

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: **September 30, 2025**

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: **333-202959**

BALANCE LABS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
Identification No.)

47-1146785

(IRS Employer
of incorporation)

407 Lincoln Road, Suite 9F

Miami Beach, Florida 33139

(Address of principal executive offices)

(305) 907-7600

(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
None	None	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, 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 large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

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

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

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

As of November 13, 2025, there were 46,852,319 shares outstanding of the registrant's common stock.

BALANCE LABS, INC.
FORM 10-Q

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Explanatory Note:

The registrant has filed all reports required to be filed by section 13 or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), during the preceding 12 months, however, the registrant is not subject to such filing requirements and is making such filings on a voluntary basis.

PART I - FINANCIAL INFORMATION

**Balance Labs, Inc.
Consolidated Balance Sheets**

	As of September 30, 2025 (Unaudited)	As of December 31, 2024
<u>Assets</u>		
Current Assets		
Cash and cash equivalents	4,512	13,199
Marketable securities	48,628	82,376
Total Current Assets	53,140	95,575
Total Assets	53,140	95,575
<u>Liabilities and Stockholders' Deficit</u>		
Current Liabilities		
Accounts payable and accrued expenses	959,797	780,148
Accounts expenses – related party	938,774	938,774
Accounts payable - related party	911,659	911,659
Short -term advances - related party	1,815,858	1,731,058
Convertible notes payable - related party net of debt discount	173,192	173,192
Derivative Liability	3,297,695	-
Convertible note payable - net of debt discount	525,000	525,000
Notes payable - related party	106,850	106,850
Total Current Liabilities	8,728,825	5,166,681
Total Liabilities	8,728,825	5,166,681
Stockholders' Deficit		
Preferred stock, \$0.0001 par value, 50,000,000 shares authorized, none issued and outstanding as of September 30, 2025 and December 31, 2024		
Common stock, \$0.0001 par value: authorized 500,000,000, 22,454,264 and 21,674,000 shares issued and outstanding as of September 30, 2025 and December 31, 2024, respectively		
	2,245	2,167
Additional paid-in capital	952,603	810,048
Accumulated deficit	(9,630,533)	(5,883,321)
Total Stockholders' Deficit	(8,675,685)	(5,071,106)
Total Liabilities and Stockholders' Deficit	53,140	95,575

The accompanying condensed notes are an integral part of the unaudited consolidated financial statements

Balance Labs, Inc.
Consolidated Statements of Operations
(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2025	2024	2025	2024
Costs and expenses				
General and administrative expenses	4,320	4,557	14,427	11,779
Professional fees	23,975	32,293	75,691	56,838
Salaries and wages	182,839	46,838	279,114	138,659
Total operating expenses	<u>(211,134)</u>	<u>(83,688)</u>	<u>(369,232)</u>	<u>(207,276)</u>
Loss from operations	<u>(211,134)</u>	<u>(83,688)</u>	<u>(369,232)</u>	<u>(207,276)</u>
Other income (expense)				
Loss on Derivative	(3,425,796)	-	(3,425,796)	-
Unrealized gain (loss) on available for sale securities	(24,978)	(47,746)	(33,747)	(27,976)
Interest expense (includes amortization of debt discount)	(60,857)	(61,403)	(174,117)	(175,228)
Gain (loss) on change in derivative liability	128,101	-	128,101	-
Gain on settlement of accounts payable	-	-	127,579	-
Total other (expense)	<u>(3,383,530)</u>	<u>(109,149)</u>	<u>(3,377,980)</u>	<u>(203,204)</u>
Net loss	<u>\$ (3,594,664)</u>	<u>\$ (192,837)</u>	<u>\$ (3,747,212)</u>	<u>\$ (410,480)</u>
Net Loss per share - basic and diluted	<u>\$ (0.16)</u>	<u>\$ (0.01)</u>	<u>(0.17)</u>	<u>\$ (0.02)</u>
Weighted average number of shares - basic and diluted	<u>22,004,764</u>	<u>21,674,000</u>	<u>21,785,876</u>	<u>21,674,000</u>

The accompanying condensed notes are an integral part of the unaudited consolidated financial statements

Balance Labs, Inc. and Subsidiaries
Consolidated Statements of Changes in Stockholders' (Deficit)
For the Three and Nine Months Ended September 30, 2025
(Unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' (Deficit)
	Shares	Amount			
Balance, December 31, 2024	21,674,000	\$ 2,167	\$ 810,048	\$ (5,883,321)	\$ (5,071,106)
Net loss	-	-	-	(6,406)	(6,406)
Balance, March 31, 2025	21,674,000	\$ 2,167	\$ 810,048	\$ (5,889,727)	\$ (5,077,512)
Net loss	-	-	-	(146,142)	(146,142)
Balance, June 30, 2025	21,674,000	\$ 2,167	\$ 810,048	\$ (6,035,869)	\$ (5,223,654)
Shares issued for services	780,264	78	142,555	-	142,633
Net loss	-	-	-	(3,594,664)	(3,594,664)
Balance, September 30, 2025	22,454,264	\$ 2,245	\$ 952,603	\$ (9,630,533)	\$ (8,675,685)

Balance Labs, Inc. and Subsidiaries
Consolidated Statements of Changes in Stockholders' (Deficit)
For the Three and Nine Months Ended September 30, 2024
(Unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' (Deficit)
	Shares	Amount			
Balance, December 31, 2023	21,674,000	\$ 2,167	\$ 810,048	\$ (5,355,098)	\$ (4,542,883)
Net loss	-	-	-	(116,943)	(116,943)
Balance, March 31, 2024	21,674,000	\$ 2,167	\$ 810,048	\$ (5,472,041)	\$ (4,659,826)
Net loss	-	-	-	(100,700)	(100,700)
Balance, June 30, 2024	21,674,000	\$ 2,167	\$ 810,048	\$ (5,572,741)	\$ (4,760,526)
Net loss	-	-	-	(192,837)	(192,837)
Balance, September 30, 2024	21,674,000	\$ 2,167	\$ 810,048	\$ (5,765,578)	\$ (4,953,363)

The accompanying condensed notes are an integral part of the unaudited consolidated financial statements

Balance Labs, Inc.
Consolidated Statements of Cash Flows
For the Nine Months Ended September 30, 2025
(Unaudited)

	<u>September 30, 2025</u>	<u>September 30, 2024</u>
Operating Activities		
Net Loss	(3,747,212)	(410,480)
Adjustments to reconcile net loss to net cash (used in) operations		
Unrealized Gain on securities	33,747	27,976
Amortization Expense	-	8,504
Gain on settlement of accounts payable	(127,579)	-
Shares issued for services	142,633	-
Gain on change in derivative liability	(128,101)	-
Changes in operating assets and liabilities		
Loss on derivative	3,425,796	-
Increase (decrease) in		
Accounts payable and accrued expenses	307,229	261,598
Net cash used in operating activities	(93,487)	(112,402)
Proceeds from Short term advances related parties	84,800	30,000
Net cash provided by financing	84,800	30,000
		-
Net change in cash	(8,687)	(82,402)
Starting Cash	13,199	112,809
		-
Ending Cash	4,512	30,407

The accompanying condensed notes are an integral part of the unaudited consolidated financial statements

Note 1 – Business Organization and Nature of Operations

Balance Labs, Inc. (“Balance Labs” or the “Company”) was incorporated on June 5, 2014, under the laws of the State of Delaware. Balance Labs is a consulting firm that provides business development and consulting services to start up and development stage businesses. The Company offers services to help businesses in various industries improve and fine tune their business models, sales and marketing plans and internal operations as well as make introductions to professional services such as business plan writing, accounting firms and legal service providers.

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) for interim financial information. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, such statements include all adjustments (consisting only of normal recurring items) which are considered necessary for a fair presentation of the unaudited condensed consolidated financial position of Balance Labs as of September 30, 2025, and the unaudited consolidated results of its operations and cash flows for the nine months ended September 30, 2025. The unaudited consolidated results of operations for the nine months ended September 30, 2025, are not necessarily indicative of the operating results for the full year. It is recommended that these unaudited consolidated financial statements be read in conjunction with the audited financial statements and related disclosures of the Company for the year ended December 31, 2024, which was filed with the Securities and Exchange Commission on April 15, 2025.

Note 2 – Going Concern

The consolidated financial statements have been prepared assuming the Company will continue as a going concern. The Company used \$93,487 of cash in operating activities during the nine months ended September 30, 2025, and currently has \$4,512 in cash as of September 30, 2025. Additionally, at September 30, 2025, the Company had an accumulated deficit of \$9,630,533 and a working capital deficit of \$8,675,685.

There is substantial doubt about the Company to continue as a going concern for a period of twelve months from the date of these financial statements were made available. The Company without additional sources of debt or equity capital would potentially need to cease operations. Management plans to seek to raise additional capital within the next twelve months that is expected to sustain its operations for the next year. No assurance can be given that any future financing will be available or, if available, that it will be on terms that are satisfactory to the Company. Even if the Company is able to obtain additional financing, it may contain restrictions on our operations, in the case of debt financing or cause substantial dilution for our stockholders, in case of equity financing. In addition, the Company expects to begin a marketing campaign to market and sell its services. There can be no assurance that such a plan will successful.

The accompanying condensed consolidated financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

Note 3 – Summary of Significant Accounting Policies

Cash and Cash Equivalents

The Company considers all highly liquid temporary cash investments with an original maturity of 90 days or less to be cash equivalents. At September 30, 2025, and December 31, 2024, the Company had \$4,512 and \$13,199 in cash equivalents, respectively.

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Estimates may include those pertaining to stock-based compensation, depreciable lives of fixed assets and deferred tax assets. Actual results could materially differ from those estimates.

Accounts Receivable

The Company provides an allowance for doubtful accounts equal to the estimated uncollectible amounts pursuant to the guidance of Accounting Standards Update (ASU) 2016-13, Financial Instruments – Credit Losses (Topic 326) as codified in Accounts Standards Codification (ASC) 326, Financial Instruments – Credit Losses. Under ASC 326, the Company utilizes a current and expected credit loss (CECL) impairment model. ASU 2016-13 became effective for us on January 1, 2023. The Company’s estimate is based on historical collection experience and a review of the current status of trade accounts receivable. It is reasonably possible that the Company’s estimate of the allowance for doubtful accounts will change. Accounts receivable are presented net of an allowance for doubtful accounts of \$0 and \$0 at September 30, 2025 and December 31, 2024, respectively.

Revenue Recognition

The Company accounts for its revenues under FASB ASC 606, which is a comprehensive new revenue recognition model that requires revenue to be recognized in a manner to depict the transfer of goods or services to a customer at an amount that reflects the consideration expected to be received in exchange for those goods or services. The Company considers revenue realized or realizable and earned when all the five following criteria are met: (1) Identify the Contract with a Customer, (2) Identify the Performance Obligations in the Contract, (3) Determine the Transaction Price, (4) Allocate the Transaction Price to the Performance Obligations in the Contract, and (5) Recognize Revenue When (or As) the Entity Satisfies a Performance Obligation.

The Company recognizes consulting income when the services are performed, and performance obligations are satisfied over time or point of time.

Income Taxes

The Company recognizes deferred tax assets and liabilities for the expected future tax consequences of items that have been included or excluded in the financial statements or tax returns. Deferred tax assets and liabilities are determined on the basis of the difference between the tax basis of assets and liabilities and their respective financial reporting amounts (“temporary differences”) at enacted tax rates in effect for the years in which the temporary differences are expected to reverse.

The Company adopted the provisions of Accounting Standards Codification (“ASC”) Topic 740-10, which prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

Management has evaluated and concluded that there are no material tax positions requiring recognition in the Company’s unaudited condensed consolidated financial statements as of September 30, 2025. The Company does not expect any significant changes in its unrecognized tax benefits within twelve months of the reporting date. The Company’s, 2021, 2022, 2023, and 2024 tax returns remain open for audit for Federal and State taxing authorities.

The Company’s policy is to classify assessments, if any, for tax related interest as interest expense and penalties as general and administrative expenses in the statement of operations.

Marketable Securities

The Company accounts for marketable and available-for-sale securities under ASU 2016-01, "Financial Instruments – Overall: Recognition and Measurement of Financial Assets and Financial Liabilities." ASU 2016-01 requires equity investments (except those accounted for under the equity method of accounting, or those that result in consolidation of the investee) to be measured at fair value with changes in fair value recognized in net income.

The Company accounts for its investment in NextNRG, Inc (Formerly Known as EZFill Holdings, Inc.) as available-for-sale securities pursuant to the S-1 Registration Statement declared effective on September 14, 2021, therefore, the unrealized gain (loss) on the available-for-sale securities during the nine months ended September 30, 2025, and 2024 has been recorded in Other Income.

At September 30, 2025, the Company owned 26,573 shares and the fair value of the investment in NextNRG, Inc. was reported on the balance sheet as Investment at fair value - related party totaling \$48,628 (\$1.83/share). The Company recorded an adjustment of \$(33,747) for the nine months ending September 30, 2025, as unrealized gain on securities.

Investments – Related Parties

When the fair value of an investment is indeterminable, the Company accounts for its investments that are under 20% of the total equity outstanding using the cost method. For investments in which the Company holds between 20-50% equity and is non-controlling are accounted for using the equity method. For any investments in which the Company holds over 50% of the outstanding stock, the Company consolidates those entities into their consolidated financial statements herein.

The Company holds one investment as of September 30, 2025, and one investment as of December 31, 2024.

Investments

On January 29, 2021, the Company received 20% ownership of Pharmacy No. 27, Ltd, a company based in Israel, as part of a Note Receivable from a third party. As of September 30, 2025, the investment has a fair value of \$0, based upon the quoted closing trading price and it is recorded on our consolidated balance sheet using the equity method. During the nine months ended September 30, 2025 the Company recorded \$0 of unrealized loss from this investment.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk primarily consist of cash, cash equivalents and marketable securities. As of September 30, 2025, and December 31, 2024, the carrying value of marketable securities was \$48,628 and \$82,376, respectively. The securities are included in the Investment at Fair Value – Related Party on the consolidated balance sheets, which consist of common shares held in one (1) investment which currently is trading on the Over-the-Counter Bulletin Board (OTCBB).

Principles of Consolidation

The consolidated financial statements include the Company and its wholly owned corporate subsidiaries, Balance Labs LLC.

Net Income (Loss) Per Common Share

Basic and diluted income (loss) per common share is computed by dividing net income (loss) by the weighted average number of common shares and warrants from convertible debentures outstanding during the periods. There is a potentially dilutive effect from 4,389,480 and 4,159,361 shares from convertible notes payable as of September 30, 2025 and September 30, 2024, respectively, and no outstanding warrants as of September 30, 2025 and September 30, 2024, respectively. However, these potentially dilutive securities are anti-dilutive due to the net loss in both 2025 and 2024.

Stock-Based Compensation

The Company measures the cost of services received in exchange for an award of equity instruments based on the fair value of the award. For employees, the fair value of the award is measured on the grant date and for non-employees, the fair value of the award is generally re-measured on vesting dates and financial reporting dates until the service period is complete. The fair value amount is then recognized over the period during which services are required to be provided in exchange for the award, usually the vesting period. Awards granted to directors are treated on the same basis as awards granted to employees.

The Company has computed the fair value of warrants granted using the Black-Scholes option pricing model. The expected term used for warrants is the contractual life. Since the Company's stock has not been publicly traded for a sufficiently long period, the Company is utilizing an expected volatility figure based on a review of the historical volatilities, over a period of time, equivalent to the expected life of the instrument being valued, of similarly positioned public companies within its industry. The risk-free interest rate was determined from the implied yields from U.S. Treasury zero-coupon bonds with a remaining term consistent with the expected term of the instrument being valued.

Fair Value of Financial Instruments

The Company measures its financial assets and liabilities in accordance with GAAP. For certain of our financial instruments, including cash, accounts payable, and the short-term portion of long-term debt, the carrying amounts approximate fair value due to their short maturities.

We adopted accounting guidance for financial and non-financial assets and liabilities (ASC 820). This standard defines fair value, provides guidance for measuring fair value and requires certain disclosures. This standard does not require any new fair value measurements, but rather applies to all other accounting pronouncements that require or permit fair value measurements. This guidance does not apply to measurements related to share-based payments. This guidance discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow), and the cost approach (cost to replace the service capacity of an asset or replacement cost). The guidance utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

- Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices that are observable, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.
- Level 3: Unobservable inputs in which little or no market data exists, therefore developed using estimates and assumptions developed by us, which reflect those that a market participant would use.

As of September 30, 2025, the Company had both Level 1 assets and a Level 3 liability measured at fair value on a recurring basis. The Level 3 liability relates to the derivative feature embedded in the Chief Executive Officer's employment agreement, which provides anti-dilution protection until the Company raises an aggregate of \$1 billion in total capital. The derivative liability was valued using a Monte Carlo simulation model incorporating assumptions regarding the timing and probability of future financing events and is remeasured at fair value each reporting period, with changes recognized in other income (expense).

The following table presents certain assets of the Company's measured and recorded at fair value on the Company's balance sheet on a recurring basis and their level within the fair value hierarchy as of September 30, 2025.

	Total	(Level 1)	(Level 2)	(Level 3)
Assets				
Fair-value – equity securities	\$ 48,628	\$ 48,628	\$ -	\$ -
Total Assets measured at fair value	\$ 48,628	\$ 48,628	\$ -	\$ -
Liabilities				
Derivative liability	\$ 3,297,695	\$ -	\$ -	\$ 3,297,695
Total Liabilities measured at fair value	\$ 3,297,695	\$ -	\$ -	\$ 3,297,695

The following table presents certain assets of the Company's measured and recorded at fair value on the Company's balance sheet on a recurring basis and their level within the fair value hierarchy as of December 31, 2024.

	Total	(Level 1)	(Level 2)	(Level 3)
Fair-value – equity securities	\$ 82,376	\$ 82,376	\$ -	\$ -
Total Assets measured at fair value	\$ 82,376	\$ 82,376	\$ -	\$ -

The Company accounts for its investment in NextNRG, Inc. (Formerly Known as EzFill Holdings, Inc. as available-for-sale securities. Since the investment is valued based on quoted market price using observable inputs.

Business Segments

The Company's Chief Executive Officer, who serves as the Chief Operating Decision Maker ("CODM"), evaluates the Company's financial performance and allocates resources based on a consolidated view of the business. Consequently, the Company operates as a single reportable segment under the guidelines of ASC 280, Segment Reporting. The CODM classifies this segment as Consulting.

The Company's operations, which include marketing and professional services, are managed centrally. The CODM assesses financial performance using metrics such as revenue, operating profit, and key operating expenses, which are outlined below as the primary cost components for evaluating the Company's performance.

Additionally, the CODM measures income generated from the Company's assets by focusing on net income as a key performance indicator. This metric is used to assess the return on assets and supports strategic decision-making.

	September 30, 2025	September 30, 2024
Revenue	\$ -	\$ -
Reconciliation of revenue:		
Less: Cost of goods sold	-	-
Segment gross profit	\$ -	\$ -
Less:		
Salaries and wages	279,114	138,659
Professional fees	75,691	56,838
Other segment items ⁽¹⁾	14,427	11,779

Segment net loss	\$	(369,232)	\$	(207,276)
<i>Reconciliation of loss:</i>				
Other income (expense), net		(3,377,980)		(203,204)
Loss before income taxes	\$	(3,747,211)	\$	(410,480)

(1) Other segment items comprising segment net loss include advertising and promotion, stock related expenses, and certain general and administrative expenses.

Advertising, Marketing and Promotional Costs

Advertising, marketing, and promotional expenses are expensed as incurred and are included in selling, general and administrative expenses on the accompanying unaudited condensed consolidated statement of operations. For the nine months ended September 30, 2025 and 2024, advertising, marketing, and promotion expense was \$0 and \$3,772, respectively.

Property and equipment

Property and equipment consist of furniture and office equipment and is stated at cost less accumulated depreciation. Depreciation is determined by using the straight-line method for furniture and office equipment, over the estimated useful lives of the related assets, generally three to five years.

Expenditures for repairs and maintenance of equipment are charged to expense as incurred. Major replacements and betterments are capitalized and depreciated over the remaining useful lives of the related assets.

Property and equipment as of September 30, 2025, and December 31, 2024 consisted of the following:

	September 30, 2025 (unaudited)	December 31, 2024
Website	\$ -	\$ -
Computer equipment & Software	5,358	5,358
Furniture	802	802
Total	6,160	6,160
Less Accumulated Depreciation	(6,160)	(6,160)
Property and Equipment, net	\$ -	\$ -

Depreciation expense for the three and nine months ended September 30, 2025, and 2024 totaled \$0 and \$0, respectively.

Derivative Liability

In connection with the employment agreement entered into with the Company's Chief Executive Officer, Alan Campbell, on August 22, 2025, the Company identified a derivative liability related to an anti-dilution feature that entitles Mr. Campbell to maintain a fixed ownership percentage of the Company's common stock until the Company has raised an aggregate of \$1 billion in total capital. The feature meets the definition of a derivative under ASC 815 and does not qualify for the equity scope exception, as the number of shares to be issued upon future dilutive events is variable and contingent on factors outside the Company's control.

The derivative liability was initially measured at fair value on the grant date using a Monte Carlo simulation model, which captures the probability and timing of future financing events and the corresponding adjustments required under the agreement. The derivative is remeasured at fair value at each reporting date, with changes in fair value recognized in the Company's condensed consolidated statements of operations within other income (expense).

At initial recognition on August 22, 2025, the derivative liability was valued at \$3,425,796. As of September 30, 2025, the derivative liability was remeasured to \$3,297,695, resulting in a gain of \$128,101 recognized for the three months ended September 30, 2025.

Recently Issued Accounting Pronouncements

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

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* ("ASU 2023-07"). ASU 2023-07 aims to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. ASU 2023-07 requires disclosure of significant segment expenses that are regularly provided to the Chief Operating Decision Maker (CODM) and included within each reported measure of segment profit or loss. The update also requires disclosure regarding the CODM and expands the interim segment disclosure requirements. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The adoption of ASU 2023-07 did not have a material impact on the Company's consolidated financial statements.

Note 4 – Stockholders' Deficit

Authorized Capital

The Company is authorized to issue 500,000,000 shares of common stock, with a par value of \$0.0001, and 50,000,000 shares of preferred stock, with a par value of \$0.0001. As of September 30, 2025 the Company has 22,454,264 shares of common stock outstanding and 0 shares of preferred stock outstanding. There were no outstanding warrants as of such date.

Shares Issued for Compensation

On August 22, 2025, the Company entered into a CEO Employment Agreement with Alan Campbell, pursuant to which the Company issued 780,264 shares of common stock to Mr. Campbell during the third quarter of 2025. The shares were issued as part of Mr. Campbell's initial equity grant under the terms of his employment agreement and represent a 3.6% ownership interest in the Company on a fully diluted basis as of the grant date.

The shares are subject to a three-year vesting schedule, with one-third (1/3) vesting on each of the first, second, and third anniversaries of the issuance date, subject to Mr. Campbell's continued service with the Company. The total grant-date fair value of the award was \$2,184,739, which the Company is recognizing as stock-based compensation expense on a straight-line basis over the three-year vesting period.

During the three months ended September 30, 2025, the Company recognized approximately \$142,633 of stock-based compensation expense related to this award.

Note 5 – Note Receivable

On September 3, 2021, Balance Labs Inc. made a loan to Four Acquisition, Ltd., an unrelated party in the principal amount of \$22,000 which loan has an interest rate of 10% per annum and a maturity date of September 30, 2022. As of September 30, 2025, this receivable is fully reserved against. For the nine months ended September 30, 2025, the

Company recorded \$0 of interest income in relation to this note.

On January 29, 2021, Balance Labs Inc. made a loan to Four Acquisitions Ltd., an unrelated party in the principal amount of \$119,000 which has an interest rate of 10% per annum and a maturity date of January 28, 2022. Additionally, in connection with the loan, the Company received a 20% interest in the recently acquired business and related assets of Four Acquisitions Ltd. Initially, this investment had a purchase price of \$43,000, which was recorded as a discount from the note which will be amortized over the life of the note. The Company recorded an allowance of 100% against this receivable of \$141,000 as of September 30, 2025.

Note 6 – Related Party Transactions

As of September 30, 2025, the Company had related party accounts payable of \$911,659 owed to Michael Farkas its former Chief Executive Officer (CEO), now President (the “President”). This amount relates to consulting services provided to the Company from 2015 through 2022, for which payment has not yet been made. The terms of repayment have not been formally established, and no interest has been accrued on this balance. The balance of \$911,659 is in the Accounts payable - related party on the Balance Sheet.

The Company’s President, earned \$10,000 per month under an agreement during his time as CEO. This agreement was effective from October 31, 2023 to August 31, 2025. The following compensation was recorded within general and administrative expenses – related parties on the statements of operations: \$80,000 and \$90,000 for the nine months ended September 30, 2025 and 2024, respectively. As of September 30, 2025 and December 31, 2024, \$230,000 and \$180,000, respectively, of compensation was unpaid and was included in accounts payable – related party on the consolidated balance sheets.

During 2016, 2017, and 2019 Balance Group LLC loaned an additional \$66,850 to the Company. The notes are in default and have an accrued interest balance of \$46,488. The note balance of \$66,850 is included in the note payable – related party in current liability as of September 30, 2025 and December 31, 2024.

On October 3, 2019, the Company received \$40,000 from The Foundation in exchange for a promissory note which bears 12% interest per annum and matured on October 10, 2020 or upon the Company raising \$500,000 from outside investors, whichever occurs first. The promissory note is currently in default, and as of September 30, 2025, accrued interest on the note is \$31,641. The note balance of \$40,000 is included in the note payable – related party in current liability as of September 30, 2025 and December 31, 2024.

The promissory note comes with a warrant to purchase 40,000 shares of the Company’s stock with an exercise price of \$1.00 per share and expired on October 10, 2022. The warrants had a relative fair value of \$8,283, which was recorded as a debt discount and fully amortized.

	September 30, 2025 (unaudited)	December 31, 2024
Balance Group LLC	\$ 66,850	\$ 66,850
The Foundation	40,000	40,000
Note Payable – related party	\$ 106,850	\$ 106,850

On June 27, 2021, the Company received \$50,000 from the President in exchange for a convertible promissory note with a face value of \$53,192 which bears 12% interest per annum and matures on June 27, 2022, or upon the Company raising \$250,000 from investors, whichever occurs first. The note balance of \$53,192 is included in the convertible notes payable - related party, net of debt discount of \$0 and \$0, as of September 30, 2025, and December 31, 2024, respectively. The difference between the amount received and the face value of \$3,192 was recorded as a discount and is being amortized over the life of the note. Additionally, the note comes with a beneficial conversion feature of \$3,799 which was also recorded as a component of equity in 2021. As of September 30, 2025, the Company has accrued interest of \$27,194 and is recorded in the accrued expenses on the balance sheet.

On September 30, 2016, Balance Group LLC loaned \$120,000 as a convertible note payable to the Company at an interest rate of 10%, due on October 1, 2017. In addition, the Company issued 600,000 warrants at an exercise price of \$1 which expired on September 30, 2021 (See Note 9). The note is currently in default and is currently recorded under convertible payable – related party in current liabilities in the balance sheet. The accrued interest balance of \$108,066 is recorded in the accrued expenses on the balance sheet as of September 30, 2025.

	September 30, 2025 (unaudited)	December 31, 2024
Balance Group LLC	\$ 120,000	\$ 120,000
Note Payable from President	53,192	53,192
Convertible note payable- related party	\$ 173,192	\$ 173,192

As of September 30, 2025 the President and companies controlled by the President have loaned the Company a total of \$1,833,858 in addition to the convertible notes discussed above. The loans carry an interest rate of 8%, 12%, and 18% and mature one year and one day from the date of the loan. These loans of \$1,833,858 and the accrued interest on these loans of \$858,978 are in default as of September 30, 2025. These loans of \$1,833,858 are in default and are reported under short-term advances from related party on the balance sheet as of September 30, 2025 and December 31, 2024.

The following table summarizes all related party notes, both convertible and nonconvertible, including their principal balances as of September 30, 2025, and the related accrued interest as of September 30, 2025.

Loan Source	Loan Amount	Accrued Interest	Balance Sheet Classification
Balance Group LLC	\$ 66,850	\$ 46,488	Note payable – related party
The Foundation	\$ 40,000	\$ 31,641	Note payable – related party
President Loans	\$ 1,833,858	\$ 858,978	Short-term advances from related party
Convertible Note - Balance Group LLC	\$ 120,000	\$ 108,066	Convertible note payable – related party
Convertible Note - President	\$ 53,192	\$ 27,193	Convertible note payable – related party
	\$ 2,113,900	\$ 1,072,366	

The following related party notes recognized interest for the nine months ended September 30, 2025 and 2024:

	Nine months ended September 30, 2025:	Nine months ended September 30, 2024:
Balance Group LLC	\$ 4,000	\$ 4,028
President Loans	\$ 112,503	\$ 102,204
Foundation	\$ 3,590	\$ 3,603
Convertible Note - Balance Group LLC	\$ 8,975	\$ 9,008
Convertible Note - President	\$ 4,774	\$ 4,792

Total Recognized Interest Expense	\$	133,843	\$	123,636
12				

On August 22, 2025, the Company entered into an employment agreement with Alan Campbell, upon appointment of Mr. Campbell as its Chief Executive Officer, which included the issuance of 780,264 shares of common stock as an initial equity grant (see Note Stockholders' Deficit). The shares vest over a three-year period, with one-third (1/3) vesting on each of the first, second, and third anniversaries of the issuance date, subject to Mr. Campbell's continued service. The total grant-date fair value of the award was \$2,184,739, which is being recognized as stock-based compensation expense over the vesting term.

The employment agreement also contains an anti-dilution provision that entitles Mr. Campbell to maintain a fixed ownership percentage of the Company's common stock until the Company has raised an aggregate of \$1 billion in total capital. This feature was determined to meet the definition of a derivative liability under ASC 815 and is remeasured at fair value each reporting period (see Notes Derivative Liability and Fair Value Measurements).

Note 7 – Convertible Notes and Notes Payable

Convertible Notes Payable

On December 23, 2015, the Company issued a convertible note payable to Chase Mortgage, Inc., not a related party, for \$25,000, at an interest rate of 8%, due on December 23, 2018. The note also included 100,000 warrants at an exercise price of \$1 per share, which expired on December 23, 2020. The note is convertible at the holder's discretion into the Company's common stock at a price of \$0.50 per share. The note has matured and is in default, which triggered an increased interest rate of 18%. The accrued interest balance on this note as of September 30, 2025, is \$49,878, and the note is recorded under convertible note payable in the liabilities section of the balance sheet. As of September 30, 2025, the note maintains a balance of \$25,000.

On April 1, 2016, the Company received \$500,000 from Newell Trading Group in exchange for a convertible debenture due April 2, 2017 bearing interest at 10% and convertible into common stock at \$.25 per share unless the note is paid by the Company prior to the election of the holder to convert. The Company recognized a beneficial conversion feature expense of \$500,000 that has been fully amortized. On October 3, 2019, Newell Trading Group assigned its rights and interests in its \$500,000 convertible debenture to the Sammy Farkas Foundation Inc., (the "Foundation"), a related party. The convertible note payable, net of debt discount of \$0 and \$0 as of September 30, 2025 and December 31, 2024 of \$500,000 and \$500,000, respectively was recorded under current liability on the balance sheet and no additional debt discount adjustment is required upon adoption of ASU 2020-06. The note has accrued interest of \$475,205.

The Foundation then entered into an agreement with the Company to extend the maturity date of the convertible debenture to October 10, 2024 in exchange for 54,000 shares of the Company's stock. The shares have a fair value of \$56,700 which was recorded as a debt discount and was being amortized over the life of the extension. On November 11, 2019, The Sammy Farkas Foundation transferred all the rights and interests of the note to another party, 16th Avenue Associates, a non-related party company. The terms remain the same and the transfer has no effect on the financial statements. During the nine months ended September 30, 2025 and 2024, the Company amortized \$0 and \$0, respectively of debt discount. As of the date of this report, this note is in default.

	September 30, 2025	December 31, 2024
16 th Avenues Associates	\$ 500,000	\$ 500,000
Chase Mortgage, Inc.	25,000	25,000
Debt discount	-	-
Convertible note payable	\$ 525,000	\$ 525,000

The details of convertible notes payable, including accrued interest as of September 30, 2025, were as follows:

Loan Source	Loan Amount	Accrued Interest (as of September 30, 2025)	Balance Sheet Classification
Chase Mortgage, Inc.	\$ 25,000	\$ 49,878	Convertible note payable
16 th Avenue Associates	\$ 500,000	\$ 475,205	Convertible note payable- net of debt discount
Total	\$ 525,000	\$ 525,083	

The following non-related party convertible notes accrued interest for the nine months ended September 30, 2025 and 2024:

Nine months ended September 30, 2025:

- Chase Mortgage, Inc.: \$4,861
- 16th Avenue Associates: \$37,397
- **Total Recognized Interest Expense: \$42,258**

Nine months ended September 30, 2024:

- Chase Mortgage, Inc.: \$3,882
- 16th Avenue Associates: \$37,534
- **Total Recognized Interest Expense: \$41,416**

Note 8 – Commitments and Contingencies

Litigation, Claims and Assessments

In the normal course of business, the Company may be involved in legal proceedings, claims and assessments arising in the ordinary course of business. Such matters are subject to many uncertainties, and outcomes are not predictable with assurance. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Company's condensed consolidated financial position or results of operations.

Note 9: Other Income- Settlement of Accounts Payable

During the nine months ended September 30, 2025, the Company settled an outstanding accounts payable balance with a law firm that provided legal services to the Company between 2017 and 2020. The settlement resulted in a reduction of the payable balance of \$127,579, and the amount settled was recognized as other income on the Company's statements of operations for the period. This transaction reflects the resolution of a long-outstanding obligation related to services provided by the law firm in the prior years.

Note 10 – Subsequent Events

Subsequent to September 30, 2025, The Farkas Group, Inc. and Michael D. Farkas, the Company's President and Chairman, sold portions of their debt holdings to unrelated third parties. Each sold all accrued interest and part of the principal. Following the sales, The Farkas Group retained \$352,019 and Mr. Farkas retained \$361,543 of principal, which were later converted into shares of the Company's common stock at \$0.25 per share, as described in Item 5 – Other Information.

In addition, 16th Ave. Associates sold its debt holdings to two unrelated third parties. The Company was not a party to these sales and received no proceeds. That debt was also then converted into common stock at \$0.25 per share.

On October 18, 2025, the President of Balance Labs Inc. loaned the company \$18,000 under a promissory note bearing interest at 18% per annum, accruing from September 18, 2025, with a maturity date of October 18, 2026. The loan is unsecured and constitutes a related-party transaction.

On November 3, 2025, the company entered into a promissory note with The Farkas Group, Inc. for \$250,000 at an interest rate of 8% per annum, accruing from November 3, 2025, and maturing on November 3, 2026. The note is a related-party transaction

On November 7, 2025, the Company's Board of Directors approved the conversion of outstanding promissory notes totaling \$4,166,946.69 (the "Debt") owed to Michael Farkas and entities owned by Michael Farkas, its President and Chairman of the Board of Directors, and other third-party lenders (collectively, the "Lenders"). Pursuant to conversion notices received from the Lenders, the Debt was converted into 16,667,788 shares of restricted common stock at a conversion price of \$0.25 per share.

On November 7, 2025, the Board of Directors of Balance Labs Inc. approved the issuance of an aggregate 8,563,008 shares of common stock at a price of \$0.25 per share to certain employees, executives, and consultants of the company. The shares were issued as fully paid and non-assessable and represent equity compensation pursuant to individual agreements approved by the Board.

On November 11, 2025, the company entered into a promissory note with The Farkas Group, Inc. for \$250,000 at an interest rate of 8% per annum, accruing from November 11, 2025, and maturing on November 11, 2026. The note is a related-party transaction

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

Forward-Looking Statements

Statements in the following discussion and throughout this report that are not historical in nature are "forward-looking statements." You can identify forward-looking statements by the use of words such as "expect," "anticipate," "estimate," "may," "will," "should," "intend," "believe," and similar expressions, although not all forward-looking statements contain these identifying words. Although we believe the expectations reflected in these forward-looking statements are reasonable, such statements are inherently subject to significant risks and uncertainties and we can give no assurances that our expectations will prove to be correct. Actual results could differ materially from those described in this report because of numerous factors, many of which are beyond our control. These factors include, without limitation, those risk factors discussed in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on April 15, 2025. We undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date of this report or to reflect actual outcomes.

Overview

We were incorporated on June 5, 2014, under the laws of the State of Delaware. We are a consulting firm that provides business development and consulting services to start-up and development-stage companies. Our business model is to provide businesses in various industries with customized consulting services to meet their business needs and help them improve their business models, sales and marketing plans and internal operations, as well as introduce these businesses to experienced professional contacts that would be vital to the success of these companies.

The Company is not a registered investment company under the Investment Company Act of 1940, as amended (the "1940 Act") and does not engage primarily in the business of investing, reinvesting, or trading in securities. The Company is not managed like an active investment vehicle, is not an investment company registered under the 1940 Act and is not required to register under the 1940 Act.

Additionally, in accordance with the 1940 Act, Section 3(c)(1), the Company is not an Investment Company as defined by the 1940 Act because the Company does not have outstanding securities beneficially owned by more than one hundred persons and, at this time, the Company is not making and does not presently propose to make a public offering of its securities. Additionally, the Company has not and has no plans to purchase or acquire any securities issued by any registered investment company.

Our business focuses on providing advisement services to entrepreneurs and assisting business owners so that their ideas can be fully developed and implemented. Due to limited resources, lack of experienced management and competing priorities, start-up and developmental stage companies are not operating as efficiently as they can be, and therefore would, benefit from an outside party that could assist in developing and executing certain strategies. We utilize our knowledge in developing businesses, share practical experiences with our clients and introduce the business owners to experienced professionals who could help these inexperienced entrepreneurs further implement their ideas. Start-ups and development stage businesses across all industries commonly experience these certain "growing pains".

Plan of Operations

Balance Labs, Inc. operates as a digital asset corporate treasury company. Our principal business is acquiring, holding, and managing a diversified portfolio of digital assets, primarily liquid, large-capitalization cryptocurrencies. Where feasible, we intend to generate yield through staking, validator participation, or other on-chain activities.

Over the next twelve months, we plan to:

- Establish institutional-grade custody arrangements with qualified custodians.
- Implement a disciplined allocation strategy based on market capitalization, liquidity, and risk parameters.
- Maintain risk management frameworks and internal controls commensurate with public company obligations for digital asset holdings.
- Deploy staking and yield-generating protocols where operationally and economically viable.
- Evaluate third-party providers for custody, execution, trading, and index methodology support.
- Expand accounting, audit, compliance, and management resources to meet SEC reporting and internal control requirements.

We do not currently generate operating revenues and do not expect material revenues until our treasury scale supports consistent yield activities. Operating expenses consist primarily of custody fees, professional services, compliance costs, and general overhead

We may require additional capital to grow our digital asset holdings or fund operations. Such capital, if pursued, may be raised through equity, debt, or digital asset-backed instruments, subject to market conditions. There can be no assurance that financing will be available on acceptable terms, or at all.

Results of Operations

Three Months Ended September 30, 2025 Compared with Three Months Ended September 30, 2024.

Overview

We reported a net loss of \$3,594,664 and of \$192,837 for the three months ended September 30, 2025 and 2024, respectively. This represents an increase of \$3,396,827, or 1,716%, primarily due to expenses related to the issuance of stock to CEO Alan Campbell and the expense related to the recognition of a derivative liability from the anti-dilution provision in Mr. Campbell's employment agreement.

General and Administrative Expenses

General and administrative expenses were \$4,320 and \$4,557 for the three months ended September 30, 2025 and 2024, respectively, a decrease of \$237 or 5%.

Professional Fees

Professional fees were \$23,975 and \$32,293 for the three months ended September 30, 2025 and 2024, respectively, a decrease of \$8,318 or 26% due primarily to a decrease in accounting fees.

Other Income and Expense

Other expenses for the three months ended September 30, 2025 was \$3,383,530. Other expenses for the three months ended September 30, 2024 was \$109,149 due to an unrealized loss of \$24,978 on available for sale securities during the three months ended September 30, 2025, as compared to an unrealized loss of \$47,746 in the same period for 2024. This represents a decrease in unrealized loss on available for sale securities of \$23,301 attributable to changes in the stock price of the securities than in prior periods. Additionally, the Company realized a loss on derivative of 3,425,796 and a \$128,101 gain on change in derivative liability.

Nine Months Ended September 30, 2025 Compared with Nine Months Ended September 30, 2024.

Overview

We reported a net loss of \$3,747,212 and of \$410,480 for the nine months ended September 30, 2025 and 2024, respectively. This represents an increase of \$3,336,732 or 1,731%, primarily due to expenses related to the issuance of stock to CEO Alan Campbell and the expense related to the recognition of a derivative liability from the anti-dilution provision in Mr. Campbell's employment agreement.

General and Administrative Expenses

General and administrative expenses were \$14,427 and \$11,779 for the nine months ended September 30, 2025 and 2024, respectively, an increase of \$2,648 or 22% primarily due to an increase in dues and subscriptions.

Professional Fees

Professional fees were \$75,691 and \$56,838 for the nine months ended September 30, 2025 and 2024, respectively, an increase of \$18,853 or 33% due to an increase in legal and accounting fees.

Other Income and Expense

Other income for the nine months ended September 30, 2025 was \$3,377,980, as compared to other expense for the nine months ended September 30, 2024 of \$203,204. This change is primarily attributable to the settlement of accounts payable, a loss on derivative and a gain on change in derivative liability.

Unrealized gain or loss on available for sale securities

Unrealized loss on available for sale securities for the nine months ended September 30, 2025 was \$33,747. Unrealized loss on available for sale securities for the nine months ended September 30, 2024 was \$27,976. This represents an increase in unrealized loss on available for sale securities of \$5,771 attributable to changes in the stock price of the securities.

Liquidity and Capital Resources

We measure our liquidity in a number of ways, including the following:

	September 30, 2025		December 31, 2024	
	(Unaudited)			
Cash	\$	4,512	\$	13,199
Working capital (deficiency)	\$	(8,675,685)	\$	(5,071,106)

Availability of Additional Funds

Except for the monthly consulting fee to our President and Chairman of the Board and the monthly lease of our virtual office, as described elsewhere in this annual report, we currently do not have any material commitments for capital expenditures. We are actively pursuing new client relationships. Even if we were to add a new client(s), due to our current lack of a diversified client base, there could be temporary imbalances between cash receipts and cash operating expenditures, which means that we may need additional capital. The engagement revenues associated with most client engagements will self-fund the in-house and sub-contractor services we need in order to supply products and services to our clients.

As of September 30, 2025, the Company had a working capital deficiency of \$8,675,685. The Company used cash in operations of \$236,121. In addition, the Company is working to manage its current liabilities while it continues to make changes in operations to further improve its cash flow and liquidity position.

Net Cash Used in Operating Activities

We experienced negative cash flows from operating activities for the nine months ended September 30, 2025 and 2024, in the amount of \$93,487 and \$112,402, respectively. This was primarily due to a net loss of \$3,747,212, largely offset by a loss on derivative of \$3,425,796 partially offset by a gain on change in derivative liability of \$(128,101) due to remeasurement during the period.

Our Auditors Have Issued a Going Concern Opinion

The Company's independent registered public accounting firm has expressed substantial doubt as to the Company's ability to continue as a going concern as of September 30, 2025. The unaudited condensed consolidated financial statements in this report on Form 10-Q have been prepared assuming that the Company will continue as a going concern. As discussed in the notes to the unaudited condensed consolidated financial statements, these conditions raise substantial doubt from the Company's ability to continue as a going concern. The Company's plans in regard to these matters are also described in the notes to the Company's unaudited condensed consolidated financial statements. The unaudited condensed consolidated financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result should the Company be unable to continue as a going concern.

The Company anticipates the receipt of funding within such period, but there can be no assurance that it will occur. If the Company is unable to meet its internal revenue forecasts or obtain additional financing on a timely basis, it may have to delay vendor payments and/or initiate cost reductions, which would have a material adverse effect on the Company's business, financial condition and results of operations, and ultimately it could be forced to discontinue the Company's operations, liquidate, and/or seek reorganization under the U.S. bankruptcy code. No assurance can be given that any future financing will be available or, if available, that it will be on terms that are satisfactory to the Company. Even if the Company is able to obtain additional financing, it may contain restrictions on our operations, in the case of debt financing or cause substantial dilution for our stockholders, in case of equity financing.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

Critical Accounting Policies and Estimates

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Estimates may include those pertaining to accruals, stock-based compensation and income taxes. Actual results could materially differ from those estimates.

Revenue Recognition

The Company accounts for revenues under FASB ASC 606, which is a comprehensive new revenue recognition model that requires revenue to be recognized in a manner to depict the transfer of goods or services to a customer at an amount that reflects the consideration expected to be received in exchange for those goods or services. The Company considers revenue realized or realizable and earned when all the five following criteria are met: (1) Identify the Contract with a Customer, (2) Identify the Performance Obligations in the Contract, (3) Determine the Transaction Price, (4) Allocate the Transaction Price to the Performance Obligations in the Contract, and (5) Recognize Revenue When (or As) the Entity Satisfies a Performance Obligation.

Fair Value of Financial Instruments

The Company measures its financial assets and liabilities in accordance with GAAP. For certain of our financial instruments, including cash, accounts payable, and the short-term portion of long-term debt, the carrying amounts approximate fair value due to their short maturities.

We adopted accounting guidance for financial and non-financial assets and liabilities (ASC 820). This standard defines fair value, provides guidance for measuring fair value and requires certain disclosures. This standard does not require any new fair value measurements, but rather applies to all other accounting pronouncements that require or permit fair value measurements. This guidance does not apply to measurements related to share-based payments. This guidance discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow), and the cost approach (cost to replace the service capacity of an asset or replacement cost). The guidance utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

- Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices that are observable, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.
- Level 3: Unobservable inputs in which little or no market data exists, therefore developed using estimates and assumptions developed by us, which reflect those that a market participant would use.

Recent Accounting Standards

We have implemented all new accounting standards that are in effect and may impact our consolidated financial statements and do not believe that there are any other new accounting standards that have been issued that might have a material impact on our financial position or results of operations.

In August 2020, FASB issued ASU 2020-06, Accounting for Convertible Instruments and Contracts in an Entity; Own Equity (“ASU 2020-06”), as part of its overall simplification initiative to reduce costs and complexity of applying accounting standards while maintaining or improving the usefulness of the information provided to users of financial statements. Among other changes, the new guidance removes from GAAP separation models for convertible debt that require the convertible debt to be separated into a debt and equity component, unless the conversion feature is required to be bifurcated and accounted for as a derivative or the debt is issued at a substantial premium. As a result, after adopting the guidance, entities will no longer separately present such embedded conversion features in equity and will instead account for the convertible debt wholly as debt. The new guidance also requires use of the “if-converted” method when calculating the dilutive impact of convertible debt on earnings per share, which is consistent with the Company’s current accounting treatment under the current guidance. The guidance is effective for financial statements issued for fiscal years beginning after December 15, 2023, and interim periods within those fiscal years, with early adoption permitted, but only at the beginning of the fiscal year. The Company is still evaluating the impact of this standard on its financial statements.

In November 2023, the FASB issued ASU 2023-07, which introduces enhancements to the disclosure requirements for reportable segments. The update mandates:

- More detailed disclosures regarding significant segment expenses.
- Alignment of segment reporting requirements with the information regularly reviewed by management.
- The Company adopted ASU 2023-07 effective January 1, 2024.

This adoption did not have a material impact on the Company’s consolidated financial statements.

Recent Developments

On August 22, 2025, the Company appointed Alan Campbell as its Chief Executive Officer, effective immediately, succeeding Michael D. Farkas, who continues to serve as Chairman of the Board and President. Mr. Campbell brings more than 20 years of experience in financial-data and index-management businesses, having served in senior leadership roles at CoinDesk Indices and Bloomberg L.P.

In connection with his appointment, the Company and Mr. Campbell entered into a CEO Employment Agreement providing for, among other terms, (i) an annual base salary of \$350,000 (subject to activation following a capital raise or 75 days from appointment), (ii) a target annual performance bonus of 65% of base salary, and (iii) a one-time equity award equal to 3.6% of the Company’s outstanding shares of common stock, vesting in equal annual installments over three years.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable.

Item 4. Controls and Procedures.*Disclosure Controls and Procedures*

Our management, with the participation of our principal executive officer evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2025. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were not effective as of September 30, 2025.

The Company’s assessment identified certain material weaknesses, (i) functional controls, (ii) lack of audit committee and (iii) segregation of duties. Because of the Company’s limited resources, there are limited controls over information processing. The Company does not have an audit committee and therefore there is no independent review and independent oversight over the Company’s financial reporting.

There is an inadequate segregation of duties consistent with control objectives. Our Company’s management is composed of a small number of individuals resulting in a situation where limitations on segregation of duties exist. In order to remedy this situation, we would need to hire additional staff to provide greater segregation of duties. Currently, it is not feasible to hire additional staff to obtain optimal segregation of duties. Management will reassess this matter at end of the fiscal year to determine whether improvement in segregation of duty is feasible. Accordingly, as the result of identifying the above material weakness we have concluded that these control deficiencies resulted in a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis by the Company’s internal controls.

Management believes that the material weaknesses set forth above were the result of the scale of our operations and are intrinsic to our small size. Management believes these weaknesses did not have a material effect on our financial results and intends to take remedial actions upon receiving funding for the Company’s business operations.

This Quarterly Report on Form 10-Q does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management’s report was not subject to attestation by our registered public accounting firm pursuant to temporary rules of the SEC that permit the Company to provide only management’s report herein.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION**Item 1. Legal Proceedings.**

None.

Item 1A. Risk Factors.

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2024, which could materially affect our business, financial condition or future results. The risks described in our Annual Report on Form 10-K, for the year ended December 31, 2024, may not be the only risks facing the Company. Additional risks and uncertainties not currently known to the Company or that the Company currently deems to be immaterial also may materially adversely affect the Company’s business, financial condition and/or operating results.

There were no material changes to the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2024.

Item 2. Unregistered Sales of Equity Securities, Use of Proceeds and Issuer Purchases of Equity Securities.

None.

Item 3. Defaults Upon Senior Securities.

Notes Payable

As of September 30, 2025, the President and companies controlled by the President have loaned the Company a total of \$1,833,858 in addition to the convertible notes discussed above. The loans carry an interest rate of 8% and mature one year and one day from the date of the loan. The Company accrued interest of \$858,978 on the loans and the full balance of these loans are in default as of September 30, 2025.

Balance Group loaned the Company an additional \$186,850 at an interest rate of 8%. The notes are currently in default and have an accrued interest balance of \$120,258 as of September 30, 2025.

On October 3, 2019, The Company received \$40,000 from The Foundation in exchange for a promissory note which bears 12% interest per annum and matured on October 10, 2020 or upon the Company raising \$500,000 from outside investors, whichever occurs first. The promissory note is currently in default, and as of September 30, 2025, accrued interest on the note is \$31,641. The promissory note comes with a warrant to purchase 40,000 shares of the Company’s stock with an exercise price of \$1.00 per share and expires on October 10, 2022. These warrants have expired. As of December 31, 2020, the debt discount was fully amortized.

Convertible Notes Payable

On December 23, 2015, the Company issued a secured convertible promissory note in the amount of \$25,000. The note carries a rate of 8% and was due on March 23, 2016. It is secured by all the assets of the Company. The note further contains a provision that the lender may convert any part of the note, including accrued interest that is unpaid into the Company’s common stock at an exercise price of \$0.50 per share. The note also contains a five-year warrant to purchase 100,000 shares of common stock at an exercise price of \$0.50 per share until December 23, 2020. As of March 23, 2016, the note is in default and the interest rate has been increased to 18%. The accrued interest balance of \$49,878 as of September 30, 2025.

On September 30, 2016, Balance Group LLC loaned the Company \$120,000 with an interest rate of 10% and is convertible into common stock at \$1.00. In addition, the Company issued the President of the Company 600,000 warrants and recorded a debt discount of \$111,428, which has been fully amortized. The Company valued the warrants using the Black-Scholes option pricing model with the following assumptions: Expected volatility of 514%, expected life of five years, risk free rate of return of 1.14% and an expected dividend yield of 0%. The warrants had a fair value of \$85,714. The note is currently in default and has an accrued interest balance of \$108,066 as of September 30, 2025.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Note Conversions

On November 7, 2025, the Board of Directors of the Company approved the issuance of an aggregate of 16,667,789 shares of common stock at a conversion price of \$0.25 per share, upon the conversion of certain outstanding promissory notes and debentures totaling \$4,166,946.69. This amount includes the issuance of 4,547,240 shares of common stock to the related parties described below, upon the conversion of certain outstanding related-party promissory notes totaling \$945,111.90 in principal and \$191,697.72 in accrued interest. The original conversion prices of the notes ranged from \$0.70 to \$1.00 per share, with an average original conversion price of approximately \$1.00 per share.

The conversions fully satisfied all principal and accrued interest obligations under each note, and all related indebtedness has been extinguished.

Specifically, to related-parties and affiliates, the Company converted (i) \$352,019 of debt owed to The Farkas Group, Inc. (controlled by the Company’s President and Chairman of its Board of Directors, Michael D. Farkas) into 1,408,076 shares of common stock, (ii) \$361,542.90 of debt owed to Michael D. Farkas (Company’s President and Chairman) into 1,446,172 shares, (iii) \$343,114.65 of debt owed to NextNRG Inc. (controlled by Michael D. Farkas) into 1,372,459 shares, (iv) \$72,113.97 of debt owed to The Sammy Farkas Foundation into 288,456 shares, and (v) \$8,019.10 of debt owed to Shilo Holding Group LLC (controlled by Michael D. Farkas) into 32,077 shares.

Each conversion was effected at \$0.25 per share and represents full payment and settlement of the underlying notes.

The two third-parties which purchased the \$980,137 debt outstanding to 16th Avenue Associates also converted the full amount of \$500,000 principal and \$480,137 interest due under that certain convertible debenture into 3,920,548 shares of the Company’s common stock.

The shares issued in these conversions were not registered under the Securities Act of 1933, as amended, and were issued in reliance upon the exemption from registration provided by Section 3(a)(9) thereof.

Equity Issuances to Employees, Executives, and Consultants

On November 7, 2025, the Board of Directors of the Company approved the issuance of an aggregate 7,784,268 shares of common stock at a price of \$0.25 per share to certain employees, executives, and consultants of the company. The shares were issued as fully paid and non-assessable and represent equity compensation pursuant to individual agreements approved by the Board of the Directors.

The recipients of the shares included certain executive officers and directors of the Company, as follows:

- Joel Kleiner, Chief Financial Officer – 468,523 shares issued
- Carmen Villegas, Secretary and Director – 318,523 shares issued
- Alan Campbell, Chief Executive Officer – 906,420 shares issued

The issuances were made in reliance upon the exemption from registration provided by Section 4(a)(2) of the Securities Act of 1933, as amended, and/or Rule 701 promulgated thereunder, as the transactions did not involve a public offering and were made to employees and consultants for bona fide compensatory purposes.

Item 6. Exhibits

Exhibit No.	Description
10.1	<u>CEO Employment Agreement between Alan Campbell and Balance Labs, Inc. executed August 22, 2025 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on August 29, 2025)</u>
31.1*	<u>Certification of Principal Executive Officer, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 302 of 2002</u>
31.2*	<u>Certification of Principal Financial Officer, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 302 of 2002</u>
32.1**	<u>Certification of Principal Executive Officer, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
32.2**	<u>Certification of Principal Financial Officer, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
101.INS*	Inline XBRL Instance Document*
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

*Filed herewith

**Furnished herewith

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BALANCE LABS, INC.

Date: November 13, 2025

By: /s/ Alan Campbell
Alan Campbell
Chief Executive Officer
(Principal Executive Officer)

Date: November 13, 2025

By: /s/ Joel Kleiner
Joel Kleiner
Chief Financial Officer (Principal Financial and Accounting Officer)

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Alan Campbell, certify that:

1. I have reviewed this Form 10-Q of Balance Labs, 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 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 present in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13-a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financing reporting that occurred during the registrant's most recent fiscal quarter (the registrant's first fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. 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 involved management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 13, 2025

By: /s/ Alan Campbell

Alan Campbell
Chief Executive Officer
(Principal Executive Officer)
Balance Labs, Inc.

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Joel Kleiner, certify that:

1. I have reviewed this Form 10-Q of Balance Labs, 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 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 present in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13-a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financing reporting that occurred during the registrant's most recent fiscal quarter (the registrant's first fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. 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 involved management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 13, 2025

By: /s/ Joel Kleiner

Joel Kleiner
Chief Financial Officer
(Principal Financial and Accounting Officer)
Balance Labs, Inc.

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

In connection with this Quarterly Report of Balance Labs, Inc. (the “Company”), on Form 10-Q for the period ended September 30, 2025, as filed with the U.S. Securities and Exchange Commission on the date hereof, I, Alan Campbell, Chief Executive Officer of the Company, certify to the best of my knowledge, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) Such Quarterly Report on Form 10-Q for the period ended September 30, 2025, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in such Quarterly Report on Form 10-Q for the period ended September 30, 2025, fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 13, 2025

By: /s/ Alan Campbell
Alan Campbell
Chief Executive Officer
(Principal Executive Officer)
Balance Labs, Inc.

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

In connection with this Quarterly Report of Balance Labs, Inc. (the “Company”), on Form 10-Q for the period ended September 30, 2025, as filed with the U.S. Securities and Exchange Commission on the date hereof, I, Joel Kleiner, Chief Financial Officer of the Company, certify to the best of my knowledge, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) Such Quarterly Report on Form 10-Q for the period ended September 30, 2025, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in such Quarterly Report on Form 10-Q for the period ended September 30, 2025, fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 13, 2025

By: /s/ Joel Kleiner

Joel Kleiner
Chief Financial Officer
(Principal Financial and Accounting Officer)
Balance Labs, Inc.
