three- and nine-month periods ended January 31, 2026 compared to the prior-year periods. The increases were primarily driven by higher outsourced laboratory service costs, including sequencing work performed by third-party providers to support the development of the Company's data licensing platform, as well as increased compensation expenses associated with these initiatives.

Sales and Marketing

Sales and marketing expenses were \$2.7 million for the three months ended January 31, 2026, compared to \$1.8 million for the same period in 2025, an increase of \$860,000 or 47.6%. For the nine months ended January 31, 2026 sales and marketing expenses were \$6.5 million, compared to \$5.2 million for the prior year period, an increase of \$1.3 million or 24.5%. The increases for both periods were primarily driven by higher compensation expense associated with the expansion of the Company's commercial organization, including personnel supporting both the Company's core research services business and its data licensing initiatives. Sales and marketing expenses are expected to remain elevated as the Company continues to invest in commercial capabilities to support these growth initiatives.

General and Administrative

General and administrative expenses were \$3.0 million for the three months ended January 31, 2026, compared to \$2.4 million for the same period in 2025, an increase of \$577,000, or 24.1%. For the nine months ended January 31, 2026, general and administrative expenses were \$8.5 million compared to \$6.8 million for the same period in 2025, an increase of \$1.7 million, or 25.0%. General and administrative expenses primarily consist of compensation, insurance, professional fees, IT infrastructure, and depreciation and amortization. The increases for both periods were primarily attributable to higher compensation expenses associated with executive leadership changes and increased IT infrastructure costs supporting the Company's investment in its data business.

Cash Flows

The following discussion relates to the major components of our cash flows:

Cash Flows from Operating Activities

For the nine months ended January 31, 2026, net cash used in operating activities was \$2.5 million. The use of cash was primarily driven by a decrease in deferred revenue, which reflects lower upfront billings. For the nine months ended January 31, 2025, net cash provided by operating activities was \$518,000. The cash provided by operating activities was primarily due to income from operations offset by changes in our working capital accounts in the ordinary course of business.

Cash Flows from Investing Activities

Net cash used in investing activities for the nine months ended January 31, 2026 and 2025 was approximately \$302,000 and \$136,000. Cash used in investing activities was for the purchases of lab and computer equipment.

Cash Flows from Financing Activities

Net cash provided by financing activities was \$118,000 for the nine months ended January 31, 2026 resulting from proceeds received for stock option exercises, partially offset by financing lease payments. Net cash provided by financing activities was \$202,000 for the nine months ended January 31, 2025, resulting from proceeds received for stock option exercises, partially offset by financing lease payments.

Critical Accounting Estimates and Policies

There have been no changes to our critical accounting policies during the nine months ended January 31, 2026. Critical accounting policies and the significant estimates made in accordance with such policies are regularly discussed with our Audit Committee. Those policies are discussed under “Critical Accounting Policies” in “Part II. Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” as well as in our Condensed Consolidated Financial Statements and the footnotes thereto, each included in our 2025 Annual Report.

Off-Balance Sheet Financing

We have no off-balance sheet debt or similar obligations. We have no transactions or obligations with related parties that are not disclosed, consolidated into or reflected in our reported results of operations or financial position. We do not guarantee any third-party debt.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information otherwise required under this Item.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

It is management’s responsibility to establish and maintain “disclosure controls and procedures” as such term is defined in Rule 13a-15(e) under the Exchange Act. Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, have reviewed and evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Report. In designing and evaluating our disclosure controls and procedures, our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily is required to apply its judgment in evaluating the relationship between the benefit of desired controls and procedures and the cost of implementing new controls and procedures.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

Our management has assessed the effectiveness of our internal control over financial reporting as of January 31, 2026. Based on that assessment, our management, including our Chief Executive Officer and our Chief Financial Officer, have concluded that our disclosure controls and procedures were effective as of January 31, 2026 at the reasonable assurance level in ensuring that information required to be disclosed in the reports that we file or submit under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms and is accumulated and communicated to management, including our Chief Executive Officer and our Chief Financial Officer as appropriate, to allow timely decisions regarding required disclosure. Further, management concluded that our condensed consolidated financial statements in this Report present fairly, in all material respects, the Company’s financial position, results of operations and cash flows as of the dates, and for the periods presented, in conformity with GAAP.

Changes in Internal Control Over Financial Reporting

No changes in our internal control over financial reporting occurred during the fiscal quarter ended January 31, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

To the knowledge of our management team, there is no litigation currently pending or contemplated against us, any of our officers or directors in their capacity as such, or against any of our property.

Item 1A. Risk Factors

As a smaller reporting company under Rule 12-2 of the Exchange Act, we are not required to include risk factors in this Report. However, as of the date of this Report, there have been no material changes with respect to those risk factors previously disclosed in our 2025 Annual Report. Any of these factors could result in a significant or material adverse effect on our results of operations or financial condition. Additional risks could arise that may also affect our business. We may disclose changes to such risk factors or disclose additional risk factors from time to time in our future filings with the SEC.

Factors That May Adversely Affect our Results of Operations

Our results of operations may be adversely affected by various factors that could cause economic uncertainty and volatility in the financial markets, many of which are beyond our control. Our business could be impacted by, among other things, downturns in the financial markets or in economic conditions, increases in oil prices, inflation, increases in interest rates, supply chain disruptions, declines in consumer confidence and spending, the effects of a resurgence or emergence of pandemic-like viruses, and geopolitical instability, such as the military conflicts in Ukraine and the Middle East. We cannot at this time fully predict the likelihood of one or more of the above events, their duration, or magnitude or the extent to which they may negatively impact our business.

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

Unregistered Sales of Equity Securities

None.

Use of Proceeds

None.

Issuer Purchases of Equity Securities

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

No.	Exhibit
31.1*	Section 302 Certification of Principal Executive Officer
31.2*	Section 302 Certification of Principal Financial Officer
32.1**	Certification Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	iXBRL Instance Document.
101.SCH*	iXBRL Taxonomy Extension Schema Document.
101.CAL*	iXBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	iXBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	iXBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	iXBRL Taxonomy Extension Presentation Linkbase Document.

* 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.

CHAMPIONS ONCOLOGY, INC.

(Registrant)

Date: March 12, 2026

By: /s/ Robert Brainin
Robert Brainin
Chief Executive Officer
(principal executive officer)

Date: March 12, 2026

By: /s/ David Miller
David Miller
Chief Financial Officer
(principal financial and accounting officer)