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BRAND ENGAGEMENT NETWORK INC.

FORM 10-Q
(Quarterly Report)

Filed 11/23/26 for the Period Ending 09/30/26

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UNITED STATES
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 September 30, 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 **001-40130**

Brand Engagement Network Inc.
(Exact name of registrant as specified in its charter)

Delaware	**98-1574798**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer . Identification No.)
300 Delaware Ave Suite 210 Wilmington, DE	**19801**
(Address of Principal Executive Offices)	(Zip Code)

(307) 757-3650
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.0001 per share	BNAI	The Nasdaq Stock Market LLC
Redeemable Warrants, each whole warrant exercisable for one share of Common Stock at an exercise price of $115.00 per share	BNAIW	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

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

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

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes ☐ No ☒

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

As of November 16, 2026, 7,654,882 shares of the Issuer's common stock, $0.0001 par value per share, and 1,644,096 public warrants each whole warrant representing the right to acquire one share of the Issuer's common stock at an exercise price of $115.00 per share, were outstanding.

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Brand Engagement Network, BEN, our logo and our other trademarks or service marks appearing in this report are the property of Brand Engagement Network Inc. Trade names, trademarks and service marks of other companies appearing in this report are the property of their respective owners. Solely for convenience, the trademarks, service marks and trade names included in this report are without the ®, ™ or other applicable symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensors to these trademarks, service marks and trade names.

Unless otherwise indicated, "Brand Engagement Network," "BEN," "the Company," "our," "us," or "we," refer to Brand Engagement Network Inc. and its consolidated subsidiaries.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this "Report") contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, Rule 175 promulgated thereunder, and Section 21E of the Securities Exchange Act of 1934, as amended, and Rule 3b-6 promulgated thereunder and are intended to be covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as "aims," "anticipates," "believes," "contemplates," "continue," "could," "estimates," "expects," "forecast," "guidance," "intends," "may," "plans," "possible," "potential," "predicts," "preliminary," "projects," "seeks," "should," "target," "will" or "would" or the negative of these words, variations of these words or other similar terms or expressions that concern our expectations, strategy, plans, or intentions.

Such forward-looking statements are subject to certain risks, uncertainties and assumptions relating to factors that may be outside of our control and could cause actual results to differ materially from those anticipated in such statements, including those identified below, under "*Part II, Item 1A. Risk Factors*," and elsewhere herein:

- our ability to develop and attain market acceptance for our products and services;
- our ability to maintain the listing of our securities on the Nasdaq Stock Market ("Nasdaq");
- cybersecurity risks that may affect us directly or may impact us indirectly by virtue of their effects on our clients, markets or vendors, including our ability to identify and address cybersecurity risks, including those posed by the increasing use of artificial intelligence (such as, but not limited to, ransomware, data security breaches, "denial of service" attacks, "hacking" and identity theft) affecting us, our clients, and our third-party vendors and service providers;
- the attraction and retention of qualified directors, officers, employees and key personnel;
- our need for additional capital and whether additional financing will be available on favorable terms, or at all;
- our reliance on financing from related parties and their affiliates and/or on financing rounds arranged by related parties and their affiliates;
  the lack of a market for our common stock ("Common Stock") and public warrants ("Public Warrants") and the volatility of the market price and trading price for our Common Stock and Public Warrants;
- our ability to successfully integrate Cataneo GmbH ("Cataneo") which was acquired on June 30, 2026, and to realize the anticipated benefits of the acquisition, including the risk associated with the integration of Cataneo's operations, technology, and personnel, and the possibility that the expected benefits of the acquisition may not be realized or may take longer to realize than expected;
- the impact of lawsuits and other litigation matters on our business;
- our limited operating history;
- the length of our sales cycle and the time and expense associated with it;
- our ability to grow our customer base;
- our dependence upon third-party service providers for certain technologies;
- competition from other companies offering artificial intelligence products that have greater resources, technology, relationships and/or expertise;
- our ability to compete effectively in a highly competitive market;
- our ability to protect and enhance our corporate reputation and brand;
- our ability to hire, retain, train and motivate qualified personnel and senior management and our ability to deploy our personnel and resources to meet customer demand;
- our ability to grow through acquisitions and successfully integrate any such acquisitions;
- the impact from future regulatory, judicial, and legislative changes in our industry;
- increases in costs, disruption of supply or shortage of materials, which could harm our business;
- our ability to successfully maintain, protect, enforce and grow our intellectual property rights;
- our future financial performance, including the ability of future revenues to meet projected annual bookings;
- our ability to forecast and maintain an adequate rate of revenue growth and appropriately plan our expenses;
- our ability to generate sufficient revenue from each of our revenue streams; and
- other risks, uncertainties and factors set forth in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025 (as amended on November 19, 2026 (the "2025 Annual Report").

The foregoing factors should not be construed as exhaustive and should be read together with the other cautionary statements included in this Report, which are incorporated by reference herein. If one or more events related to these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may differ materially from what we anticipate. Many of the important factors that will determine these results are beyond our ability to control or predict. Accordingly, you should not place undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made, and, except as otherwise required by law, we do not undertake any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise. New factors emerge from time to time, and it is not possible for us to predict which will arise. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Part I. Financial Information

Item 1. Financial Statements

BRAND ENGAGEMENT NETWORK INC.
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2026	December 31, 2025 **
ASSETS		
Current assets		
Cash and cash equivalents	$ 595,891	$ 172,124
Accounts receivable	269,954	250,120
Accounts receivable-Related Party, net	158,512	-
Prepaid and other current assets	1,087,306	1,213,777
Total current assets	2,111,663	1,636,021
Property and equipment, net	317,556	287,073
Right of use asset	735,397	329,505
Intangible assets, net	14,515,286	13,050,901
Goodwill	13,204,928	-
Investments	1,305,825	-
Other non-current assets	2,269	-
Total assets	$ 32,192,924	$ 15,303,500
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	3,584,641	5,042,010
Accrued expenses	2,260,458	3,666,784
Contract liabilities, current	1,960,427	-
Lease liability, current	319,430	-
Short-term debt	227,837	1,342,352
Convertible debt	760,000	760,000
Stock subscription liability	202,025	-
Income tax payables	96,308	-
Other current liabilities	287,225	-
Total current liabilities	9,698,351	10,811,146
Contract liabilities, non-current	1,628,081	-
Lease liability, non-current	426,255	309,752
Long-term debt	37,627	-
Warrant liabilities	82,205	721,758
Deferred tax liabilities	207,159	-
Total liabilities	12,079,678	11,842,656
Commitments and contingencies (Note K)	-	-
Stockholders' equity		
Preferred stock, par value $0.0001 per share, 10,000,000 shares authorized, none designated. No shares issued or outstanding as of September 30, 2026 and December 31, 2025	-	-
Common stock, par value of $0.0001 per share, 750,000,000 shares authorized; 7,654,882 shares issued and outstanding as of September 30, 2026, 5,783,524 shares issued and outstanding as of December 31, 2025 (*)	764	578
Additional paid-in capital	83,444,931	59,102,850
Accumulated deficit	(63,324,117)	(55,642,584)
Accumulated OCI	(8,332)	-
Total stockholders' equity	20,113,246	3,460,844
Total liabilities and stockholders' equity	$ 32,192,924	$ 15,303,500

(*) Adjusted retroactively for reverse stock split, see Note G
(**) Derived from the audited information

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

BRAND ENGAGEMENT NETWORK INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three months ended September 30,		Nine months ended September 30,	
	2026	**2025**	**2026**	**2025**
Revenue	$ 1,911,115	$ 60,120	$ 2,071,988	$ 75,120
Revenue-related party, net	53,084	-	156,605	-
Cost of goods sold	610,458	-	610,458	-
Gross profit	1,353,741	60,120	1,618,135	75,120
Operating expenses				
General and administrative expenses	1,567,443	1,451,867	6,565,976	6,514,077
Research and development	77,406	(3,629)	109,354	14,466
Depreciation and amortization	1,257,448	928,495	3,356,203	2,842,590
Total operating expenses	2,902,297	2,376,733	10,031,533	9,371,133
Loss from operations	(1,548,556)	(2,316,613)	(8,413,398)	(9,296,013)
Other income (expense)				
Interest expense, net	(22,621)	(43,421)	(94,921)	(190,072)
Change in fair value of warrant liabilities	147,968	243,326	639,553	667,503
Gain (loss) on debt extinguishment	405,516	(347,666)	494,856	3,611,388
Other income (expense), net	(35,473)	(17,601)	(46,572)	20,069
Total other income, net	495,390	(165,362)	992,916	4,108,888
Loss before income tax expense	(1,053,166)	(2,481,975)	(7,420,482)	(5,187,125)
Income tax expense	(204,062)	-	(261,051)	-
Net loss	$ (1,257,228)	$ (2,481,975)	$ (7,681,533)	$ (5,187,125)
Other comprehensive income (loss):				
Foreign currency translation	$ (8,332)	$ -	$ (8,332)	$ -
Comprehensive income (loss)	$ (1,265,560)	$ (2,481,975)	$ (7,689,865)	$ (5,187,125)
Net loss per common share, basic and diluted (*)	$ (0.17)	$ (0.59)	$ (1.13)	$ (1.26)
Weighted average number of common shares outstanding, basic and diluted (*)	7,560,909	4,216,612	6,808,542	4,124,018

(*) Adjusted retroactively for reverse stock split, see Note G

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

BRAND ENGAGEMENT NETWORK INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

	Preferred Stock		Common stock		Additional Paid-in	Accumulated	Accumulated Other Comprehensive	
	Shares	Amount	Shares*	Amount*	Capital*	Deficit	Loss	Total
Balance, December 31, 2024	-	$ -	3,816,899	$ 382	$49,661,259	$ (47,017,149)	$ -	$ 2,644,492
Sale of common stock	-	-	118,643	12	1,325,530	-	-	1,325,542
Stock issued upon conversion of convertible notes	-	-	31,667	3	379,997	-	-	380,000
Stock issued for Standby Equity Purchase Agreement liability	-	-	64,357	6	432,476	-	-	432,482
Warrant exercises	-	-	78,713	8	1,499,542	-	-	1,499,550
Stock-based compensation, including vested restricted shares	-	-	22,359	2	374,924	-	-	374,926
Stock issued in settlement of liabilities	-	-	58,803	6	265,488	-	-	265,494
Net loss	-	-	-	-	-	(3,610,230)	-	(3,610,230)
Balance, March 31, 2025	-	$ -	4,191,441	$ 419	$53,939,216	$ (50,627,379)	$ -	$ 3,312,256
Stock-based compensation, including vested restricted shares	-	-	-	-	128,839	-	-	128,839
Warrant exercises	-	-	2,551	-	50,000	-	-	50,000
Issuance of common stock	-	-	78,658	8	1,328,963	-	-	1,328,971
Net income	-	-	-	-	-	905,080	-	905,080
Balance, June 30, 2025	-	$ -	4,272,650	$ 427	$55,447,018	$ (49,722,299)	$ -	$ 5,725,146
Issuance of common stock	-	-	48,697	5	(5)	-	-	-
Stock-based compensation, including vested restricted shares	-	-	-	-	209,941	-	-	209,941
Net loss	-	-	-	-	-	(2,481,975)	-	(2,481,975)
Balance September 30, 2025	-	$ -	4,321,347	$ 432	$55,656,954	$ (52,204,274)	$ -	$ 3,453,112

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2026

	Preferred Stock		Common stock		Additional Paid-in	Accumulated	Accumulated Other Comprehensive	
	Shares	Amount	Shares*	Amount*	Capital	Deficit	Loss	Total
Balance, December 31, 2025	-	$ -	5,783,524	$ 578	$59,102,850	$ (55,642,584)	$ -	$ 3,460,844
Sale of common stock	-	-	30,752	3	1,542,979	-	-	1,542,982
Stock issued upon conversion of convertible notes	-	-	28,871	3	391,032	-	-	391,035
Stock issued for Standby Equity Purchase Agreement liability	-	-	-	-	183,895	-	-	183,895
Warrant exercises	-	-	701,059	70	4,447,064	-	-	4,447,134
Stock-based compensation, including vested restricted shares	-	-	-	-	112,000	-	-	112,000
Stock issued in settlement of liabilities	-	-	2,719	-	204,970	-	-	204,970
Net loss	-	-	-	-	-	(3,060,977)	-	(3,060,977)
Balance, March 31, 2026	-	$ -	6,546,925	$ 654	$65,984,790	$ (58,703,561)	$ -	$ 7,281,883
Sale of common stock	-	-	230,144	24	8,911,972	-	-	8,911,996
Stock issued in conversion of convertible notes	-	-	-	-	-	-	-	-
Stock issued for Purchase of Cataneo	-	-	255,014	25	4,363,265	-	-	4,363,290
Stock issued for services	-	-	169,230	17	596,623	-	-	596,640
Warrant exercises	-	-	232,037	22	1,537,594	-	-	1,537,616
Stock-based compensation, including vested restricted shares	-	-	-	-	112,000	-	-	112,000
Stock issued in settlement of liabilities	-	-	-		-	-	-	
Net loss	-	-	-	-	-	(3,363,328)		(3,363,328)
Balance, June 30, 2026	-	$ -	7,433,350	$ 742	$81,506,244	$ (62,066,889)	$ -	$19,440,097

Issuance of common stock	-	-	25,260	3	450,130	-	-	450,133
Stock to be issued for purchase of Cataneo	-	-	-	-	451,704	-	-	451,704
Warrant exercises	-	-	144,507	14	714,516	-	-	714,530
Stock-based compensation	-	-	-	-	(5,797)	-	-	(5,797)
Vesting of restricted stock	-	-	27,000	3	-	-	-	3
Stock issued in settlement of liabilities	-	-	24,765	2	328,134	-	-	328,136
Net loss	-	-	-	-	-	(1,257,228)	-	(1,257,228)
Foreign currency translation	-	-	-	-	-	-	(8,332)	(8,332)
Balance, September 30, 2026	-	$ -	7,654,882	$ 764	$83,444,931	$ (63,324,117)	$ (8,332)	$20,113,246

(*) Adjusted retroactively for reverse stock split, see Note G

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

BRAND ENGAGEMENT NETWORK INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the nine months ended September 30,	
	2026	**2025**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (7,681,533)	$ (5,187,125)
Adjustments to reconcile net loss to net cash used for operating activities:		
Depreciation and amortization expense	3,356,203	2,842,590
Allowance for uncollected receivables	-	30,000
Change in fair value of warrant liabilities	(639,553)	(667,503)
Gain on debt extinguishment	(494,856)	(3,611,388)
Equity based compensation	218,203	708,381
Stock issued for services	596,640	-
Non-cash interest expense	94,921	86,042
Reduction in the right of use asset	198,103	131,953
Changes in operating assets and liabilities:		
Accounts receivable	588,453	(49,232)
Prepaid and other current assets	136,968	(634,460)
Accounts payable	(1,824,620)	1,081,126
Accrued expenses	(844,755)	72,662
Contract liabilities	(260,890)	-
Deferred tax liability	169,833	-
Lease liability	(168,063)	(147,439)
Income Tax Payable	(48,670)	-
NET CASH USED IN OPERATING ACTIVITIES	(6,603,616)	(5,344,393)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(1,305,768)	-
Payment for business acquisitions, net of cash acquired	(8,398,203)	-
Purchase of property and equipment	(26,726)	-
Capitalized internal-use software costs	(522,778)	(584,459)
NET CASH USED IN INVESTING ACTIVITIES	(10,253,475)	(584,459)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds received from option and warrant exercises	6,709,274	1,549,550
Proceeds from short term loans	-	1,823,866
Repayments of short term debt	(50,000)	-
Repayment of note payable	(651,121)	(145,635)
Proceeds from the sale of common stock	10,905,111	2,654,513
Proceeds from Standby Equity Purchase Agreement liability	375,926	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	17,289,190	5,882,294
Effect of translation changes on cash	(8,332)	-
Net change in cash and cash equivalents	423,767	(46,558)
Cash, beginning of period	172,124	149,273
Cash, end of period	$ 595,891	$ 102,715
SUPPLEMENTAL NON-CASH DISCLOSURES		
Issuance of common stock for Standby Equity Purchase Agreement liability	$ -	$ 432,482
Stock-based compensation capitalized as part of capitalized software costs	$ -	$ 5,325
Settlement of liabilities into common shares	$ 533,104	$ 265,494
Conversion of convertible notes into common shares	$ 391,035	$ 380,000

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

BRAND ENGAGEMENT NETWORK INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE A - NATURE OF OPERATIONS AND GOING CONCERN

Nature of Operations

Brand Engagement Network Inc. (together with its subsidiaries, "BEN" or the "Company") is a Delaware corporation that develops artificial intelligence ("AI") technology enabling organizations to engage with people through conversational interactions, including chat, voice and AI avatars. The Company's technology is built on its proprietary Engagement Language Model (ELM™) and is designed to operate within closed-loop environments using approved organizational data, with governance and compliance controls.

On April 17, 2026, the Company acquired GForce 112 GmbH, a shelf company registered in Frankfurt am Main, Germany, and renamed it Brand Engagement Network Holding GmbH ("BEN Holding"). On June 30, 2026, BEN Holding acquired Cataneo GmbH ("Cataneo"), a Munich-based company founded in October 2002 that provides enterprise software for media companies. Cataneo's software supports advertising sales, scheduling, traffic, content management, monetization, analytics and reporting across linear, digital and on-demand media. The Company has begun integrating its AI technology into Cataneo's MYDAS advertising platform.

Liquidity and Going Concern

The accompanying unaudited condensed consolidated financial statements have been prepared as though the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. As of September 30, 2026, the Company had an accumulated deficit of $63,324,117, a net loss of $7,681,533, and net cash used in operating activities of $6,603,616 for the nine months ended September 30, 2026. Management expects to continue to incur operating losses and negative cash flows from operations for at least the next 12 months. The Company has financed its operations to date through proceeds from the sale of Common Stock, the exercises of warrants, the issuance of promissory notes and convertible debt, and transactions with AFG Companies Inc. ("AFG"). The Company's current liquidity position raises substantial doubt about the Company's ability to continue as a going concern.

The Company will need to raise additional capital to continue to fund operations and product research and development. The Company believes that it will be able to obtain additional working capital through equity financing, additional debt, or other arrangements to fund future operations, and it intends to raise capital through equity or debt investments in the Company by third parties. However, the Company cannot conclude these are probable of being implemented or, if probable of being implemented, being in sufficient enough amounts to satisfy the Company's contractual amounts as they presently exist that are coming due over the next 12 months as of the date of this filing.

The assumptions upon which the Company has based its estimates are routinely evaluated and may be subject to change. The actual amount of the Company's expenditures will vary depending upon several factors including but not limited to the design, timing, and the progress of the Company's research and development programs, and the level of financial resources available. The Company can adjust its operating plan spending based on available financial resources.

The unaudited, condensed consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Strategic Commercial Agreements

On April 21, 2026, the Company entered into a letter agreement with HighTide Energy, Inc. d/b/a Accelevate Solutions ("Accelevate"), a provider of AI-driven fleet management and infrastructure solutions, regarding a strategic investment and commercial collaboration. Subsequently, on May 7, 2026, following the completion of due diligence, the Company executed two definitive Reseller Agreements with Accelevate. These agreements provide the Company with exclusive reseller rights in Mexico for a five-year term and global reseller rights (excluding Mexico and Latin America) for its AI technology, with the Company entitled to 35% of gross revenue from sales. Additionally, the Company completed a $1,000,000 strategic minority investment in Accelevate's common stock, securing 100% warrant coverage, a board seat, and a right of first refusal for future acquisition. As of September 30, 2026, the Company has exercised $300,000 of the warrant and has a total investment to date of $1.3 million.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Consolidation

The unaudited condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The Company's unaudited condensed consolidated financial statements include the accounts of the Company and the accounts of the Company's wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

The accompanying unaudited condensed consolidated financial statements and related notes have been prepared in accordance with the rules and regulations of the U.S. Securities and Exchange Commission ("SEC") for unaudited condensed consolidated financial information. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete consolidated financial statements. Certain information and footnote disclosure normally included in financial statements prepared in accordance with U.S. GAAP have been omitted pursuant to instructions, rules, and regulations prescribed by the SEC.

Unaudited Interim Results

These unaudited condensed consolidated financial statements and accompanying notes should be read in conjunction with the Company's annual audited financial statements and the notes thereto as of and for the year ended December 31, 2025 found in the Company's Annual Report on Form 10-K for the year ended December 31, 2025 ("2025 Annual Report"). The accompanying unaudited condensed consolidated financial statements as of September 30, 2026 and for the three and nine months ended September 30, 2026 and 2025 are unaudited but have been prepared on the same basis as the annual audited financial statements and include all normal, recurring adjustments that management believes to be necessary for a fair presentation of the periods presented. Interim results are not necessarily indicative of results for a full year.

Use of Estimates

The preparation of the accompanying unaudited condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions about future events. These estimates and the underlying assumptions affect the amounts of assets and liabilities reported, disclosures about contingent assets and liabilities, and reported amounts of revenue and expenses. Actual results and outcomes could differ significantly from the Company's estimates, judgments, and assumptions. Significant estimates in the Company's unaudited, condensed consolidated financial statements include, but are not limited to, assumptions used to measure stock-based compensation, useful lives and impairment of intangible assets, warrant liabilities, and derivative liabilities.

These estimates and assumptions are based on management's best estimates and judgment. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which management believes to be reasonable under the circumstances. The Company adjusts such estimates and assumptions when facts and circumstances dictate. Changes in those estimates resulting from continuing changes in the economic environment will be reflected in the financial statements in future periods. As future events and their effects cannot be determined with precision, actual results could materially differ from those estimates and assumptions.

Segment and Geographic Information

Operating segments are defined as components of an enterprise about which separate discrete information is available for evaluation by the chief operating decision maker, or decision-making group, in deciding how to allocate resources in assessing performance. The Company's chief operating decision maker ("CODM") is the Chief Executive Officer. The CODM reviews the Company's results of operations on a consolidated basis and allocates resources on that basis. The Company has one operating and reporting segment.

The accounting policies of its segment are the same as those described in the summary of significant accounting policies. The CODM assesses performance for its segment based on net loss, which is reported on the consolidated statements of operations. The measure of segment assets is reported on the unaudited, condensed consolidated balance sheet as total assets. The CODM uses cash forecast models in deciding how to invest into the segment. The CODM analyzes the Company's net loss and monitors budget versus actual results to assess the performance of the Company.

In addition to our US-based offices, the Company has an office in the Republic of Korea dedicated to research and development activities and, following the acquisition of Cataneo, also has offices in Munich, Germany, Slovenia and New York. BEN employs nine US-based, twenty in South Korea and Cataneo employs fifty-nine, including one US-based employee working from our office on Madison Avenue in New York, NY. Combined, we have eighty-eight employees worldwide.

Significant Risks and Uncertainties

There can be no assurance that the Company's research and development will be successfully commercialized. Developing and commercializing goods and services require significant time and capital and is subject to regulatory review and approval as well as competition from other AI technology companies. The Company operates in an environment of rapid change and is dependent upon the continued services of its employees and consultants and obtaining and protecting intellectual property.

Revenue Recognition and Accounts Receivable

The Company accounts for revenue in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 606, Revenue from Contracts with Customers ("ASC 606") for all periods presented. The core principle of ASC 606 is to recognize revenue for the transfer of promised goods or services to customers in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. This principle is achieved by applying the following five-step approach:

1. *Identification of the Contract, or Contracts, with a Customer.*
2. *Identification of the Performance Obligations in the Contract.*
3. *Determination of the Transaction Price.*
4. *Allocation of the Transaction Price to the Performance Obligations in the Contract.*
5. *Recognition of Revenue when, or as, Performance Obligations are Satisfied.*

Trade receivables represent amounts due from customers and are stated net of the allowance for doubtful accounts. The allowance for doubtful accounts is based on management's assessment of the collectibility of specific customer accounts, the aging of the accounts receivable, historical experience, and other currently available evidence. If there is a deterioration of a major customer's credit worthiness or actual defaults are higher than the historical experience, management's estimates of the recoverability of amounts due to the Company could be adversely affected. Trade receivables of the Company as of September 30, 2026 and December 31, 2025 are $269,954 and $250,120, respectively, net of an allowance for expected credit losses amounting to zero, respectively.

Impairment of Definite Lived Intangible Assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If the carrying amount of the asset exceeds its estimated undiscounted net cash flows, before interest, the Company will recognize an impairment loss equal to the difference between its carrying amount and its estimated fair value. If impairment is recognized, the reduced carrying amount of the asset will be accounted for as its new cost. Generally, fair values are estimated using discounted cash flow, replacement cost or market comparison analyses. The process of evaluating for impairment requires estimates as to future events and conditions, which are subject to varying market and economic factors. Therefore, it is reasonably possible that a change in an estimate resulting from judgments as to future events could occur which would affect the recorded amounts of the asset. No impairment losses were recorded for the three and nine months ended September 30, 2026 and 2025.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of the net identifiable tangible and intangible assets acquired in a business combination. In accordance with ASC Topic 350, *Intangibles - Goodwill and Other*, the Company does not amortize goodwill but tests goodwill for impairment annually, or more frequently if events or changes in circumstances indicate that goodwill may be impaired. The Company operates as one reporting segment. When testing goodwill for impairment, the Company may first perform an optional qualitative assessment to determine whether it is more likely than not that the fair value of its reporting unit is less than its carrying amount. The qualitative factors evaluated by the Company may include macroeconomic conditions, industry and market considerations, overall financial performance, and other entity-specific events and circumstances, as deemed appropriate. If, based on the qualitative assessment, the Company determines that it is not more likely than not that the fair value of its reporting unit is less than its carrying amount, no further impairment testing is required. If the Company determines that it is more likely than not that the fair value of its reporting unit is less than its carrying amount, or elects to bypass the qualitative assessment, the Company performs a quantitative goodwill impairment test. Under the quantitative impairment test, the Company compares the fair value of its reporting unit with its carrying amount, including goodwill. If the carrying amount of the reporting unit exceeds its fair value, the Company recognizes an impairment loss in an amount equal to such excess, limited to the total amount of goodwill allocated to the reporting unit.

No goodwill impairment was recorded for the three and nine months ended September 30, 2026.

Research and Development Costs

Costs incurred in connection with research and development activities are expensed as incurred. These costs include rent for facilities, hardware and software equipment costs, employee related costs, consulting fees for technical expertise, prototyping, and testing.

Stock-Based Compensation

The Company recognizes stock-based compensation for stock-based awards (including stock options, restricted stock units, and restricted stock awards) in accordance with ASC Topic 718, Compensation - Stock Compensation. Determining the appropriate fair value of stock-based awards requires numerous assumptions, some of which are highly complex and subjective. The Company estimates the fair value of its stock option and warrant awards on the grant date using the Black-Scholes option-pricing model. The fair value of each restricted stock award is measured as the fair value per share of the Company's Common

Stock at the date of grant.

Stock-based awards generally vest subject to the satisfaction of service requirements, or the satisfaction of both service requirements and achievement of certain performance conditions or market and service conditions. For stock-based awards that vest subject to the satisfaction of service requirements or market and service conditions, stock-based compensation is measured based on the fair value of the award on the date of grant and is recognized as stock-based compensation on a straight-line basis over the requisite service period. For stock-based awards that have a performance component, stock-based compensation is measured based on the fair value on the grant date and is recognized over the requisite service period as achievement of the performance objective becomes probable.

The Black-Scholes option-pricing model requires the use of judgments and assumptions, including fair value of the Company's Common Stock, the option's expected term, the expected price volatility of the underlying stock, risk-free interest rates and the expected dividend yield.

The Black-Scholes model assumptions are further described below:

- Common Stock - the fair value of the Company's Common Stock.
- Expected Term - The expected term of employee options with service-based vesting is determined using the "simplified" method, as prescribed in the SEC's Staff Accounting Bulletin No. 107, whereby the expected life equals the arithmetic average of the vesting term and the original contractual term of the option due to the Company's lack of sufficient historical data. The expected term of nonemployee options is equal to the contractual term.
- Expected Volatility - The Company lacks its own historical stock data. Therefore, it estimates its expected stock volatility based primarily on the historical volatility of a publicly traded set of peer companies.
- Risk-Free Interest Rate - The Company bases the risk-free interest rate on the U.S. Treasury yield curve commensurate with the expected term of each option.
- Expected Dividend -The Company has never declared or paid any cash dividends on its Common Stock and does not plan to pay cash dividends in the foreseeable future, and, therefore, uses an expected dividend yield of zero in its valuation models.

Cash and Cash Equivalents

The Company considers all highly-liquid investments, readily convertible to cash, and which have a remaining maturity date of three months or less at the date of purchase, to be cash equivalents. Cash and cash equivalents are recorded at fair value and are held for the purpose of meeting short-term liquidity requirements, rather than for investment purposes. The Company maintains its cash and cash equivalent balances in the form of business checking accounts and money market accounts, the balances of which, at times, may exceed federally insured limits.

Capitalized Internal-Use Software Costs

Pursuant to ASC 350-40, *Internal-Use Software*, the Company capitalizes development costs for internal use software projects once the preliminary project stage is completed, management commits to funding the project, and it is probable that the project will be completed, and the software will be used to perform the function intended. The Company ceases capitalization at such time as the computer software project is substantially complete and ready for its intended use. The determination that a software project is eligible for capitalization and the ongoing assessment of recoverability of capitalized software development costs requires considerable judgment by management with respect to certain external factors, including, but not limited to, estimated economic life and changes in software and hardware technologies.

The Company capitalizes costs for internal-use software once project approval, funding, and feasibility are confirmed. These costs primarily consist of external consulting fees and direct labor costs. When the internal-use software is ready for its intended use, the Company reclassifies the internal-use software to developed software intangible assets and amortizes the asset over an estimated useful life ranging from 3 to 5 years. No impairment losses were recorded for the three and nine months ended September 30, 2026 and 2025.

Leases

The Company determines whether an arrangement is or contains a lease, its classification, and its term at the lease commencement date. Leases with a term greater than one year will be recognized on the unaudited, condensed consolidated balance sheet as right-of-use ("ROU") assets, current lease liabilities, and if applicable, long-term lease liabilities. The Company includes renewal options to extend the lease term where it is reasonably certain that it will exercise these options. Lease liabilities and the corresponding ROU assets are recorded based on the present values of lease payments over the lease term. The interest rate implicit in lease contracts is typically not readily determinable. As such, the Company utilizes the appropriate incremental borrowing rates, which are the rates that would be incurred to borrow on a collateralized basis, over similar terms, amounts equal to the lease payments in a similar economic environment. Payments for non-lease components or that are variable in nature that do not depend on a rate or index are not included in the lease liability and are typically expensed as incurred. If significant events, changes in circumstances, or other events indicate that the lease term or other inputs have changed, the Company would reassess lease classification, remeasure the lease liability using revised inputs as of the reassessment date, and adjust the ROU assets. Lease expense is recognized on a straight-line basis over the expected lease term for operating classified leases.

Foreign Currency Transactions

Foreign currency transaction gains and losses are a result of the effect of exchange rate changes on transactions denominated in currencies other than the functional currency. Gains and losses arising from foreign currency transactions and the effects of remeasurements are captured within the net loss within the unaudited, condensed consolidated statement of operations. Foreign currency transaction gains and losses were not material for the three and nine months ended September 30, 2026 and 2025.

Warrant Liabilities

The Company evaluates all of its financial instruments, including issued share purchase warrants, to determine if such instruments are derivatives or contain features that qualify as embedded derivatives, pursuant to ASC Topic 480, Distinguishing Liabilities from Equity, ASC Topic 505, Equity, and ASC Topic 815, Derivatives and Hedging ("ASC 815"). The Company accounts for the public warrants, each representing the right to acquire one share of Common Stock for $115.00 (the "Public Warrants") and the private placement warrants, each representing the right to acquire one share of Common Stock for $115.00 (the "Private Placement Warrants"), in accordance with the guidance contained in ASC 815 under which the warrants do not meet the criteria for equity treatment and must be recorded as liabilities. Accordingly, the Company classifies the Public Warrants and Private Placement Warrants as liabilities at their fair value and adjust the Public Warrants and Private Placement Warrants to fair value at each reporting period. This liability is subject to re-measurement at each balance sheet date until exercised, and any change in fair value is recognized in the Company's unaudited condensed consolidated statements of operations.

Business Combinations

The purchase price for each acquisition is allocated to the assets acquired and liabilities assumed primarily based on their estimated fair values at the date of acquisition. The excess of (i) the total consideration transferred over (ii) the fair value of the identifiable net assets of the acquiree is recorded as goodwill. If the consideration transferred is less than the fair value of the net assets of the acquiree, the difference is recognized directly in the consolidated statements of operations as a bargain purchase gain. During the measurement period, which can be up to one year from the acquisition date, the Company may record adjustments to the assets acquired and liabilities assumed. The consolidated financial statements include the results of operations of an acquired business beginning on the acquisition date.

Fair Value of Financial Instruments

The Company accounts for financial instruments under ASC 820, Fair Value Measurements ("ASC 820"). This statement defines fair value, establishes a framework for measuring fair value in U.S. GAAP, and expands disclosures about fair value measurements. To increase consistency and comparability in fair value measurements, ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels as follows:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - observable inputs other than Level 1, quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, and model-derived prices whose inputs are observable or whose significant value drivers are observable; and

Level 3 - assets and liabilities whose significant value drivers are unobservable.

The following fair value hierarchy table presents information about the Company's liabilities measured at fair value on a recurring basis:

	Fair value measurement at reporting date using		
December 31, 2025	(Level 1)	(Level 2)	(Level 3)
Liabilities:			
Warrant liabilities - Public Warrants	$ -	$ 452,826	$ -
Warrant liabilities - Private Placement Warrants	-	268,932	-
Total Warrant Liabilities	$ -	$ 721,758	$ -

	Fair value measurement at reporting date using		
September 30, 2026	(Level 1)	(Level 2)	(Level 3)
Liabilities:			
Warrant liabilities - Public Warrants	$ -	$ 51,575	$ -
Warrant liabilities - Private Placement Warrants	-	30,630	-
Total Warrant Liabilities	$ -	$ 82,205	$ -

The fair value of the Public Warrants and Private Placement Warrants is estimated based on the closing price of the Public Warrants, an observable market quote but is classified as a Level 2 fair value measurement due to the lack of an active market.

Net Loss per Common Share

Basic loss per common share is computed by dividing the net loss available to common stockholders by the weighted average number of shares of Common Stock outstanding during the periods. Diluted loss per common share reflects the potential dilution, using the treasury stock method, that could occur if securities or other contracts to issue Common Stock were exercised or converted into Common Stock or resulted in the issuance of Common Stock that then shared in the loss of the Company. In computing diluted loss per common share, the treasury stock method assumes that outstanding instruments are exercised/converted, and the proceeds are used to purchase Common Stock at the average market price during the periods. Instruments may have a dilutive effect under the treasury stock method only when the average market price of the Common Stock during the period exceeds the exercise price/conversion rate of the instruments. The Company accounts for stock issued in spin-out transactions and consummations of mergers of entities under common control retrospectively. For diluted net loss per common share, the weighted-average number of shares of Common Stock is the same for basic net loss per common share due to the fact that when a net loss exists, potentially dilutive securities are not included in the calculation when the impact is anti-dilutive.

The following potentially dilutive securities are excluded from the calculation of weighted average shares of Common Stock outstanding because their inclusion would have been anti-dilutive:

	September 30, 2026	December 31, 2025
Unvested restricted shares	22,782	-
Options	138,640	138,640
Warrants	3,128,697	4,206,300
Convertible note (as converted)	63,333	1,555,946
Total	3,353,452	5,900,886

Recently Issued but Not Yet Adopted Accounting Standards

In November 2024, the FASB issued ASU 2024-03, *Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which requires additional disclosure of certain amounts included in the expense captions presented on the Statement of Operations as well as disclosures about selling expenses. This ASU is effective on a prospective basis, with the option for retrospective application, for annual periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027. Early adoption is permitted for annual financial statements that have not yet been issued. The Company is currently evaluating the effect of this pronouncement on its disclosures.

NOTE C - PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consisted of the following:

	September 30, 2026	December 31, 2025
Prepaid professional fees	$ 372,883	$ 424,835
Contract assets	370,449	-
Prepaid insurance	188,131	99,437
Security deposits	112,176	107,226
Cataneo GmbH deposit	-	550,000
Prepaid VAT	10,450	1,993
Other	33,217	30,286
Prepaid expenses and other current assets	$ 1,087,306	$ 1,213,777

NOTE D - PROPERTY AND EQUIPMENT, NET

Property and equipment include equipment, furniture, and capitalized software. Furniture and equipment are depreciated using the straight-line method over estimated useful lives of three years. Capitalized software costs are amortized straight-line over an estimated useful life ranging from three to five years.

Property and equipment consists of the following:

	September 30, 2026	December 31, 2025
Equipment	$ 744,690	$ 676,785
Furniture	12,012	13,591
Capitalized software	240,515	240,515
Total	997,217	930,891
Accumulated depreciation and amortization	(679,661)	(643,818)
Property and equipment, net of accumulated depreciation and amortization	$ 317,556	$ 287,073

For the three months ended September 30, 2026 and 2025, depreciation of property and equipment totaled approximately $17,797 and $8,295, respectively.

For the nine months ended September 30, 2026 and 2025, depreciation of property and equipment totaled approximately $35,843 and $24,918, respectively.

NOTE E - INTANGIBLE ASSETS

The following table summarizes intangible assets included on the unaudited, condensed consolidated balance sheets:

	September 30, 2026		
	Gross	Accumulated Amortization	Net
Amortizing intangible assets:			
Patent portfolio	$ 1,268,563	$ (764,449)	$ 504,114
Developed technology	18,692,109	(9,148,247)	9,543,862
Cataneo customer relationships	1,257,027	(25,141)	1,231,886
Cataneo capitalized software	3,384,327	(148,903)	3,235,424
Total	$ 24,602,026	$ (10,086,740)	$ 14,515,286

	December 31, 2025		
	Gross	Accumulated Amortization	Net
Amortizing intangible assets:			
Patent portfolio	$ 1,264,752	$ (658,522)	$ 606,230
Developed technology	18,552,529	(6,107,858)	12,444,671
Total	$ 19,817,281	$ (6,766,380)	$ 13,050,901

Total amortization expense, including amortization related to developed technology, was approximately $1,239,651 and $920,200 for the three months ended September 30, 2026 and 2025, respectively, and $3,320,360 and $2,817,672 for the nine months ended September 30, 2026 and 2025, respectively.

Future amortization of intangible assets are estimated to be as follows:

Years Ending December 31:		
Remainder of 2026	$	1,247,957
2027		4,701,279
2028		4,475,960
2029		2,083,138
2030 and beyond		2,006,952
	$	14,515,286

NOTE F – DEBT

Convertible Notes

On April 12, 2024, the Company issued a convertible promissory note to J.V.B. Financial Group, LLC, acting through its Cohen & Company Capital Markets division ("CCM") in the principal amount of $1.9 million (the "Cohen Convertible Note"), to settle outstanding invoices totaling $1.9 million related to investment banking services rendered to the Company(f/k/a DHC Acquisition Corp.) in connection with its business combination with Brand Engagement Network Inc., a Wyoming corporation (the "Business Combination"). Beginning on October 14, 2024, interest has accrued at the fixed rate of 8% per annum on the outstanding principal amount. Interest is payable monthly in cash or in-kind at the election of the Company. The Company may prepay the Cohen Convertible Note in whole or in part at any time without penalty. The maturity date of the Cohen Convertible Note was March 14, 2025.

On December 14, 2024, $760,000 of the Cohen Convertible Note converted into 63,333 shares of Common Stock at $12.00 per share (the "Floor Price"). Under the terms of the note, on the 14th day of each successive month, CCM may elect to convert a portion of the remaining outstanding principal and accrued interest into shares of Common Stock. The number of shares issuable upon any such conversion is calculated as up to 20% of the then-outstanding principal balance plus accrued interest, divided by a conversion price equal to 92.75% of the arithmetic average of the Daily Volume-Weighted Average Price for the five trading days immediately preceding the conversion date, subject to a floor price of $12.00 per share. On January 14, 2025, $380,000 of the Cohen Convertible Note converted into 31,667 shares of Common Stock at $12.00 per share. As of September 30, 2026, the remaining principal balance of $760,000 was included within the convertible note in the accompanying consolidated balance sheets.

As of September 30, 2026, the Company was in default of the Cohen Convertible Note. As of the date of this filing, the Company and CCM remain in discussions regarding the note. CCM has not initiated formal collection or enforcement proceedings against the Company. During the three and nine months ended September 30, 2026, the Company recognized $18,031 and $49,857 in interest expense related to the Cohen Convertible Note, respectively.

Short-Term Loans

As of September 30, 2026, the Company has short-term loans with an outstanding principal balance of $227,837. During the three and nine months ended September 30, 2026, the Company repaid $0 and $50,000 in cash, respectively. The loans bear interest at a rate of 6.9% and 12% per annum, respectively, and mature upon demand.

NOTE G - STOCKHOLDERS' EQUITY

In December 2025, the Company effected a 1-for-10 reverse stock split of its Common Stock. All share and per share amounts in these financial statements and notes thereto have been retroactively adjusted to reflect the reverse stock split.

On May 28, 2024, the Company entered into a Securities Purchase Agreement (the "May SPA") with certain investors (the "May Purchasers"), pursuant to which the Company agreed to issue and sell 198,000 shares of Common Stock and warrants to purchase 396,000 shares of Common Stock. The warrants consisted of warrants with a one-year term (the "May One-Year Warrants") and warrants with a five-year term (the "May Five-Year Warrants" and, together with the May One-Year Warrants, collectively, the "May Warrants").

On May 30, 2024, the Company issued to the May Purchasers an aggregate of 20,000 shares of Common Stock and warrants to purchase 40,000 shares of Common Stock (consisting of 20,000 May One-Year Warrants and 20,000 May Five-Year Warrants) for aggregate gross proceeds of $500,000. The remaining shares were issued to an escrow account and such shares along with the May Warrants remain in escrow until the conditions in the May SPA are satisfied. The May Purchasers were required to pay to the Company monthly cash installments in the amounts and on the dates as determined in the May SPA ending on October 29, 2024. For every $25.00 paid to the Company, the Company will release one share of Common Stock and two May Warrants from escrow to the May Purchasers. If a May Purchaser fails to pay its required funding by the respective deadline, the May Purchaser's entire commitment under the May SPA will become immediately due and payable. During the three and nine months ended September 30, 2026, the Company issued 0 and 34,730 shares of Common Stock to the May Purchasers for proceeds of approximately $0 and $868,250, respectively. As of September 30, 2026, no May One-Year Warrants and 12,516 May Five-Year Warrants are outstanding.

On July 1, 2024, the Company entered into a separate Securities Purchase Agreement (the "July SPA") with The Williams Family Trust for the issuance and sale of 12,000 shares of Common Stock at a price per share of $25.00 and an aggregate of 24,000 warrants, consisting of (i) 12,000 warrants with a term of one year and (ii) 12,000 warrants with a term of five years for an aggregate purchase price of $300,000. The warrants are immediately exercisable for Common Stock at a price of $25.00 per share. As of September 30, 2026, no warrants issued pursuant to the July SPA remain outstanding.

On August 26, 2024, the Company entered into a Securities Purchase Agreement (the "August SPA") with certain investors (the "August Purchasers"), pursuant to which the Company agreed to issue and sell 118,500 shares of Common Stock. In connection with the August SPA, the Company also entered into a share assignment and lockup release agreement (the "Assignment Agreement") with certain existing stockholders and affiliates of the Company and the August Purchasers.

On January 13, 2025, the Company entered into a warrant exercise agreement (the "January Warrant Exercise Agreement") with certain purchasers party thereto (the "Purchasers"). Pursuant to the August SPA, the Purchasers previously purchased 11,000 shares of Common Stock, and the Company issued a warrant (the "Contribution Warrant") to purchase up to 96,000 shares of Common Stock at an exercise price of $50.00 per share in exchange for certain holders of Common Stock contributing 118,500 shares of Common Stock into an escrow account maintained in connection with the August SPA, of which 107,500 shares of Common Stock remain in such escrow account as of September 30, 2026.

Under the January Warrant Exercise Agreement, the exercise price of certain warrants subject to mandatory exercises (the "Committed Warrants") was reduced to $19.60 per share, until May 30, 2025, after which point the exercise price for any unexercised Committed Warrants was automatically reverted back to $25.00 per share. Pursuant to the January Warrant Exercise Agreement, the Purchasers agreed to exercise the Committed Warrants for cash in accordance with the exercise schedule set forth therein (the "Exercise Schedule"). Upon each Committed Warrant exercised in accordance with the Exercise Schedule, the Company agreed to issue additional warrants (the "Reload Warrants"). Upon a Purchaser's completion in full of its required warrant exercises (the "Warrant Exercise"), but no later than May 30, 2025, all remaining May Warrants issued under the May SPA held by such Purchaser immediately upon completion of such exercise automatically were amended to become exercisable for $19.60 per share for the remainder of their respective terms. The January Warrant Exercise Agreement also provided for the exercise of certain additional warrants (the "Optional Warrants") and the issuance of additional warrants in connection therewith (the "Optional Reload Warrants"). If a Purchaser exercised an Optional Warrant by June 30, 2025, the Company agreed to issue the Optional Reload Warrants. In addition, under the January Warrant Exercise Agreement, for each share of Common Stock for which a Purchaser exercises a Committed Warrant, one share held in escrow (an "Escrow Share") will be released from escrow and transferred to such Purchaser, for an aggregate of up to 107,499 Escrow Shares among all Purchasers, rounded down to the nearest whole share. Additionally, the exercise price of the Contribution Warrant was reduced to $17.10 per share.

On January 29, 2026, the Company repaid in full an aggregate of $640,332 of outstanding indebtedness. This included the payment of $630,332 owed to Hana Bank, South Korea, thereby satisfying the obligations under the Asset Purchase Agreement dated May 3, 2023, through January 30, 2026. Additionally, during the three and nine months ended September 30, 2026, the Company completed $0.3 million and $0.9 million in equity conversions, respectively to settle short-term loans and outstanding liabilities.

On March 9, 2026, the Company closed a $1.5 million private placement with BEN Capital Fund I, LLC pursuant to which the Company sold 24,000 shares of Common Stock at a price of $63.25 per share.

On April 21, 2026, the Company entered into a Securities Purchase Agreement with BEN Capital Fund I, LLC pursuant to which the Company sold 25,492 shares of Common Stock at a price per share of $39.25. The agreement included a One-Year Warrant issuance for each share of Common Stock purchased. The agreement was fully funded in June 2026. 12 One-Year warrants were exercised during the Third Quarter and 25,479 are available as of September 30, 2026.

On April 28, 2026, the Company entered into a Securities Purchase Agreement with BEN Capital Fund II, LLC ("the April 2026 Purchaser"). The Company agreed to sell and the April 2026 Purchaser agreed to purchase an aggregate of 202,072 shares of the Company's Common Stock at a per share price of $39.59. Per the agreement, for each share of Common Stock purchased, a One-Year Warrant would also be granted. This $8M agreement was fully funded by the end of June, 2026. 202,072 shares of Common Stock were issued and 202,072 One-Year Warrants were granted. All warrants are available for exercise as of this filing. This Securities Purchase Agreement was used solely for the acquisition of Cataneo GmbH on June 30, 2026.

On June 3, 2026, the Company entered into a Securities Purchase Agreement for the private placement of 56,150 shares of Common Stock at a purchase price of $17.82 per share, for aggregate gross proceeds of approximately $1.0 million. The investment is payable in installments through November 1, 2026 and includes 100% warrant coverage. The proceeds are intended to fund the exercise of a warrant to purchase shares of Hightide Energy, Inc. d/b/a Accelevate Solutions.

On September 21, 2026, the Company entered into a Securities Purchase Agreement (the "September 2026 Purchase Agreement") with two investors (the "September Purchasers"), providing for the private placement of up to 123,650 shares of Common Stock at a purchase price of $8.50 per share for aggregate gross proceeds of up to $1.1 million. As of September 30, 2026, the Company had received $150,025 in proceeds related to the purchase of 17,650 shares of common stock. As the related shares had not been issued as of September 30, 2026, the proceeds were recorded as a stock subscription liability in the accompanying condensed consolidated balance sheet. The remaining $901,000 is payable in five monthly installments of $180,200, with 21,200 shares of Common Stock issuable upon the funding of each installment.

Pursuant to the September 2026 Purchase Agreement, in connection with each funded tranche, the Company is required to issue warrants to purchase a number of shares of Common Stock equal to the number of shares purchased in the applicable tranche (the "September Warrants"). The September Warrants have an exercise price of $8.50 per share and expire six months from their respective issuance dates. If the September 2026 Purchase Agreement is fully funded, the Company will issue warrants to purchase an aggregate of 123,650 shares of Common Stock. As of September 30, 2026, no shares of Common Stock or related warrants had been issued under the September 2026 Purchase Agreement.

As of September 30, 2026, the Company's stock subscription liability totaled $202,025, consisting of $52,000 related to the June 2026 Purchase Agreement and $150,025 related to the September 2026 Purchase Agreement.

During the three and nine months ended September 30, 2026, the Company also received approximately $0.7 million and $6.7 million in cash proceeds from the exercise of outstanding warrants, respectively.

During the three and nine months ended September 30, 2026, the Company received approximately $0.5 million and $10.9 million, respectively, in cash proceeds from the issuance of 25,260 and 286,156 shares of Common Stock, respectively.

Common Stock Warrants

In connection with the Business Combination, the Company assumed 1,031,495 Public Warrants and 612,601 Private Placement Warrants, which were all outstanding as of September 30, 2026 and December 31, 2025. Each whole Public Warrant and Private Placement Warrant entitles the holder to purchase one share of the Company's Common Stock at an exercise price of $115.00 per share. The Public Warrants and Private Placement Warrants were exercisable beginning on April 13, 2024 and expire on April 14, 2029.

The Private Placement Warrants are identical to the Public Warrants, except that (x) the Private Placement Warrants and the Common Stock issuable upon the exercise of the Private Placement Warrants were not transferable, assignable or salable until 30 days after the completion of a business combination, subject to certain limited exceptions. Additionally, the Private Placement Warrants will be exercisable on a cashless basis and be nonredeemable as described above so long as they are held by the initial purchasers or their permitted transferees. If the Private Placement Warrants are held by someone other than the initial purchasers or their permitted transferees, the Private Placement Warrants will be redeemable by the Company and exercisable by such holders on the same basis as the Public Warrants.

In connection with the May SPA, the Company also entered into a Letter Agreement to Exercise Warrants ("May Warrant Exercise Agreement") with certain of the May Purchasers (the "Required Warrant Parties"). Under the May Warrant Exercise Agreement, if the Company uses commercially reasonable efforts to raise an additional $3,250,000 in capital (excluding amounts raised under the May SPA) but is unable to do so by October 31, 2024, the Required Warrant Parties will be required to exercise for cash certain of their May Warrants on a monthly basis in the amounts and on the dates as determined in the May Warrant Exercise Agreement. For each May Warrant so exercised, the Company will issue one new May One-Year Warrant and one new May Five-Year Warrant (collectively, "May Reload Warrants") each with an exercise price of $25.00 to the Required Warrant Party. A maximum of 260,000 May Reload Warrants may be issued pursuant to the May Warrant Exercise Agreement. Upon receipt of an aggregate of $3,250,000 of actual cash proceeds from the August SPA, the May Warrant Exercise Agreement will terminate automatically.

On August 26, 2024, in connection with the August SPA and the Assignment Agreement, the Company entered into a warrant purchase agreement (the "August Warrant Agreement") with each of the warrant holders signatory thereto (the "Warrant holders"), pursuant to which the Company issued to the Warrant holders an aggregate of 96,000 warrants to purchase shares of Common Stock (the "August Warrants"), with an exercise price of $50.00 per share with an expiration period of five years from the date of issuance.

NOTE H -EQUITY-BASED COMPENSATION

Equity Compensation Plans

2021 Incentive Stock Option Plan

In May 2021, the Company adopted the 2021 Incentive Stock Option Plan ("2021 Option Plan") that provides for the grant of the following types of stock awards: (i) incentive stock options, (ii) non-statutory stock options, (iii) stock appreciation rights, (iv) restricted stock awards, (v) restricted stock unit awards, and (vi) other stock awards. The 2021 Option Plan was administered by the Company's Board of Directors (the "Board of Directors"). In connection with the Closing, all outstanding awards were assumed by BEN pursuant to the terms of the Business Combination Agreement and the Board of Directors declared that there will be no further issuances under the 2021 Option Plan. Forfeitures under the 2021 Option Plan are automatically added to shares available for issuance under the 2024 Plan (as defined below).

2024 Long-Term Incentive Plan

In connection with the Closing, the 2024 Long-Term Incentive Plan (the "2024 Plan") became effective. The 2024 Plan provides for the grant of the following types of stock awards: (i) incentive stock options, (ii) nonqualified stock options, (iii) stock appreciation rights, (iv) restricted stock, (v) restricted stock units, (vi) performance awards, (vii) dividend equivalent rights, (viii) performance awards, (ix) performance goals, (x) tandem awards, (xi) prior plan awards, and (xii) other awards. The 2024 Plan is administered by the Board of Directors. The 2024 Plan awards are available to employees, officers and contractors. The option grants authorized for issuance under the 2024 Plan may total up to 2,942,245 shares of Common Stock. As of September 30, 2026 and December 31, 2025, 64,280 and 26,616 shares, respectively, remained available for grant under the 2024 Plan.

NOTE I -BUSINESS COMBINATIONS

Cataneo GmbH

On June 30, 2026 (the "Acquisition Date"), the Company completed its acquisition of Cataneo GmbH ("Cataneo") through the Company's wholly owned subsidiary BEN Holding. The acquisition was accounted for as a business combination under ASC 805, Business Combinations, with the Company identified as the accounting acquirer. The total stated aggregate consideration under the definitive agreement was $19.5 million, with the number of shares of Common Stock to be issued at the closing set at 250,792 shares, calculated based on a negotiated value of $37.88 per share. For U.S. GAAP accounting purposes, the consideration transferred was measured at its acquisition-date fair value of approximately $13.9 million consisting of (i) cash of approximately $9 million, (ii) the fair value of common stock issued of approximately $4.3 million, and (iii) other consideration of approximately $0.5 million. The difference between the stated aggregate consideration per the agreement and the fair value of consideration transferred is primarily attributable to the acquisition-date fair value of the Company's Common Stock issued in the transaction being substantially less than $37.88 per share. As part of the equity consideration, 26,400 shares of the Company's common stock were placed in escrow through December 31, 2026, to secure certain post-closing obligations of the sellers. The escrow shares were valued at approximately $0.5 million based on the Company's closing stock price of $17.11 per share on the acquisition date and were included in the purchase consideration.

The purchase price was allocated, on a preliminary basis, among assets acquired and liabilities assumed based on available information. The determination of the estimated fair value of assets acquired requires management's judgment and often involves the use of significant estimates and assumptions. The preliminary allocation of the purchase price is subject to change as the Company continues to obtain and assess relevant information that existed as of the Acquisition Date. A final determination of the fair value of assets acquired and liabilities assumed will be performed within one year of the Acquisition Date.

The following table summarizes the allocation of the purchase price based on the estimated fair values of the assets acquired and liabilities assumed in connection with the acquisition are as follows:

Purchase consideration:		
Common Stock, at fair value	$	4,363,290
Deferred consideration payable (Escrow Shares)		451,704
Cash paid		9,000,043
Total purchase consideration	$	13,815,037
Purchase price allocation:		
Cash	$	601,839
Accounts receivable		766,799
Prepaid and other current assets		10,497
Other non-current assets		2,340
Property and Equipment		39,601
Intangible assets		4,261,967
Goodwill		13,204,928
Operating lease right of use asset		603,995
Accounts payable and accrued expenses		(554,872)
Contract liabilities		(3,849,397)
Other current liabilities		(345,743)
Income taxes payable		(144,978)
Deferred tax liabilities		(37,326)
Lease liability		(603,995)
Debt		(140,618)
Fair value of net assets acquired	$	13,815,037

The excess of purchase consideration over the fair value of net tangible and identifiable intangible assets acquired was recorded as goodwill and is primarily attributed to the synergies expected from expanded European AI market opportunities as well as customer relationships and technology synergies. The goodwill balance is not deductible for income tax purposes.

The following table sets forth the components of identifiable intangible assets acquired and their estimated useful lives as of the Acquisition Date (in years):

	Fair value	Useful life
Customer Relationships	$ 1,265,005	12.5
Capitalized software	2,996,962	5
Total intangible assets	**$ 4,261,967**	

The following table represents the amount of net revenue and net income from operations related to the Cataneo acquisition which has been included in the consolidated statements of operations for the periods indicated subsequent to the Acquisition Date (in thousands):

(in thousands)	Three and Nine Months Ended September 30, 2026
Revenue	$ 1,931
Net income	$ 334

Unaudited Pro-Forma Information

The financial information in the table below summarizes the combined results of operations of BEN and Cataneo, on a pro forma basis, as though the companies had been combined as of the beginning of the periods presented. The pro forma financial information is presented for informational purposes only and is not indicative of the results of operations that would have been achieved if the acquisition had taken place at the beginning of the periods presented or of results that may occur in the future.

The following unaudited pro forma financial information for the three and nine months ended September 30, 2026 and 2025 combines the historical results of BEN and Cataneo, as converted to U.S. GAAP, for the respective periods:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	2026 Pro Forma	2025 Pro Forma	2026 Pro Forma	2025 Pro Forma
Revenue	$ 1,957	$ 2,073	$ 7,534	$ 6,977
Net income (loss)	$ (1,520)	$ (2,497)	$ (7,538)	$ (4,976)

We based the foregoing pro-forma results on estimates and assumptions that we believe are reasonable. The pro-forma results include adjustments primarily related to purchase accounting. We included acquisition costs and other non-recurring charges incurred in the earliest period presented

NOTE J - RELATED PARTY TRANSACTIONS

Advances to Officers and Directors

Certain officers and directors advanced funds to the Company on an undocumented, non-interest bearing, due on demand basis. As of September 30, 2026 and December 31, 2025, there were no amounts owed to related parties were included within accrued expenses and accounts payable, respectively, in the accompanying consolidated balance sheet.

Related Party Revenue

The Company provided services related to the development and operation of platforms for certain equity method investees. The Company recognized related party revenue of $53,084 and $156,605 during the three and nine months ended September 30, 2026, respectively. The Company did not recognize any related party revenue during the three and nine months ended September 30, 2025.

NOTE K - COMMITMENTS AND CONTINGENCIES

The Company is subject to various legal and regulatory proceedings, claims, and assessments, as well as other contingencies, that arise in the ordinary course of business. The Company accrues for these contingencies when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. The Company regularly reviews and updates its accruals for contingencies and makes adjustments as necessary based on changes in circumstances and the emergence of new information.

Litigation

We are currently involved in multiple related litigations arising out of disputes with AFG Companies, Inc. ("AFG") and related parties:

- *Brand Engagement Network, Inc. v. AFG Companies, Inc. and Ralph Wright Brewer III,* Case No. 25-CV-2245 (CM) (S.D.N.Y.) (the "SDNY Action");
- *Brand Engagement Network, Inc. v. AFG Companies, Inc. and Ralph Wright Brewer III,* Case No. 4:25-CV-00463 (N.D. Tex.); and
- related proceedings in Tarrant County, Texas.

These matters remain ongoing, and we cannot predict the outcome or the timing of any resolution. An adverse result, or even a favorable result that is delayed, could require us to incur significant legal fees and expenses, divert management's attention from our business operations, and potentially impact our financial condition and results of operations. In addition, the existence of the litigation may negatively affect the trading price of our Common Stock.

From time to time, we may become involved in legal proceedings or be subject to claims arising in the ordinary course of our business. Apart from the foregoing, we are not presently a party to any other legal proceedings that we believe, if determined adversely to us, would individually or taken together have a material adverse effect on our business, operating results, cash flows or financial condition. Defending such proceedings is costly and can impose a significant burden on management and employees. The results of any current or future litigation cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

Related Party Investigation

The Company's management team assigned an advisor to the Board of Directors to conduct an internal investigation of potential related-party transactions with certain members of DHC Sponsor, LLC, prior to the merger with Brand Engagement Network, Inc. These matters are still under investigation.

Employment contracts

The Company has entered into employment contracts with its officers and certain employees that provide for severance and continuation benefits in the event of termination of employment either by the Company without cause or by the employee for good reason, both as defined in the agreements, along with any unpaid vested options, equity or earned bonuses. In addition, in the event of termination of employment following a change in control, as defined in each agreement the employee shall receive a prorated bonus payment and severance payments (as defined in each agreement).

The Company has satisfied all obligations pursuant to the employment agreement with Mr. Chang, the Company's former Chief Executive Officer, through the date of his termination as Chief Executive Officer, but has still not reached a resolution regarding a release agreement.

Grupo Skye S.A. de C.V. (Mexico)

In October 2025, the Company entered into an exclusive reseller agreement (the "Agreement") with Skye Inteligencia LATAM ("Skye"), pursuant to which the Company granted Skye the exclusive right to market and resell certain of the Company's services. In connection with the Agreement, the Company received a contingent preferred equity interest in Skye and a 25% common stock interest in Skye and is entitled to a 35% share of Skye's future net revenues derived from the resold services. Grupo Skye, S.A. de C.V. was formed in Q1 of 2026 and Skye Inteligencia LATAM, S.A. de C.V. became a wholly owned subsidiary of Grupo Skye, S.A. de C.V ("Skye"). As Skye was a newly formed entity with no operations or revenue history at the time the Agreement was executed, the Company determined that collectibility of substantially all consideration was not probable at inception and, accordingly, the Agreement did not meet the criteria for recognition under ASC 606. The preferred equity interest has been recorded as an equity security under ASC 321 with nominal value, and the 25% common stock interest, which had nominal value at the date of the Agreement, is accounted for under the equity method in accordance with ASC 323. Revenue attributable to the 35% revenue share will be recognized as the related sales occur in accordance with ASC 606.

Africa Licensing Agreement

On January 20, 2026, the Company executed a licensing partnership with Valio Technologies (Pty) Ltd. This agreement facilitates the Company's entry into the African market and includes an institution-approved pilot with Nelson Mandela University of an AI-powered mental health support solution for students to evaluate the ELM™ technology in regulated healthcare and academic environments. Under the terms of the agreement, the Company maintains a 25% equity interest in the regional venture and a 35% recurring revenue share.

Settlements

On September 30, 2026, the Company, BEN Capital Fund I, LLC ("Guarantor"), and Evora Partners, LLC ("Evora") entered into a Settlement and Forbearance Agreement ("Settlement Agreement"), pursuant to which Evora agreed to accept a settlement amount of $825,000 (inclusive of a $75,000 reimbursement for Evora's attorneys' fees), a discount to the amount of approximately $1.3 million owed by the Company to Evora under a January 2021 consulting agreement between the Company (then known as DHC Acquisition Corp.) and Evora, as amended, which amount has been reflected on the Company's balance sheet within accrued expenses. The Company has paid $175,000 of the settlement amount and will pay the remaining $650,000 in installments through December 2026, with Guarantor guaranteeing payment.

Under the Settlement Agreement, Evora will also dismiss the lawsuit it commenced against the Company on September 2, 2026, in the United States District Court for the Southern District of New York, captioned Evora Partners, LLC v. Brand Engagement Network Inc., which asserted claims for breach of contract and declaratory relief.

NOTE L - SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 23, 2026, which represents the date the financial statements were issued, and no events, other than those discussed below, have occurred through that date that would impact the unaudited, condensed consolidated financial statements.

Following September 30, 2026, as of November 23, 2026, the Company received additional proceeds of $348,415 and $219,404 pursuant to the June and September 2026 Purchase Agreements, respectively, for aggregate proceeds of $567,819. In connection therewith, the Company will issue an aggregate of 45,364 shares of Common Stock, consisting of 19,552 shares at a purchase price of $17.82 per share and 25,812 shares at a purchase price of $8.50 per share. Pursuant to the terms of the September 2026 Purchase Agreement, the Company will issue warrants to purchase 25,812 shares of Common Stock at an exercise price of $8.50 per share. The warrants expire six months from the date of issuance. As of November 23, 2026, no shares of Common Stock or related warrants have been issued under the September 2026 Purchase Agreement.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and the notes related thereto which are included elsewhere in this Quarterly Report on Form 10-Q (this "Report"). Unless the context otherwise requires, all references in this section to "we," "us," "our," the "Company" or "BEN" refer to Brand Engagement Network Inc., a Delaware corporation. The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our audited consolidated financial statements and related notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2025 (as amended on November 19, 2026, the "2025 Annual Report") and with the unaudited condensed consolidated financial statements and related notes thereto presented in this Report.

Overview

We develop and provide artificial intelligence ("AI") technology that enables organizations to engage with people through conversational interactions, including chat, voice and AI avatars. Our technology is built on our proprietary Engagement Language Model ("ELM™") and is designed to operate within closed-loop environments using approved organizational data, with governance and compliance controls. Our technology can be applied across industries, including hospitality, healthcare, automotive, transportation and mobility, advertising and media.

On June 30, 2026, we completed the acquisition of Cataneo GmbH ("Cataneo"), a Munich-based provider of enterprise software for media companies. Cataneo's software, including its MYDAS platform, supports advertising sales, scheduling, traffic, content management, monetization, analytics and reporting across linear, digital and on-demand media. We have begun integrating our AI technology into the MYDAS platform, which we believe creates opportunities to apply our AI capabilities within media and advertising.

Our technology is supported by proprietary software, AI capabilities, intellectual property and a patent portfolio. We continue to develop these technologies for applications across industries and markets in which organizations seek to make interactions and operations more intelligent, personalized, efficient, and actionable.

Recent Developments

Acquisition of Cataneo GmbH

On June 30, 2026, we completed our previously announced acquisition of Cataneo, a provider of enterprise software for advertising operations and infrastructure. Cataneo's MYDAS platform supports advertising sales, scheduling, traffic, content management, monetization, analytics, CRM integration, and real-time reporting for broadcasters and media organizations. Cataneo's platform manages more than $13 billion in annual advertising inventory across more than 1,000 media brands and more than 200 broadcast and digital channels across 93 countries. Cataneo generated approximately $9.6 million in revenue in 2025. Total consideration for the acquisition was approximately $13.8 million, consisting of $9 million in cash and 255,014 shares of our Common Stock and 26,400 escrow shares. In connection with the transaction, our Board of Directors appointed Cataneo Co-Founder Christian Unterseer to serve as a member of our Board of Directors, effective July 1, 2026.

During the third quarter of 2026, we and Cataneo introduced conversational advertising at the 2026 International Broadcasting Convention ("IBC 2026") in Amsterdam, which enables viewers to interact with AI agents within broadcast and streaming advertisements. Cataneo also introduced its MYDAS Optimizer, an advertising yield optimization product, appointed Don Durand as Chief Sales Officer, and opened a U.S. headquarters in New York.

Investment in Accelevate Solutions

On June 5, 2026, we completed a $1.0 million investment in Accelevate Solutions, a division of HighTide Energy, Inc. ("Accelevate"), for an approximate 10% ownership stake. In connection with the investment, we received a warrant that may increase our ownership interest in Accelevate to approximately 20% over the following six months, subject to the terms of the warrant, and secured a matching $1.0 million investor capital commitment to support the exercise of that warrant. As of September 30, 2026, the Company has exercised $300,000 of the warrant and has a total investment to date of $1.3 million.

In July 2026, we joined Accelevate and Cataneo, to launch a Transportation Media Network. In September 2026, the parties deployed a passenger engagement platform for off-airport parking and shuttle services at the Los Angeles International Airport, which currently displays promotional and static content.

The Company and Accelevate through its exclusive reseller and equity partner, Grupo Skye, have entered into pilot agreements with several transportation and logistics industry leaders in Mexico. These pilots are expected to conclude in the first quarter of 2027.

Healthcare Initiatives

On June 8, 2026, we launched INTERVENT Health AI, Inc., a 50/50 joint venture with INTERVENT International formed to commercialize AI-powered health coaching and chronic disease management solutions. Following this joint venture, INTERVENT Health AI appointed James F. Hughes as its Chief Executive Officer.

On June 23, 2026, our Skye Salud program in Mexico advanced to its next phase as we continued to expand our healthcare technology initiatives in the region.

Skye Africa Intelligence Pty Ltd., in which we hold a 25% common equity interest, entered into a non-binding Memorandum of Understanding with the East, Central and Southern Africa Health Community to deploy AI health tools for disease surveillance and youth mental health support, and was engaged to develop SafariOS, an AI hotel and visitor concierge in Tanzania using our technology.

Hospitality Initiatives

On May 15, 2025, the Company entered into an initial partnership with 7 Vision Resort and Places (DVIN). On March 2, 2026, the Company announced that its AI Concierge had transitioned to a live, guest-facing deployment in select rooms at the DVIN resort. The Company continues to support the AI Concierge and refine its go-to-market strategy for the hospitality industry.

Capital Structure and Legacy Liabilities

During the nine months ended September 30, 2026, we continued to reduce legacy liabilities and streamline our capital structure. On January 29, 2026, we repaid in full an aggregate of $640,332 of outstanding indebtedness, including $630,332 owed to Hana Bank, South Korea, satisfying our obligations under the Asset Purchase Agreement dated May 3, 2023 through January 30, 2026. On February 4, 2026, we also terminated our $50 million Standby Equity Purchase Agreement ("SEPA") facility as part of our efforts to streamline our capital structure. During the nine months ended September 30, 2026, the Company completed $0.9 million in equity conversions to settle short-term loans and outstanding liabilities.

On September 30, 2026, we entered into a Settlement and Forbearance Agreement with Evora Partners, LLC ("Evora"), under which Evora agreed to accept $825,000, payable in installments through December 2026, in settlement of approximately $1.3 million owed under a January 2021 consulting agreement, and to dismiss its pending lawsuit against us. See Note K to our unaudited condensed consolidated financial statements.

On September 21, 2026, we entered into a Securities Purchase Agreement with two investors for the private placement of up to 123,650 shares of Common Stock at a purchase price of $8.50 per share, for aggregate gross proceeds of $1.1 million, payable in installments, with a six-month warrant at an exercise price of $8.50 per share issued for each share purchased. As of September 30, 2026, we had received $150,025 under the agreement. See Note G to our unaudited condensed consolidated financial statements.

Subsequent Events

Following September 30, 2026, as of November 23, 2026, the Company received additional proceeds of $348,415 and $219,404 pursuant to the June and September 2026 Purchase Agreements, respectively, for aggregate proceeds of $567,819. In connection therewith, the Company will issue an aggregate of 45,364 shares of Common Stock, consisting of 19,552 shares at a purchase price of $17.82 per share and 25,812 shares at a purchase price of $8.50 per share. Pursuant to the terms of the September 2026 Purchase Agreement, the Company will issue warrants to purchase 25,812 shares of Common Stock at an exercise price of $8.50 per share. The warrants expire six months from the date of issuance. As of November 23, 2026, no shares of Common Stock or related warrants have been issued under the September 2026 Purchase Agreement.

Intellectual Property

Subsequent to September 30, 2026, the U.S. Patent and Trademark Office issued four patents to our wholly owned subsidiary, Datum Point Labs Inc., bringing our portfolio to 30 issued patents and 22 pending patent applications as of the date of this Report. The new patents cover AI avatars that can bring a credentialed professional, such as a clinician, into a live conversation; emotionally expressive text-to-speech; facial expression and emotion recognition in video; and AI-generated completion of obscured areas of an image.

On September 7, 2026, BEN formed a wholly-owned subsidiary, Lightning Labs Inc., to centralize our AI-related patents and patent applications acquired, issued, or pending since May 3, 2023, which are currently held by Datum Point Labs Inc. Datum Point Labs Inc. will retain our Internet of Things ("IoT") patents. We expect to complete the assignment of the AI-related patents and patent applications to Lightning Labs Inc. in the fourth quarter of 2026.

In addition, the following patents were issued:

On October 13, 2026, a subsidiary of the Company, Datum Point Labs, Inc. was issued U.S. Patent No. 12,763,205 B2, relating to Systems and Methods for Avatar-Based Interactions.

On October 20, 2026, a subsidiary of the Company, Datum Point Labs, Inc. was issued U.S. Patent No. 12,770,608 B2, relating to Systems and Methods for Text-to-Speech Synthesis.

On November 3, 2026, a subsidiary of the Company, Datum Point Labs, Inc. was issued U.S. Patent No. 12,784,157 B2, relating to Systems and Methods for Diverse Image Inpainting.

On November 17, 2026, a subsidiary of the Company, Datum Point Labs, Inc. was issued U.S. Patent No. 12,802,490 B2, relating to Systems and Methods for Dynamic Facial Expression Recognition.

Operational Results and Strategic Milestones:

Grupo Skye and Related Entities: The Company owns a 25% common equity interest in Grupo Skye. Through this interest, the Company holds a 50% interest in Skye Salud S.A. de C.V. (with Grupo Knobloch owning the other 50%) and, through Grupo Skye, 100% of Skye Inteligencia (formerly Skye Inteligencia LATAM), which serves as the vehicle for government-related business. The Company also holds a preferred equity interest in Skye that has been recorded at nominal value for accounting purposes.

Africa Licensing Agreement: On January 20, 2026, the Company, through its wholly owned subsidiary Skye AI USA LLC, entered into a licensing partnership related to the African market. The Company owns 25% of the common equity of Skye Africa Intelligence, Pty. Ltd, with Valio Technologies owning the remaining 75%, and holds preferred equity in Skye Africa Intelligence, Pty. Ltd. with a nominal value. The Company is entitled to a 35% recurring revenue share.

Key Factors and Trends Affecting our Business

Productions and Operations

We expect to continue to incur significant operating costs that will impact our future profitability, including research and development expenses as we introduce new products and improve existing offerings; capital expenditures for the expansion of our development and sales capacities and driving brand awareness; additional operating costs and expenses for production ramp-up; general and administrative expenses as we scale our operations; interest expense from debt financing activities; and selling and distribution expenses as we build our brand and market our products. To date, we have not yet sold any of our products beyond their pilot stage. As a result, we will require substantial additional capital to develop products and fund operations for the foreseeable future.

Revenues

We are a development stage company and have not generated any significant revenue to date, but we anticipate additional revenue from our acquisition of Cataneo GmbH, and from services provided to certain of our equity method investees. Cataneo's revenue is primarily derived from enterprise advertising software, which we acquired on June 30, 2026.

Public Company Costs

If we cease to be an emerging growth company and then qualify as an accelerated filer or large accelerated filer, we will become subject to the provisions and requirements under Section 404(b) of the Sarbanes-Oxley Act of 2002, which will require us to undergo audits of our internal controls over financial reporting as part of our yearly financial statement audits, resulting in a significant increase in consultant and audit costs over previous levels going forward.

Components of Results of Operations

Operating expenses

General and administrative expenses

General and administrative expenses consist of employee-related expenses including salaries, benefits, and stock-based compensation as well as fees paid for legal, accounting and tax services, consulting fees and facilities costs not otherwise included in research and development expense. We have and expect to further incur significant expenses as a result of being a public company, including expenses related to compliance with the rules and regulations of the SEC and Nasdaq, additional insurance, investor relations and other administrative expenses and professional services.

Depreciation and amortization

Depreciation expense relates to property and equipment which consists of equipment, furniture and capitalized software. Amortization expense relates to intangible assets.

Research and development cost

Costs incurred in connection with research and development activities are expensed as incurred. These costs include rent for facilities, hardware and software equipment costs, consulting fees for technical expertise, prototyping, and testing.

Interest expense

Interest expense consists of interest on our related party note payable and short-term debt.

Interest income

Interest income consists of interest earned on our excess cash.

Change in fair value of warrant liabilities

Change in fair value of warrant liabilities reflected the non-cash charge for changes in the fair value of the warrant liability that is subject to re-measurement at each balance sheet date.

Other expenses

Other expenses primarily consists of foreign currency gains or losses as a result of exchange rate fluctuations on transactions denominated in foreign currencies primarily the Euro and Korean won.

Results of Operations

Comparison of the Three and Nine Months Ended September 30, 2026 and 2025

On June 30, 2026, we completed the acquisition of Cataneo. Our results of operations for the three and nine months ended September 30, 2026 include the results of Cataneo from the acquisition date, while our results for the comparable 2025 periods do not. As a result, our results of operations for the periods presented are not directly comparable.

	For the three months ended September 30,		
	2026	2025	Increase (Decrease) $
Revenue	$ 1,911,115	$ 60,120	$ 1,850,995
Revenue-related party, net	53,084	-	53,084
Cost of goods sold	610,458	-	610,458
Gross profit	1,353,741	60,120	1,293,621
Operating expenses			
General and administrative expenses	1,567,443	1,451,867	115,576
Research and development	77,406	(3,629)	81,035
Depreciation and amortization	1,257,448	928,495	328,953
Total operating expenses	2,902,297	2,376,733	525,564
Loss from operations	(1,548,556)	(2,316,613)	768,057
Other income (expense)			
Interest expense, net	(22,621)	(43,421)	20,800
Change in fair value of warrant liabilities	147,968	243,326	(95,358)
Gain (loss) on debt extinguishment	405,516	(347,666)	753,182
Other income (expense), net	(35,473)	(17,601)	(17,872)
Total other income, net	495,390	(165,362)	660,752
Loss before income tax expense	(1,053,166)	(2,481,975)	1,428,809
Income tax expense	(204,062)	-	(204,062)
Net loss	$ (1,257,228)	$ (2,481,975)	$ 1,224,747
Net loss per common share, basic and diluted (*)	$ (0.17)	$ (0.59)	
Weighted average number of common shares outstanding, basic and diluted (*)	7,560,909	4,216,612	

(*) Adjusted retroactively for reverse stock split

	For the nine months ended September 30,		
	2026	2025	Increase (Decrease) $
Revenue	$ 2,071,988	$ 75,120	$ 1,996,868
Revenue-related party, net	156,605		156,605
Cost of goods sold	610,458	-	610,458
Gross profit	1,618,135	75,120	1,543,015
Operating expenses			
General and administrative expenses	6,565,976	6,514,077	51,899
Research and development	109,354	14,466	94,888
Depreciation and amortization	3,356,203	2,842,590	513,613
Total operating expenses	10,031,533	9,371,133	660,400
Loss from operations	(8,413,398)	(9,296,013)	882,615
Other income (expense)			
Interest expense, net	(94,921)	(190,072)	95,151
Change in fair value of warrant liabilities	639,553	667,503	(27,950)
Gain on debt extinguishment	494,856	3,611,388	(3,116,532)
Other income (expense), net	(46,572)	20,069	(66,641)
Total other income, net	992,916	4,108,888	(3,115,972)
Loss before income tax expense	(7,420,482)	(5,187,125)	(2,233,357)
Income tax expense	(261,051)	-	(261,051)
Net loss	$ (7,681,533)	$ (5,187,125)	$ (2,494,408)

Net loss per common share, basic and diluted (*)	$ (1.13)	$ (1.26)
Weighted average number of common shares outstanding, basic and diluted (*)	6,808,542	4,124,018

(*) Adjusted retroactively for reverse stock split

Revenues

Total revenue, including related-party revenue, increased to $2.0 million for the three months ended September 30, 2026, compared with $0.1 million for the comparable prior-year period, primarily due to revenue generated by Cataneo following its acquisition by the Company. Revenue for the three months ended September 30, 2026 included $0.1 million of related-party revenue.

Total revenue, including related-party revenue, increased to $2.2 million for the nine months ended September 30, 2026, compared with $0.1 million for the comparable prior-year period, primarily due to revenue generated by Cataneo following its acquisition by the Company. Revenue for the nine months ended September 30, 2026 included $0.2 million of related-party revenue.

General and administrative expenses

General and administrative expenses increased by $0.1 million to $1.6 million for the three months ended September 30, 2026, compared with $1.5 million for the comparable prior-year period, primarily due to costs associated with the Cataneo acquisition and increases in consulting, professional services fees, and travel expenses, partially offset by decreases in stock-based compensation, IT and insurance expenses.

General and administrative expenses did not materially change, totaling $6.6 million for the nine months ended September 30, 2026, compared with $6.5 million for the comparable prior-year period.

Research and development expenses

Research and development expenses increased by $0.1 million for each of the three- and nine-month periods ended September 30, 2026 compared with the comparable prior-year periods. Research and development expenses primarily consisted of consulting-related expenses.

Depreciation and amortization expenses

Depreciation and amortization expenses increased by $0.3 million to $1.3 million for the three months ended September 30, 2026, compared with $0.9 million for the comparable prior-year period. For the nine months ended September 30, 2026, depreciation and amortization increased by $0.5 million to $3.4 million, compared with $2.8 million for the comparable prior-year period. The increase was primarily due to amortization of intangible assets acquired in connection with the Cataneo acquisition.

Change in fair value of warrant liabilities

The Company recognized gains from changes in the fair value of warrant liabilities of $0.1 million and $0.6 million for the three and nine months ended September 30, 2026, respectively, compared with gains of $0.2 million and $0.7 million for the comparable prior-year periods. The gains were associated with the noncash remeasurement of warrant liabilities at each balance sheet date.

Gain on debt extinguishment

Gain on debt extinguishment was $0.4 million for the three months ended September 30, 2026, compared with a loss on debt extinguishment of $0.3 million for the comparable prior-year period. The gain recognized during 2026 was primarily attributable to settlement agreements reached on outstanding payables, compared with the loss on settlement of accounts payable through the negotiated cash settlement for the three months ended September 30, 2025.

For the nine months ended September 30, 2026, gain on debt extinguishment was $0.5 million, compared with $3.6 million for the comparable prior-year period. The decrease was primarily attributable to a reduction in the amount of settlement agreements reached on outstanding payables for the nine months ended September 30, 2026 as compared to the nine months ended September 30, 2025.

Liquidity and Capital Resources

Capital Resources and Available Liquidity

The accompanying unaudited condensed consolidated financial statements have been prepared as though the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. As of September 30, 2026, the Company had an accumulated deficit of $63,324,117, a net loss of $7,681,533 and net cash used in operating activities of $6,603,616 during the nine months ended September 30, 2026. Management expects to continue to incur operating losses and negative cash flows from operations for at least the next 12 months. The Company has financed its operations to date from proceeds from the sale of Common Stock, exercises of warrants, the issuance of promissory notes and convertible debt, and its transactions with AFG Companies Inc. ("AFG"). The Company's current liquidity position raises substantial doubt about the Company's ability to continue as a going concern.

The Company believes that its existing cash and cash equivalents and proceeds received under the September 2026 Purchase Agreement (Note G) will be insufficient to meet its anticipated cash requirements for at least the next 12 months from the date the consolidated financial statements are issued. The Company will need to raise additional capital to continue to fund operations and product research and development. The Company believes that it will be able to obtain additional working capital through equity financings, additional debt, or other arrangements to fund future operations, and it intends to raise capital through equity or debt investments in the Company by third parties. However, the Company cannot conclude these are probable of being implemented or, if probable of being implemented, being in sufficient enough amounts to satisfy the Company's contractual amounts as they presently exist that are coming due over the next 12 months as of the date of filing of this Report.

The assumptions upon which the Company has based its estimates are routinely evaluated and may be subject to change. The actual amount of the Company's expenditures will vary depending upon several factors including but not limited to the design, timing, and the progress of the Company's research and development programs, and the level of financial resources available. The Company can adjust its operating plan spending based on available financial resources.

Cash Exercise of Warrants

There is no assurance that the holders of our warrants will elect to exercise for cash any or all of such warrants, especially when the trading price of our Common Stock is less than the exercise price per share of such warrants. We believe the likelihood that warrant holders will exercise their respective warrants, and therefore the amount of cash proceeds that we would receive, is dependent upon the trading price of our Common Stock. If the trading price for our Common Stock is less than the exercise price per share of a warrant, we expect that a warrant holder would not exercise their warrants. To the extent that any warrants are exercised on a "cashless basis" under certain conditions, we would not receive any proceeds from the exercise of such warrants.

We intend to seek additional funds, primarily through the issuance of debt or equity securities for cash to operate our business, including through the business development activities discussed above to continue to support our operations. Therefore, the availability or unavailability of any proceeds from the exercise of our warrants is not expected to affect our ability to fund our operations. We will continue to evaluate the probability of warrant exercise over the life of our warrants and the merit of including potential cash proceeds from the exercise thereof in our liquidity sources and capital resources planning.

To the extent such warrants are exercised, additional Common Stock will be issued, which will result in dilution to the holders of our Common Stock and increase the number of shares of Common Stock eligible for resale in the public market. Sales of substantial numbers of such shares in the public market could adversely affect the market price of our Common Stock, which increases the likelihood of periods when our warrants will not be in the money prior to their expiration.

Cash Flows

The following table summarizes our cash flows for the periods presented:

	For the nine months ended September 30,	
	2026	**2025**
Cash used in operating activities	$ (6,603,616)	$ (5,344,393)
Cash used in investing activities	(10,253,475)	(584,459)
Cash provided by financing activities	17,289,190	5,882,294
Effect of translation changes on cash	(8,332)	-
Net increase (decrease) in cash and cash equivalents	$ 423,767	$ (46,558)

Operating activities

Cash used in operating activities was approximately $6.6 million during the nine months ended September 30, 2026, compared with approximately $5.3 million during the nine months ended September 30, 2025. The increase in cash used in operating activities was primarily attributable to a higher net loss and greater cash used for changes in operating assets and liabilities, partially offset by higher net non-cash charges.

During the nine months ended September 30, 2026, cash used in operating activities of approximately $6.6 million reflected a net loss of approximately $7.7 million, adjusted for net non-cash charges of approximately $3.4 million and approximately $2.3 million of cash used for changes in operating assets and liabilities. Non-cash charges consisted primarily of $3.4 million of depreciation and amortization expense, $0.6 million of stock issued for services, $0.2 million of equity-based compensation expense, $0.1 million of non-cash interest expense and $0.2 million related to the reduction in the right-of-use asset, partially offset by a $0.6 million gain from the change in fair value of warrant liabilities and a $0.5 million gain on debt extinguishment. Cash used for changes in operating assets and liabilities was primarily attributable to decreases in accounts payable of $1.8 million, accrued expenses and other payables of $0.9 million, contract liabilities of $0.3 million and operating lease liabilities of $0.2 million, partially offset by a decrease in accounts receivable of $0.6 million, an increase in deferred tax liabilities of $0.2 million and a decrease in prepaid expenses and other current assets of $0.1 million.

During the nine months ended September 30, 2025, cash used in operating activities of approximately $5.3 million reflected a net loss of approximately $5.2 million, adjusted for net non-cash gains of approximately $0.5 million and approximately $0.3 million of cash provided by changes in operating assets and liabilities. Non-cash adjustments consisted primarily of a $3.6 million gain on debt extinguishment and a $0.7 million gain from the change in fair value of warrant liabilities, partially offset by $2.8 million of depreciation and amortization expense, $0.7 million of equity-based compensation expense and $0.1 million of non-cash interest expense. Cash provided by changes in operating assets and liabilities was primarily attributable to increases in accounts payable of $1.1 million and accrued expenses of $0.1 million, partially offset by an increase in prepaid expenses and other current assets of $0.6 million and a decrease in operating liabilities of $0.1 million.

Investing activities

Cash used in investing activities was approximately $10.3 million during the nine months ended September 30, 2026, compared with approximately $0.6 million during the nine months ended September 30, 2025. The increase in cash used in investing activities was primarily attributable to $8.4 million of cash used for the acquisition of Cataneo GmbH, net of cash acquired, and $1.3 million used to purchase investments.

Cash used in investing activities during the nine months ended September 30, 2025 was approximately $0.6 million, which consisted primarily of capitalized internal-use software costs.

Financing activities

Cash provided by financing activities was approximately $17.3 million during the nine months ended September 30, 2026, compared with approximately $5.9 million during the nine months ended September 30, 2025. The increase in cash provided by financing activities was primarily attributable to $10.9 million of proceeds from the sale of Common Stock and $6.7 million of proceeds from option and warrant exercises during the nine months ended September 30, 2026, compared with $2.7 million and $1.5 million, respectively, during the comparable prior-year period. Cash provided by financing activities during the nine months ended September 30, 2025 also included $1.8 million of proceeds from short-term loans.

Grupo Skye and Related Entities

The Company owns a 25% common equity interest in Grupo Skye, S.A. de C.V. Through Grupo Skye, S.A. de C.V., the Company holds the following interests:

* Skye Salud S.A. de C.V.: 50% owned by the Company (through Grupo Skye) and 50% owned by Grupo Knobloch.

* Skye Inteligencia (formerly Skye Inteligencia LATAM): 100% owned by Grupo Skye. This entity serves as the vehicle for government-related business. In connection with the arrangements, the Company also received a contingent preferred equity interest with a nominal value and a 25% common equity interest. As the related entities were newly formed with limited or no operations or revenue history at the time the agreements were executed, the Company determined that collectibility of substantially all consideration was not probable at inception. Accordingly, the arrangements did not meet the criteria for revenue recognition under ASC 606. The preferred equity interest has been recorded as an equity security under ASC 321 with nominal value, and the common equity interests are accounted for under the equity method in accordance with ASC 323. Revenue attributable to any revenue share will be recognized as the related sales occur in accordance with ASC 606.

Africa Licensing Agreement

On January 20, 2026, the Company, through its wholly owned subsidiary Skye AI USA, LLC, entered into a licensing partnership with Valio Technologies (Pty) Ltd. Under the arrangement, the Company holds a 25% common equity interest in Skye Africa Intelligence Pty Ltd., and Valio Technologies (Pty) Ltd. owns the remaining 75%. The Company also holds preferred equity with a nominal value. The Company is entitled to a 35% recurring revenue share. The 25% common equity interest is accounted for under the equity method of accounting.

Critical Accounting Policies

Our consolidated financial statements are prepared in accordance with U.S. GAAP. The preparation of our consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses during the reported period. We base our estimates on historical experience, known trends and events and various other factors that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. We evaluate our estimates and assumptions on an ongoing basis. Our actual results may differ from these estimates under different assumptions and conditions.

Impairment of Definite Lived Intangible Assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If the carrying amount of the asset exceeds its estimated undiscounted net cash flows, before interest, the Company will recognize an impairment loss equal to the difference between its carrying amount and its estimated fair value. If impairment is recognized, the reduced carrying amount of the asset will be accounted for as its new cost. Generally, fair values are estimated using discounted cash flow, replacement cost or market comparison analyses. The process of evaluating for impairment requires estimates as to future events and conditions, which are subject to varying market and economic factors. Therefore, it is reasonably possible that a change in an estimate resulting from judgments as to future events could occur which would affect the recorded amounts of the asset. No impairment losses were recorded for the three and nine months ended September 30, 2026 or 2025.

Other than described above, during the three and nine months ended September 30, 2026, there were no material changes to our critical accounting policies and estimates from those described under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our 2025 Annual Report.

Recent Accounting Pronouncements

For a description of recent accounting pronouncements, including the expected dates of adoption and estimated effects, if any, on our condensed consolidated financial statements, see Part I, Item 1, Note B “Summary of Significant Accounting Policies” in our notes to condensed consolidated financial statements in this Report.

Off-Balance Sheet Financing Arrangements

We have no obligations, assets or liabilities that would be considered off-balance sheet arrangements as of September 30, 2026. We do not participate in transactions that create relationships with unconsolidated entities or financial partnerships, often referred to as variable interest entities, which would have been established for the purpose of facilitating off-balance sheet arrangements. We have not entered into any off-balance sheet financing arrangements, established any special purpose entities, guaranteed any debt or commitments of other entities, or purchased any non-financial assets.

Emerging Growth Company Status

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act ("JOBS Act"). Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies.

We have elected to use this extended transition period to enable us to comply with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that we (i) are no longer an emerging growth company or (ii) affirmatively and irrevocably opts out of the extended transition period provided in the JOBS Act. As a result, our financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As a "smaller reporting company" as defined by Rule 12b-2 of the Securities Exchange Act of 1934, as amended, (the "Exchange Act") and pursuant to Item 305 of Regulation S-K, we are not required to disclose information under this section.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of September 30, 2026.

The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under 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 rules and forms of the Securities and Exchange Commission ("SEC"). 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 upon the evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls were not effective as of September 30, 2026, due to the material weakness identified below, incomplete corporate records, and a lack of effective processes relating to the preparation and review of disclosures relating to: corporate governance, director independence and delinquent Section 16(a) filings; executive compensation and director compensation; beneficial ownership of officers, directors and significant security holders; related party transactions, including private placements; and exhibits. Further, our Chief Executive Officer and Chief Financial Officer considered that our Annual Report on Form 10-K for the fiscal year ended December 31, 2025 ("2025 Annual Report") and our Annual Report on Form 10-K for the fiscal year ended December 31, 2024 ("2024 Annual Report") both omitted management's report on internal control over financial reporting from Part II, Item 9A and were therefore materially deficient and may be considered not timely filed, and our Form 10-K for the fiscal year ended December 31, 2023 ("2023 Annual Report") did not initially include, and was not amended to include, the information required by Part III of Form 10-K and was materially deficient and may be considered not timely filed. Although we filed Amendment No. 1 to the 2025 Annual Report on November 19, 2026, to include management's report on internal control over financial reporting, among other things, no amendments have been filed to the 2024 Annual Report or 2023 Annual Report. The Amendment No. 1 to the 2025 Annual Report did not include any changes to the financial statements or to Part II, Item 8 of the 2025 Annual Report originally filed on April 16, 2026 (the "Original Filing"). We are implementing additional operational procedures designed to ensure the effectiveness of our disclosure controls and procedures with respect to future reports that we file with or submit to the SEC under the Exchange Act.

Notwithstanding the foregoing, giving full consideration to the remaining material weakness, management has concluded that our unaudited condensed consolidated financial statements included in this report are fairly stated in all material respects in accordance with U.S. GAAP for each of the periods presented herein.

Material Weakness in Internal Control over Financial Reporting

In connection with the preparation of our financial statements for the three and nine months ended September 30, 2026 and the year ended December 31, 2025, we concluded that there was a material weakness in our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that it is reasonably possible that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. If one or more material weaknesses persist or if we fail to establish and maintain effective internal control over financial reporting, our ability to accurately report our financial results could be adversely affected.

The material weakness that we identified was attributable to control deficiencies related to:

- A lack of a properly documented internal control system in accordance with the requirements of COSO or some similarly appropriate internal control methodology or formal documentation of our systems of internal control.
- A lack of sufficient accounting personnel with the requisite knowledge of US GAAP and financial reporting requirements of the SEC; and
- A lack of sufficient segregation of duties in the financial reporting process.

This material weakness could result in a misstatement of account balances or disclosures that would result in a material misstatement of our annual or interim consolidated financial statements that may not be detected.

Plan for Remediation of the Material Weakness in Internal Control over Financial Reporting

Management has been and is continuing to evaluate and strengthen our internal controls over financial reporting to ensure that management can routinely prepare our financial statements under US GAAP, meet the requirements of our independent auditors and remain in compliance with the SEC reporting requirements. These efforts are time-consuming and require significant resource investment that we are committed to making.

As of the date of this report, we are still developing and documenting the full extent of the procedures to implement, and remediate the material weakness described above, however the current remediation plan includes:

- Recruiting and onboarding additional accounting personnel with public-company GAAP and SEC reporting experience to improve segregation of duties and internal technical capability;
- Completing a formal risk-and-control matrix and documenting key controls over significant accounts and disclosures;
- Implementing improved tracking and documentation procedures for equity-related transactions, including shares, warrants, options, and long-term incentive plan (“LTIP”) awards;
- Fully implementing an automated equity administration and cap-table system to reduce reliance on manual reconciliations;
- Enhancing Audit Committee oversight procedures and providing additional training to finance personnel on public-company reporting requirements and the Company’s control framework; and
- Establishing ongoing monitoring and testing procedures to evaluate the operating effectiveness of remediated controls.

Changes in Internal Control over Financial Reporting

Other than the changes made in respect of the material weakness described above, there were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rules 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the three months ended September 30, 2026, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Disclosure Controls and Procedures

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well designed and implemented, can provide only reasonable, not absolute, assurance that the control system’s objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within a company are detected. The inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected. 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 or procedures may deteriorate.

Part II. Other Information

Item 1. Legal Proceedings

We are currently involved in multiple related litigations arising out of disputes with AFG Companies, Inc. ("AFG") and related parties:

- Brand Engagement Network, Inc. v. AFG Companies, Inc. and Ralph Wright Brewer III, Case No. 25-CV-2245 (CM) (S.D.N.Y.) (the "SDNY Action");
- Brand Engagement Network, Inc. v. AFG Companies, Inc. and Ralph Wright Brewer III, Case No. 4:25-CV-00463 (N.D. Tex.); and
- related proceedings in Tarrant County, Texas.

These matters remain ongoing, and we cannot predict the outcome or the timing of any resolution. An adverse result, or even a favorable result that is delayed, could require us to incur significant legal fees and expenses, divert management's attention from our business operations, and potentially impact our financial condition and results of operations. In addition, the existence of the litigation may negatively affect the trading price of our Common Stock.

On September 30, 2026, the Company, BEN Capital Fund I, LLC ("Guarantor"), and Evora Partners, LLC ("Evora") entered into a Settlement and Forbearance Agreement ("Settlement Agreement"), pursuant to which Evora agreed to accept a settlement amount of $825,000 (inclusive of a $75,000 reimbursement for Evora's attorneys' fees), a discount to the amount of approximately $1.3 million owed by the Company to Evora under a January 2021 consulting agreement between the Company (then known as DHC Acquisition Corp.) and Evora, as amended, which amount has been reflected on the Company's balance sheet within accrued expenses. The Company has paid $175,000 of the settlement amount and will pay the remaining $650,000 in installments through December 2026, with Guarantor guaranteeing payment.

Under the Settlement Agreement, Evora will also dismiss the lawsuit it commenced against the Company on September 2, 2026, in the United States District Court for the Southern District of New York, captioned Evora Partners, LLC v. Brand Engagement Network Inc., which asserted claims for breach of contract and declaratory relief.

From time to time, we may become involved in legal proceedings or be subject to claims arising in the ordinary course of our business. Apart from the foregoing, we are not presently a party to any other legal proceedings that we believe, if determined adversely to us, would individually or taken together have a material adverse effect on our business, operating results, cash flows or financial condition. Defending such proceedings is costly and can impose a significant burden on management and employees. The results of any current or future litigation cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

Item 1A. Risk Factors

As of the date of this Report, there have been no material changes from the risk factors disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025, except the following:

We have relied, and expect to continue to rely, substantially on financing from related parties and their affiliates and/or on financing rounds arranged by related parties and their affiliates. These arrangements may create conflicts of interest and limit our financial flexibility.

A significant portion of the capital we have raised to date to fund our operations has come from related parties and their affiliates and/or has been arranged by related parties and their affiliates. We have also relied on financial support from our officers, directors and their affiliates. For more information regarding our related party transactions, see Item 13 of Amendment No. 1 to our Form 10-K for the fiscal year ended December 31, 2025, filed with the SEC on November 19, 2026. None of these persons is obligated to provide additional financing, and they may decline to do so at any time. If related parties stop providing capital or arranging financing rounds, we may not be able to obtain replacement financing from unaffiliated investors on acceptable terms, or at all. Transactions with related parties also involve inherent conflicts of interest and may be on terms less favorable to us than terms we could obtain from unaffiliated third parties. Further, related parties that provide financing, guarantees or credit support may gain influence over our business, strategy and governance disproportionate to their ownership and may have interests that differ from those of our other stockholders. Any of the foregoing could adversely affect our liquidity, our ability to raise capital, and the market price of our Common Stock.

Related parties that provide financing, guarantees or credit support may also gain influence over our business, strategy and governance disproportionate to their ownership. They may have interests that differ from those of our other stockholders. In addition, issuances to related parties at prices below market value increase dilution to our other stockholders.

Any of these developments could adversely affect our liquidity, our ability to raise capital, and the market price of our Common Stock.

We have not complied with several Nasdaq listing requirements, including requirements relating to periodic reporting, board committee independence, related party transaction oversight and shareholder approval of equity compensation.

Our common stock is listed on The Nasdaq Capital Market. Nasdaq's continued listing rules include requirements for timely periodic reporting, corporate governance and shareholder approval of certain equity compensation arrangements. On November 17, 2026, we provided notification to Nasdaq that we were out of compliance with certain continued listing rules, as discussed further below. If Nasdaq determines that we have not regained or cannot maintain compliance, our common stock could be delisted, which would adversely affect our liquidity and price and our ability to raise capital.

Periodic reporting. Our 2023 Annual Report, filed on April 1, 2024, was not timely filed and was materially deficient because it failed to include, and was not amended to include, required Part III information, and the 2024 Annual Report and 2025 Annual Report, filed on March 31, 2025 and April 16, 2026, respectively, were not timely filed and were materially deficient because they omitted management's report on internal control over financial reporting. We have filed an amendment to the 2025 Annual Report to address, among other things, the omission of management's report on internal control over financial reporting; however, no amendments have been filed to the 2023 Annual Report or 2024 Annual Report.

Nasdaq Listing Rule 5250(c)(1) requires listed companies to timely file all required periodic reports. Under Nasdaq's procedures, a company that fails to timely file a periodic report generally has 60 calendar days from notice to submit a plan to regain compliance, after which Nasdaq staff may grant an exception period of up to 180 calendar days from the due date of the delinquent report. Because our delinquencies span multiple reports and multiple years, Nasdaq may conclude that an exception period is unavailable or has been exceeded, or that further action is warranted.

Board committee independence. On November 17, 2026, we notified Nasdaq that we were not in compliance with Nasdaq Listing Rule 5605(c)(2)(A), which requires an audit committee of at least three members, each of whom is independent under Rule 5605(a)(2) and satisfies the independence criteria in Exchange Act Rule 10A-3(b)(1), and with Nasdaq Listing Rule 5605(d)(2), which requires a compensation committee of at least two independent members. Our Chief Medical Informatics Officer, an executive officer and director, served on our audit committee, including as its chair, and on our compensation committee, and was therefore not eligible to serve on either. Although we have since removed Dr. Carrasco from both committees and appointed independent directors in his place, and we believe we have regained compliance with these requirements, Nasdaq may disagree with our determinations about the independence of our directors and the sufficiency of our actions.

Related party transactions. On the same date, we also notified Nasdaq that we were not in compliance with Nasdaq Listing Rule 5630, which requires review and oversight of related party transactions by the audit committee or another independent body of our board. Our non-compliance reflects a general failure in recent periods to follow our Related Party Transaction Policy or any other process under which our audit committee would review related party transactions for potential conflicts of interest before they were completed. We have taken steps to address this, including revising our director and officer questionnaires and maintaining a list of related persons, but we cannot assure you that these steps will be effective, that Nasdaq will accept them as sufficient, or that other related party transactions that were not reviewed will not come to light.

Shareholder approval of equity compensation. We have also notified Nasdaq of our potential non-compliance with Nasdaq Listing Rule 5635(c), which requires shareholder approval before a stock option or purchase plan or other equity compensation arrangement is established or materially amended, subject to limited exceptions. Between August 22, 2024 and July 22, 2026, we granted options to purchase up to 295,187 shares of common stock under our 2024 Long-Term Incentive Plan to entities controlled by certain of our officers, directors, employees or consultants, in contravention of the 2024 Plan's requirement that awards be granted only to natural persons. These grants may be deemed a material amendment of the 2024 Plan, or the establishment of new equity compensation arrangements outside the plan, in either case without the shareholder approval that Rule 5635(c) requires. We have suspended further grants under the 2024 Plan to persons that are not natural persons and are developing a plan to remediate these awards. Any remediation may require shareholder approval that we may not obtain, could be costly or dilutive, may be disputed by the holders, and may not be accepted by Nasdaq as sufficient. These awards may also have been granted without compliance with other legal requirements, as described elsewhere in these risk factors, and some of the recipients are related persons of the Company.

We have identified a material weakness in our internal control over financial reporting that has not been remediated. If we fail to remediate the material weakness, or if we identify additional material weaknesses, we may be unable to report our financial results accurately or on a timely basis, which could harm investor confidence and the market price of our securities.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. As discussed in the 2025 Annual Report, as amended by Amendment No. 1 to the 2025 Annual Report, we disclosed a material weakness in our internal controls over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. Management determined that the material weakness resulted from the following deficiencies:

- a lack of a properly documented internal control system in accordance with the requirements of the Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") or a similarly appropriate internal control methodology, or formal documentation of our systems of internal control;
- a lack of sufficient accounting personnel with the requisite knowledge of U.S. generally accepted accounting principles ("U.S. GAAP") and the financial reporting requirements of the SEC; and
- a lack of sufficient segregation of duties in the financial reporting process.

Management's report on internal control over financial reporting was not included in Part II, Item 9A of the Original Filing. On November 19, 2026, we filed Amendment No. 1 to the Original Filing (the "Form 10-K/A") to include management's report and to make certain other corrections to the Original Filing. In addition, our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 omitted Part III information and we failed to include such information in a definitive proxy statement. The material weakness had not been remediated as of September 30, 2026.

We are still developing and documenting the full extent of the procedures necessary to remediate the material weakness. Our current remediation plan includes adding review procedures by qualified personnel over complex accounting matters, including engaging third-party professionals with whom to consult on complex accounting applications, recruiting and onboarding additional accounting personnel with public-company GAAP and SEC reporting experience to improve segregation of duties and internal technical capability, completing a formal risk-and-control matrix and documenting key controls over significant accounts and disclosures, implementing improved tracking and documentation procedures for equity-related transactions, including shares, warrants, options, and LTIP awards, fully implementing an automated equity administration and cap-table system to reduce reliance on manual reconciliations, enhancing Audit Committee oversight procedures and providing additional training to finance personnel on public-company reporting requirements and the Company's control framework and establishing ongoing monitoring and testing procedures to evaluate the operating effectiveness of remediated controls. These efforts are time-consuming and require significant investment of resources. Our limited financial resources may constrain our ability to hire additional qualified accounting personnel, achieve appropriate segregation of duties, or implement new systems. The material weakness will not be considered remediated until the applicable controls have operated for a sufficient period of time and management has concluded, through testing, that they are operating effectively. We cannot assure you that the measures we have taken or plan to take will be sufficient to remediate the material weakness or to prevent future material weaknesses.

The complexity of our financial reporting has increased significantly during 2026, which heightens the risks associated with the deficiencies described above. Contributing factors include our acquisition of Cataneo, a German company whose accounts must be converted to U.S. GAAP and translated from euros, and whose acquisition requires purchase accounting, goodwill and deferred tax determinations; our investments in and arrangements with unconsolidated entities; and the number and variety of our equity transactions, including private placements, warrant exercises, settlements of liabilities and conversions of indebtedness in exchange for shares of our Common Stock.

We are not currently required to obtain, and have not obtained, an attestation report from our independent registered public accounting firm on the effectiveness of our internal control over financial reporting. As a result, deficiencies that such an attestation might identify may go undetected.

If we fail to remediate the material weakness, or if additional material weaknesses are identified, any of the following could result:

- material misstatements in our annual or interim financial statements that are not prevented or detected on a timely basis;
- the restatement of previously issued financial statements; or
- an inability to file our periodic reports on a timely basis.

Any of these could cause investors to lose confidence in the accuracy and completeness of our financial reports and cause the market price of our Common Stock to decline. They could also subject us to investigations or sanctions by the SEC or Nasdaq, stockholder litigation, and the loss of our eligibility to use certain registration statement forms or exemptions that depend on our being current and timely in our SEC reporting, any of which could impair our ability to raise capital.

Our disclosure controls and procedures were not effective as of December 31, 2025 and September 30, 2026, and we were required to amend our 2025 Annual Report to correct deficiencies in its disclosures. If we fail to maintain effective disclosure controls and procedures, our SEC filings may be inaccurate, incomplete or untimely, which could subject us to regulatory, listing and litigation risks.

In connection with the preparation of the Form 10-K/A, our Chief Executive Officer and Chief Financial Officer re-evaluated the effectiveness of the design and operation of our disclosure controls and procedures. Based on that re-evaluation, they concluded that our disclosure controls and procedures were not effective as of December 31, 2025, due to:

- the material weakness in our internal control over financial reporting described above;
- the omission of management's report on internal control over financial reporting from Part II, Item 9A of the Original Filing;
- incomplete corporate records; and
- a lack of effective processes relating to the preparation and review of the disclosures required by Part III, Items 10, 11, 12 and 13 of Form 10-K, regarding corporate governance, director independence, delinquent Section 16(a) reports, executive and director compensation, beneficial ownership and related party transactions, and the exhibit filings required by Part IV, Item 15 of Form 10-K.

Further, our Chief Executive Officer and Chief Financial Officer considered that our 2024 Annual Report also omitted management's report on internal control over financial reporting from Part II, Item 9A, and our 2023 Annual Report did not initially include, and was not amended to include, the information required by Part III of Form 10-K. As a result of such deficiencies (which remain unremediated), the 2024 Annual Report and 2023 Annual Report may be deemed to be not timely filed.

Our Chief Executive Officer and Chief Financial Officer have also concluded that our disclosure controls and procedures were not effective as of September 30, 2026, for substantially similar reasons. We are implementing additional operational procedures designed to ensure the effectiveness of our disclosure controls and procedures with respect to future reports that we file with or submit to the SEC. We cannot assure you that these procedures will be effective or that additional deficiencies will not be identified, including in our prior filings.

Our failure to maintain effective disclosure controls and procedures, and the matters corrected in the Form 10-K/A, could have the following consequences:

- additional amendments to our previously filed reports, or other filings that are materially inaccurate, incomplete or untimely;
- SEC comment letters, inquiries or enforcement actions;
- deficiency determinations, delisting proceedings or other actions by Nasdaq, including with respect to the board and committee composition and related party transaction review matters described above;
- challenges to actions approved by our Board of Directors or its committees while they were not properly constituted, including approvals of related party transactions, financings and executive compensation;
- claims by stockholders or other investors under the federal securities laws, including in connection with registration statements we have filed or may file; and
- loss of our eligibility to use Form S-3 and limitations on our stockholders' ability to resell shares under Rule 144, each of which depends on our having timely filed, or remained current in, our Exchange Act reports.

Any of these consequences could result in significant costs, divert management's attention from our business, make it more difficult and costly for us to raise capital, which is critical given our financial condition, and adversely affect investor confidence and the market price of our Common Stock.

Our registration statements on Form S-8 may not have been validly used, and the Company may face rescission claims, regulatory action and other liabilities in connection with shares issued under our equity plans, including shares issued to entities.

We filed registration statements on Form S-8 on May 13, 2025 and January 15, 2026 (File Nos. 333-279383 and 333-292748) to register shares issuable under our 2024 Long-Term Incentive Plan ("2024 Plan") and other plans. Form S-8 may be used only by a registrant that has filed all reports and other materials required under the Exchange Act during the preceding 12 months, and the registration statement incorporates by reference our most recent Annual Report on Form 10-K and our subsequently filed Exchange Act reports. Our 2023 Annual Report, filed on April 1, 2024, was not timely filed and was materially deficient because it failed to include, and was not amended to include, required Part III information, and the 2024 Annual Report and 2025 Annual Report, filed on March 31, 2025 and April 16, 2026, respectively, were not timely filed and were materially deficient because they omitted management's report on internal control over financial reporting. We have filed an amendment to the 2025 Annual Report to address, among other things, the omission of management's report on internal control over financial reporting. However, no amendments have been filed to the 2023 Annual Report or 2024 Annual Report. As a result, the staff of the SEC or a court could determine that, at the time each Form S-8 was filed, we had not filed all reports required during the preceding 12 months and were not eligible to use Form S-8, and that the registration statements did not validly register the shares issued under them.

Even if a Form S-8 was validly filed, the Section 10(a) prospectus relating to it is updated through the Exchange Act reports incorporated by reference in it, and the undertakings we gave under Item 512(a) of Regulation S-K, including the undertaking to file a post-effective amendment to include any prospectus required by Section 10(a)(3) of the Securities Act and to reflect any facts or events that represent a fundamental change in the information in the registration statement, are satisfied for Form S-8 only through those incorporated reports. Because the reports incorporated into our Form S-8s were materially deficient and untimely, we may not have complied with these undertakings, and the prospectus may not have met the requirements of Section 10(a) during the periods in which shares were issued.

Section 5 of the Securities Act prohibits the sale of a security unless a registration statement is in effect as to the security or an exemption from registration is available, and requires that any prospectus used meet the requirements of Section 10. If the Form S-8s were not validly used or were not properly updated, issuances thereunder may have violated Section 5, and we may not be able to establish that an exemption from registration was available. Under Section 12(a)(1) of the Securities Act, a purchaser in a sale that violates Section 5 may recover the consideration paid with interest, less any income received, upon tender of the security, or damages if the purchaser no longer owns the security. As the issuer that sold the shares, we would be a statutory seller for these purposes.

From March 14, 2024 to November 23, 2026, we issued a total of 552,627 shares as part of our Long-Term Incentive Plan ("LTIP"). As of the calendar year end for 2024, there were no shares issued to employees or contractors. In 2025, the Company issued 203,478 shares to eleven (11) employees and 177,294 shares to (4) four contractors that are not natural persons, such as entities, trusts or limited liability companies for a total of 380,772 shares issued under the LTIP. As of November 23, 2026, the Company issued 76,409 shares to twenty-four (24) employees and 95,446 shares to three (3) contractors that are not natural persons, such as entities, trusts or limited liability companies for a total of 171,855 shares under the LTIP. Form S-8 is available only for securities offered to natural persons who are employees, directors, officers or qualifying consultants or advisors, subject to limited exceptions for certain transfers to family members and their controlled entities. We therefore believe these issuances were not eligible for registration on Form S-8, regardless of the validity of the registration statements generally, and that the shares issued to these holders were not registered and may have been issued in violation of Section 5, unless an exemption was available, which we have not yet established. In addition, the terms of the 2024 Plan do not permit awards to persons that are not natural persons, and these awards may not have been validly granted in accordance with the 2024 Plan. Holders of these shares may assert rescission or other claims against us, and the shares held by these holders may be restricted securities that cannot be resold without registration or an exemption, which could expose us to claims from holders who believed the shares were freely tradable.

Because the shares issued under the Form S-8s may not have been validly registered, holders who acquired shares under them may be unable to resell them freely, and Rule 144 may not be available to resell them while we are not current in our Exchange Act reporting. This could result in claims by or disputes with employees, directors and other holders, may adversely affect our ability to attract and retain personnel, and could cause us to incur significant costs in correcting these matters, including through a rescission offer, which may not eliminate our liability under federal or state securities laws.

These matters could also lead to SEC inquiries, investigations or enforcement action, or to private litigation. We cannot currently estimate the amount of any liability, and any of these outcomes could have a material adverse effect on our business, financial condition, results of operations and stock price. We also may be unable to use Form S-8 or other short-form registration statements in the future until we are current in our reports, which could increase the cost and difficulty of issuing securities under our equity plans and raising capital.

We may be subject to claims for rescission or damages from purchasers of our common stock in connection with sales made under registration statements that were not updated as required by Section 10(a)(3) of the Securities Act.

The prospectuses included in our registration statements on Form S-1 (File Nos. 333-278673, 333-280366 and 333-282130), which cover resales of our common stock by the selling stockholders named therein, have not been updated by post-effective amendment, except for one post-effective amendment filed on January 29, 2025 for the Form S-1 (File No. 282130) initially filed on September 19, 2024. The other two Form S-1 registration statements referenced above were initially filed on April 12, 2024 (File No. 333-278673) and June 20, 2024 (File No. 333-283066), respectively. Section 10(a)(3) of the Securities Act requires that, when a prospectus is used more than nine months after the effective date of the registration statement, the information in it be as of a date not more than sixteen months before such use. We have suspended the use of these prospectuses.

Section 5 of the Securities Act prohibits the offer or sale of a security unless a registration statement is in effect as to the security or an exemption from registration is available, and Section 5(b) requires that any prospectus used in connection with a sale satisfy the requirements of Section 10. As a result, any sales of shares under these registration statements after the prospectuses ceased to satisfy Section 10(a)(3) may not have complied with Section 5, unless an exemption from registration, such as Rule 144 or Section 4(a)(1), was available to the selling stockholder for the particular sale. We have not determined whether an exemption was available for any of these sales.

Section 12(a)(1) of the Securities Act provides that a person who offers or sells a security in violation of Section 5 is liable to the person purchasing the security from him, for the consideration paid with interest, less any income received, upon tender of the security, or for damages if the purchaser no longer owns it. Purchasers of shares sold under these registration statements during the affected period may therefore assert claims for rescission or damages against persons who are determined to be statutory sellers, which could include the selling stockholders and, depending on the facts, us, and against persons alleged to control a seller under Section 15 of the Securities Act. Claims under Section 12(a)(1) must generally be brought within one year after the violation and in no event more than three years after the security was bona fide offered to the public. Because the shares were sold in open-market transactions, purchasers may face difficulty establishing that they purchased shares sold under the affected registration statements, and we may have defenses, including that we were not a statutory seller. We cannot predict whether any claims will be asserted or how they would be resolved.

We may also elect, or be required by a court or regulator, to make a rescission offer to purchasers. A rescission offer could require us to pay significant amounts, including interest, and may not extinguish liability under federal or state securities laws. In addition, the SEC could take enforcement action or other regulatory action in connection with these matters. We may file post-effective amendments to these registration statements. Filing such amendments would not cure any prior non-compliance. Unresolved issues with the SEC could cause the staff to decline to accelerate the effectiveness of future registration statements or could otherwise delay our ability to access the capital markets, which could impair our ability to obtain financing. We cannot currently estimate the costs, liabilities or other consequences of these matters, and any of them could have a material adverse effect on our business, financial condition and stock price.

A sale of a substantial number of shares of our Common Stock may cause the price of our Common Stock to decline.

Sales of a substantial number of shares of our Common Stock by holders of our Common Stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares of our Common Stock intend to sell shares, could reduce the market price of our Common Stock.

On April 30, 2026, we entered into a Share Purchase and Transfer Agreement with Christian Unterseer, CUTV GmbH, Cuneo AG, and GForce 112 GmbH (collectively, the "Sellers") to acquire all of the outstanding equity interests of Cataneo GmbH ("Cataneo"). We completed the acquisition on June 30, 2026. The aggregate purchase price was $19.5 million, consisting of (i) $9.0 million in cash and (ii) 281,414 shares of our Common Stock valued at $37.88 per share, of which 255,014 shares were issued at closing and 26,400 shares were placed in escrow for one year following closing to secure indemnification obligations of the Sellers. We have agreed to file a registration statement to register the offer and resale of the shares issued in the Cataneo transaction.

On September 21, 2026, we entered into a Securities Purchase Agreement (the "SPA") with BEN Capital and Joseph Bevash (collectively, the "September 2026 Purchasers"). Pursuant to the SPA, we agreed to issue and sell to the September 2026 Purchasers, in a private placement, an aggregate of 123,650 shares of Common Stock at a purchase price of $8.50 per share. The investment will be funded as follows: (i) an initial payment of $150,025.00 for 17,650 shares of Common Stock in connection with the initial closing; and (ii) the remaining $901,000.00 in five equal monthly installments of $180,200.00 each, for 21,200 shares per installment, payable on or about October 5, 2026, November 5, 2026, December 5, 2026, January 5, 2027, and February 5, 2027. The SPA provides the September 2026 Purchasers with piggyback registration rights on our next registration statement on Form S-1.

We cannot predict what effect, if any, sales of our shares in the public market or the availability of shares for sale will have on the market price of our Common Stock. However, future sales of substantial amounts of our common stock in the public market, including shares issued upon exercise of outstanding options, or the perception that such sales may occur, could adversely affect the market price of our Common Stock.

We may not realize the anticipated benefits of the Cataneo acquisition, and we assumed Cataneo's liabilities, including risks we may not have fully identified in diligence.

We completed the acquisition of Cataneo on June 30, 2026. Having closed the transaction, we are subject to the risk that we will not realize the strategic, revenue, or operational benefits of the acquisition on the timeline we expect, or at all, and we bear the ongoing costs of integration regardless of whether those benefits materialize. In addition, as the acquirer of all of Cataneo's outstanding equity interests, we assumed Cataneo's existing liabilities, including any liabilities not identified during due diligence. Our recourse for undisclosed or breaching matters is limited to the remedies available to us under the Share Purchase and Transfer Agreement related to the Cataneo acquisition, including the escrowed shares held back for one year following closing, which may be insufficient to cover our losses.

We may face significant challenges integrating Cataneo's business, personnel, and technology with our own, and may not realize the anticipated benefits of the acquisition.

Cataneo's core software platforms have been developed and iterated over more than two decades and are deeply embedded in the operations of large media organizations that depend on them for real-time advertising billing, inventory management, and rights administration. Integrating our AI technology, including ELM™, into a mature, mission-critical enterprise codebase of this kind is technically complex, and any disruption to Cataneo's existing services during integration could harm relationships with Cataneo's customers, harm our reputation, and result in customer attrition, contractual liability, or loss of revenue. We may also face difficulty retaining key Cataneo engineering, sales, and customer-support personnel, integrating differing corporate cultures and compensation structures across the U.S. and Germany, and integrating financial reporting, internal control, and compliance systems across the combined company.

Additional risk factors not presently known to us may also impair our business or results of operations. We may disclose changes to such factors or disclose additional factors from time to time in our future filings with the SEC.

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

There were no sales of unregistered securities by us during the quarter ended September 30, 2026 that were not previously reported in current reports on Form 8-K filed with the SEC.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Director and Officer Trading Arrangements

None of our directors or officers adopted or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement (as such terms are defined in Items 408(a) and 408(c) of Regulation S-K, respectively) during the quarterly period covered by this Report.

Completion of Private Placement Pursuant to June 2026 Securities Purchase Agreement

As previously disclosed in our Current Report on Form 8-K filed with the SEC on June 5, 2026, on June 3, 2026, we entered into a Securities Purchase Agreement (the "June 2026 Purchase Agreement") with Ben Capital Fund I, LLC and Joseph Bevash (the "June 2026 Purchasers") for a private placement of an aggregate of 56,150 shares of the Company's common stock at a purchase price of $17.82 per share (the "Purchase Price"), for total gross proceeds of $1,000,593. The June 2026 Purchase Agreement also contained 100% warrant coverage. As of November 6, 2026, we have issued, and the June 2026 Purchasers have purchased, the full amount of shares and warrants issuable pursuant to the June 2026 Purchase Agreement.

Item 6. Exhibits

The exhibits listed below are filed as part of this Report or incorporated herein by reference:

Exhibit	Description
3.1	Certificate of Incorporation of Brand Engagement Network Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-40130) filed with the Securities and Exchange Commission on March 20, 2024).
3.2	Certificate of Amendment (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-40130) filed with the Securities Exchange Commission on December 1, 2025).
3.3	Bylaws of Brand Engagement Network Inc. (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K (File No. 001-40130) filed with the Securities and Exchange Commission on March 20, 2024).
3.4	Amendment No.1 to Bylaws of Brand Engagement Networks, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-40130) filed with the Securities Exchange Commission on November 28, 2025).
10.1	Employee Stock Election Form with Tyler Luck dated July 22, 2026 (incorporated by reference to Exhibit 1 to the Company's Current Report on Form 8-K (File No. 001-40130) filed with the Securities and Exchange Commission on July 24, 2026).
10.2	Conversion Agreement by and between Brand Engagement Network Inc. and BEN Capital Fund I, LLC, dated July 21, 2026 (incorporated by reference to Exhibit 2 to the Company's Current Report on Form 8-K (File No. 001-40130) filed with the Securities and Exchange Commission on July 24, 2026).
10.3	Securities Purchase Agreement, dated September 21, 2026, by and among Brand Engagement Network Inc., BEN Capital Fund I, LLC, and Joseph Bevash (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-40130) filed with the Securities and Exchange Commission on September 22, 2026).
10.4*	Settlement and Forbearance Agreement, effective September 30, 2026, by and among Brand Engagement Network Inc., Evora Partners, LLC and BEN Capital I, LLC.
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15(d)-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15(d)-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Principal Executive Officer in accordance with 18 U.S.C. Section 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Principal Financial Officer in accordance with 18 U.S.C. Section 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL 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 Labels Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (embedded with the Inline XBRL document).

* Filed herewith

** The certifications attached as Exhibit 32.1 and Exhibit 32.2 are deemed furnished and not filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of Brand Engagement Network Inc. under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date of this Report, irrespective of any general incorporation language contained in such filing.

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 hereunto duly authorized.

Brand Engagement Network Inc. (Registrant)

Date: November 23, 2026

By: */s/ Tyler Luck*
Name: Tyler Luck
Title: Chief Executive Officer
(Duly Authorized Officer and Principal Executive Officer)

Date: November 23, 2026

By: */s/ Walid Khiari*
Name: Walid Khiari
Title: Chief Financial Officer and Chief Operating Officer
(Principal Financial and Accounting Officer)

Exhibit 10.4

SETTLEMENT AND FORBEARANCE AGREEMENT

This Settlement and Forbearance Agreement (this "Agreement") is effective this 30th day of September, 2026, by and among Evora Partners, LLC ("Evora"), Brand Engagement Network Inc. ("BEN"), and BEN Capital Fund I, LLC ("Guarantor," and together with BEN the "Obligors" and each individually, an "Obligor"). Evora and the Obligors are sometimes collectively referred to as the "Parties" and each, at times, as a "Party."

RECITALS

A. Effective January 27, 2021, Evora and DHC Acquisition Corp. ("DHC") entered into a consulting agreement, as amended by an extension dated August 18, 2023 (as so amended, the "Consulting Agreement"), pursuant to which Evora agreed to provide advisory, strategic consulting, and related services to DHC in connection with a business combination. In consideration for those services, DHC agreed to pay Evora a fixed fee of $2,000,000, plus expenses, upon the announcement of a qualifying transaction.

B. Evora performed its services under the Consulting Agreement at the direction of DHC's officers and board of directors, including services rendered in connection with multiple transactions that were evaluated but not consummated.

C. On July 25, 2022, DHC announced a transaction with With Purpose, Inc. (d/b/a GloriFi), thereby triggering DHC's obligation to pay Evora the fee and expenses due under the Consulting Agreement. DHC failed to pay any portion of the amount then owed.

D. On September 7, 2023, DHC announced a business combination with BEN, and on March 14, 2024, DHC and BEN consummated that business combination. In connection with the closing, BEN assumed DHC's obligations under the Consulting Agreement, including the obligation to pay Evora's advisory fee. To date, BEN has paid only approximately $100,000 toward the $2,000,000 fixed fee, together with $492.92 in reimbursed expenses.

E. Effective June 30, 2025, Evora and BEN entered into an amendment to the Consulting Agreement (the "Amended Consulting Agreement"), by which BEN acknowledged in writing that it remained indebted to Evora in the amount of approximately $1.9 million and agreed to a revised payment structure to resolve that indebtedness. Under Section A.2.a of the Amended Consulting Agreement, BEN agreed to pay Evora a fixed financial advisory fee of $1,200,000 (the "Fixed Advisory Fee"), in cash and no later than June 30, 2026, and further agreed to pay Evora ten percent (10%) of each qualifying capital infusion received by BEN, within ten (10) business days following receipt, until the Fixed Advisory Fee was paid in full.

F. Under Section B.b of the Amended Consulting Agreement, BEN separately agreed to advance to and indemnify Evora and the other Indemnified Persons the reasonable legal fees and expenses they incur in connection with any action, proceeding, investigation, subpoena, or other matter arising out of or relating to Evora's engagement under the Consulting Agreement, and to indemnify them against covered losses, in each case except to the extent resulting from the Indemnified Persons' own gross negligence, willful misconduct, or bad faith. BEN acknowledged in the Amended Consulting Agreement that, as of its date, neither Evora nor any other Indemnified Person had acted or failed to act in any manner constituting gross negligence, willful misconduct, or bad faith.

G. Evora has performed no further work for BEN since the date of the Amended Consulting Agreement. Notwithstanding its written acknowledgment of the debt, BEN has failed to pay any portion of the Fixed Advisory Fee, the entirety of which remains due and owing.

H. On or about May 21, 2026, Evora was served with a non-party subpoena issued in the action captioned *Brand Engagement Network, Inc. v. AFG Companies, Inc.*, No. 25-cv-2245 (CM) (S.D.N.Y.), which arises out of matters relating to Evora's engagement under the Consulting Agreement (the "AFG Subpoena"). Although BEN acknowledged its resulting advancement obligation, it has not transmitted any funds to Evora.

I. As security for BEN's obligation to pay the Fixed Advisory Fee, and as more fully set forth in Section A.2.a.iv of the Amended Consulting Agreement, BEN granted Evora a continuing, first-priority security interest in and to all of the Litigation Proceeds (as defined in the Amended Consulting Agreement and in Section 2 below). Evora perfected that security interest by filing a UCC-1 financing statement with the Delaware Department of State, U.C.C. Filing Section, on May 28, 2026, bearing Initial Filing No. 2026 4231631 and expiring May 28, 2031, naming BEN as debtor and Evora as secured party of record, and covering, among other things, litigation proceeds and all rights to payment in connection with pending or threatened lawsuits involving BEN, including *Brand Engagement Network Inc. v. Brewer, III et al.*, No. 3:2025cv00114 (N.D. Tex.), and *Brand Engagement Network, Inc. v. AFG Companies, Inc.*, No. 1:25-cv-02245 (S.D.N.Y.) (as continued, amended, or supplemented from time to time, the "UCC Financing Statement"). That security interest remains in full force and effect and, as reaffirmed and further granted in Section 4 below, continues to secure the Obligations under this Agreement.

J. As of the Effective Date, the Obligors acknowledge and agree that BEN is indebted to Evora under the Amended Consulting Agreement in the amount of not less than **$1,312,325.60**, representing the unpaid Fixed Advisory Fee, exclusive of accrued and accruing interest, attorneys' fees, costs, and other amounts that continue to accrue thereunder, attorneys' fees incurred in connection with the Lawsuit, and representing the legal fees and expenses BEN was obligated to advance and indemnify ("Outstanding Indebtedness").

K. On September 2, 2026, as a result of BEN's continuing defaults, Evora commenced an action against BEN in the United States District Court for the Southern District of New York, captioned *Evora Partners, LLC v. Brand Engagement Network, Inc.*, Case No. 1:26-cv-07517 (the "Lawsuit"), asserting claims for breach of contract, breach of BEN's advancement and indemnification obligations, and declaratory relief.

L. The Obligors acknowledge and agree that they hold no defense, right of setoff, counterclaim, or claim against Evora with respect to the Consulting Agreement, the Amended Consulting Agreement, the Outstanding Indebtedness, the Collateral, or the Lawsuit, and that Evora has performed all of its obligations under the Consulting Agreement and the Amended Consulting Agreement, and satisfied or been excused from all conditions precedent to the enforcement of its rights, remedies, and powers thereunder.

M. To induce Evora to enter into this Agreement and to accept the discounted Settlement Amount defined below in Section 3.1, (a) the Guarantor has agreed to guarantee, absolutely and unconditionally, the full and timely payment and performance of BEN's October 1 Payment, November 5 Payment, December 7 Payment and December 21 Payment (as defined below) obligations totaling $750,000.00 under this Agreement and under the Amended Consulting Agreement, as set forth in Section 3.3, and (b) the natural persons identified on Part B of Schedule A hereto (the "Individual Shareholders") have agreed to execute this Agreement solely with respect to, and solely to be bound by, the releases and covenants not to sue set forth in Section 7, and for no other purpose.

N. The Parties now desire to resolve the Lawsuit and the disputes and claims between them, and to avoid the risk, expense, inconvenience, and distraction of continued litigation, on the terms and conditions set forth in this Agreement, and Evora is willing to do so only subject to those terms and conditions.

NOW, THEREFORE, in consideration of the foregoing and the covenants and agreements hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

TERMS

1. Recitals

1.1 The Recitals set forth above (the "Recitals") are incorporated into and made a part of this Agreement.

1.2 The Obligors represent and warrant that the Recitals are true and correct in all respects.

2. Defined Terms. In addition to other defined terms in this Agreement, the following terms shall have the following meanings:

2.1 "Bankruptcy Code" means Title 11 of the United States Code (11 U.S.C. §§ 101 *et* seq.).

2.2 "Effective Date" means the date of September 30, 2026.

2.3 "Consent Judgment" means the proposed consent judgment attached to the Stipulated Judgment and conforming to Rule 58(a) of the Federal Rules of Civil Procedure, to be entered by the Court against BEN in the Lawsuit in accordance with Section 3.2.

2.4 "Investors" means the persons and entities identified on Part A of Schedule A hereto, and each of their respective affiliates, funds, general and limited partners, members, managers, directors, officers, employees, agents, and representatives.

2.5 "Individual Shareholders" means the natural persons identified on Part B of Schedule A hereto.

2.6 "Proceeding" means any voluntary or involuntary proceeding commenced by or against any Obligor under any provision of the Bankruptcy Code, or by or against any Obligor or a material portion of any Obligor's properties under any other bankruptcy, insolvency, or receivership law, including, without limitation, assignments for the benefit of creditors, formal or informal moratoria, compositions, extensions generally with any of the Obligors' creditors, or proceedings seeking dissolution, receivership, reorganization, arrangement, or other similar relief.

2.7 "Evora Wire Account" means the account described in Section 3.1(c).

2.8 "Vedder IOLA Trust Account" means the account described in Section 3.1(c).

2.9 "Payments" means the payments required pursuant to Section 3.1(b).

2.10 "Section" means a numbered section of this Agreement, unless another document is specifically referenced.

2.11 "95-Day Period" means the period commencing on the date Evora indefeasibly receives the final Payment required under Section 3.1 and ending ninety-five (95) days thereafter.

2.12 "Written Verification" means written verification, signed by each Obligor and/or counsel for the Obligors, delivered to Evora after expiration of the 95-Day Period, confirming that no Proceeding occurred during the 95-Day Period. To be effective, Written Verification shall be sent by overnight delivery in accordance with Section 26 and by e-mail to mcohen@vedder.com.

2.13 "Litigation" means any currently pending or threatened lawsuits, or any related proceedings or appeals, involving BEN, or any ongoing negotiations for the recovery of fees or other money involving BEN, including without limitation: (1) *Brand Engagement Network Inc. v. Brewer, III et al.*, No. 3:2025cv00114 (N.D. Tex.); and (2) *Brand Engagement Network, Inc. v. AFG Companies, Inc.*, No. 1:25-cv-02245 (S.D.N.Y.).

2.14 "Litigation Proceeds" means all of BEN's right, title, and interest in and to any and all proceeds (whether cash or non-cash), settlement payments, damage awards, judgments, recoveries, or other monetary amounts or consideration of any kind, whether actual, statutory, or otherwise, and all proceeds, products, substitutions, and accessions thereof, that BEN is entitled to receive, whether now existing or hereafter arising, in connection with or resulting from the Litigation, including all rights to payment arising out of any settlement, mediation, arbitration, judgment, or other resolution thereof, and having the same meaning as "Litigation Proceeds" under the Amended Consulting Agreement.

2.15 "Collateral" means the Litigation Proceeds and all other property in which Evora is granted, or has been granted, a security interest under this Agreement, the Amended Consulting Agreement, and/or the UCC Financing Statement, together with all proceeds and products thereof.

2.16 "Obligations" means, collectively, all obligations of the Obligors under this Agreement, including without limitation the Settlement Amount, each of the Payments, the Guaranteed Obligations, all amounts payable under the Stipulated Judgment, the Consent Judgment, and the Final Judgment, all advancement, indemnification, and duty-to-defend obligations, and all attorneys' fees, costs, interest, and enforcement costs payable to Evora hereunder, together with, upon and after the occurrence of an Event of Default, all amounts owing under the Amended Consulting Agreement (including the full Outstanding Indebtedness).

2.17 "UCC" means the Uniform Commercial Code as adopted and in effect from time to time in the State of Delaware or, as to the perfection or priority of any security interest, in any other applicable jurisdiction.

2.18 "Change of Control" means (1) any "person" or "group" (as those terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934) that is not, as of the date of this Agreement, a holder of fifty percent (50%) or more of BEN's voting equity, becomes the beneficial owner, directly or indirectly, of fifty percent (50%) or more of the total voting power of the Company's then-outstanding voting equity interests; (2) the sale, lease, license, transfer, or other disposition of all or substantially all of the assets of BEN to any person or group that is not a wholly owned subsidiary of BEN; (3) the consummation of any merger, consolidation, reorganization, recapitalization, or similar transaction involving BEN, other than a transaction in which the holders of the Company's voting equity immediately before the transaction continue to hold more than thirty percent (30%) of the voting power of the surviving or resulting entity immediately after the transaction; or (4) the adoption of a plan relating to the liquidation or dissolution of the Company.

3. Terms of Settlement and Payments to Evora

3.1 **The Settlement Payments**

(a) Notwithstanding anything to the contrary set forth herein, and solely for purposes of resolving the disputes between the Parties, the Obligors agree that they shall be responsible for the total payment of $825,000 which represents a negotiated amount on the Outstanding Indebtedness, indemnification, and attorneys' fees (collectively, the "Settlement Amount").

(b) The Settlement Amount shall be paid as provided for by the following payment schedule (the "Payment Schedule").

(i) The Obligors shall pay $75,000 to the Vedder IOLA Trust Account, to be received in the account on or before October 1, 2026;

(ii) The Obligors shall pay $100,000 to Evora, through the Evora Wire Account, to be received in the account on or before October 1, 2026 (the "October 1 Payment");

(iii) The Obligors shall pay $100,000 to Evora, through the Evora Wire Account, to be received in the account on or before November 5, 2026 (the "November 5 Payment");

(iv) The Obligors shall pay $100,000 to Evora, through the Evora Wire Account, to be received in the account on or before December 7, 2026 (the "December 7 Payment"); and

(v) The Obligors shall pay $450,000 to Evora, through the Evora Wire Account, to be received in the account on or before December 21, 2026 (the "December 21 Payment").

(c) The Payments set forth in this Section shall be paid by wire transfer pursuant to the instructions below, or in any other manner as Evora designates in writing:

(d) Time is of the essence with regard to payment of the Payments to Evora under this Agreement and with regard to any of the Obligors' other obligations under this Agreement.

(e) The Obligors agree to perform any further acts and to execute and deliver any documents which may be reasonably necessary to effectuate the provisions of this Agreement.

3.2 **The Stipulated Judgment and Final Judgment**

(a) Contemporaneously with the execution and delivery of this Agreement, the Obligors shall execute and deliver to Evora (i) a Joint Stipulation for Entry of Consent Judgment in the form attached hereto as **Exhibit 1** (the "Stipulated Judgment") and (ii) a proposed Consent Judgment in the form attached to the Stipulated Judgment (the "Consent Judgment"), conforming to the separate-document requirement of Rule 58(a) of the Federal Rules of Civil Procedure, pursuant to which the Obligors acknowledge and admit that, as of the Effective Date, BEN is liable to Evora the amount of One Million Two Hundred Sixty-Five Thousand Three Hundred Sixty-Nine and 99/100 Dollars ($1,265,369.99), in addition to (a) applicable post-judgment interest, and (b) any attorneys' fees and costs incurred by Evora from and after the Effective Date in connection with Evora enforcing its rights and remedies under this Agreement, the Stipulated Judgment, and/or the Amended Consulting Agreement (including, without limitation, all pre-judgment and post-judgment attorneys' fees and costs). The terms and conditions of the Stipulated Judgment are incorporated herein by reference.

(b) If any amount payable pursuant to this judgment is not paid when due, such overdue amount shall bear interest at a rate of 8% per annum.

(c) As soon as practicable after Evora receives the Stipulated Judgment, Evora shall immediately file the Stipulated Judgment with the Court in the Lawsuit for entry by the Court. The Parties acknowledge and agree that Evora is entering into this Agreement, and agreeing to accept the discounted Settlement Amount and to forbear as provided herein, in reliance upon the immediate entry of the Consent Judgment and the creation of a Judgment Lien (as defined below) as security for the Obligations.

(d) Judgment entered by the Court pursuant to the Stipulated Judgment (the "Final Judgment") shall become final for all purposes immediately upon entry, and the Obligors waive any right to appeal or seek review of the Final Judgment by a higher court.

(e) The Final Judgment shall be reduced by all payments indefeasibly paid to Evora under Section 3.1 above.

(f) Upon entry, the Final Judgment may immediately be filed, recorded, registered, certified, docketed, transcribed, domesticated and/or renewed in any jurisdiction by Evora (including without limitation recording, docketing, or transcribing the Final Judgment in any jurisdiction where Obligors have an interest in real or personal property), and Obligors knowingly and expressly waive notice of the filing, recordation, registration, certification, docketing, transcription, domestication and/or renewal of the Final Judgment in any jurisdiction and any right to object to the same.

(g) The Parties acknowledge and agree that, upon entry, filing, docketing, recordation, and/or transcription of the Final Judgment, Evora shall have and hold a judgment lien against the real and personal property of BEN to the fullest extent provided by applicable law (the "Judgment Lien"). The Obligors acknowledge and agree that Evora may perfect, docket, transcribe, record, and maintain the Judgment Lien immediately upon entry of the Final Judgment, notwithstanding Evora's forbearance from otherwise enforcing the Final Judgment. Evora shall not be required to release, discharge, satisfy, or cancel the Judgment Lien until (i) Evora has indefeasibly received all Payments and all other Obligations then due under this Agreement have been indefeasibly paid and satisfied in full, (ii) the 95-Day Period has expired, (iii) no Proceeding has occurred prior to or during the 95-Day Period, (iv) no Event of Default has occurred and is continuing, and (v) Evora has received the Written Verification. Upon satisfaction of all of the foregoing conditions, Evora shall, within a commercially reasonable time, file or deliver such documents as are reasonably necessary to memorialize satisfaction of the Final Judgment and release of the Judgment Lien.

(h) Except for the filing, recordation, registration, certification, docketing, transcription and/or domestication of the Final Judgment and the perfection and maintenance of the Judgment Lien described above, Evora shall forbear from otherwise enforcing or executing upon the Final Judgment so long as no Event of Default occurs under this Agreement. For the avoidance of doubt, nothing in this Section shall be construed to (a) prevent Evora from submitting, filing, docketing, or transcribing the Stipulated Judgment, the Consent Judgment, or the Final Judgment; (b) prevent Evora from perfecting, docketing, recording, or maintaining the Judgment Lien or any security interest in the Collateral; or (c) waive or impair Evora's ability to enforce any of its rights, powers, and remedies, without notice except as expressly required herein, upon an Event of Default.

(i) In the event that the Court enters judgment against BEN that is not materially different from the judgment proposed in the Stipulated Judgment, with materiality determined by Evora in Evora's sole and absolute discretion, such judgment shall become final for all purposes immediately upon entry, BEN waives any right to appeal or seek review of such judgment by a higher court, such judgment may be immediately filed, recorded, registered, certified, domesticated and/or renewed in any jurisdiction by Evora (including without limitation recording such judgment in any jurisdiction where BEN has an interest in real or personal property), and BEN knowingly and expressly waives notice of the filing, recordation, registration, certification, domestication and/or renewal of such judgment in any jurisdiction and any right to object to the same. Because the Guarantor is not a party to the Lawsuit and will not be named in the Consent Judgment or the Final Judgment, the Guarantor's liability for the Guaranteed Obligations is established under Section 3.3 and is independent of, cumulative with, and not limited by, the entry, terms, or satisfaction of the Consent Judgment or the Final Judgment.

(j) In the event that the Court enters judgment against BEN that is materially different from the judgment proposed in the Stipulated Judgment, with materiality determined by Evora in Evora's sole and absolute discretion, BEN shall cooperate with any efforts Evora desires to take regarding amending such judgment entered by the Court, including without limitation jointly requesting that the Court amend such judgment so that it is not materially different from the judgment proposed in the Stipulated Judgment.

(k) The Obligors consent to the entry of the Consent Judgment by the Court in the Lawsuit in accordance with this Section 3.2, and acknowledge and agree that the Court has subject-matter jurisdiction over the Lawsuit pursuant to 28 U.S.C. § 1332 and personal jurisdiction over BEN and the Lawsuit. Each Obligor represents and warrants that it has been represented by counsel of its own choosing (or has had a full opportunity to consult such counsel), and that it enters into this Section 3.2, the Stipulated Judgment, and the waivers set forth herein voluntarily, knowingly, and intelligently, with full awareness of their legal consequences, after arm's-length negotiation, and for good and valuable consideration.

(l) Before moving to enforce the Final Judgment, Evora shall deliver to the Obligors written notice of the Event of Default in accordance with Section 26, and the Obligors shall have ten (10) days after such notice to cure the Event of Default. If the Event of Default is not cured within that period, Evora may move to enforce or otherwise collect on the Final Judgment for the amount then outstanding. No notice or cure period shall be required, however, for any Event of Default arising under Sections 5.1(e), 5.1(f), or 5.1(g) (relating to any Proceeding, receivership, or insolvency), or for any Event of Default that, by its nature, cannot be cured, causes immediate harm to Evora, impairs Evora's rights in the Final Judgment, the Judgment Lien, or the Collateral, or creates a material risk of nonpayment.

(m) Upon an Event of Default (as defined in Section 5) that is not timely cured, or for which no notice or cure period is required, Evora may in its sole discretion exercise one or more of the following remedies, which remedies shall be cumulative and may be exercised simultaneously: (i) enforce the Stipulated Judgment and/or the Final Judgment;

(ii) otherwise pursue collection of all amounts and performance of all obligations due Evora under the Stipulated Judgment and/or the Final Judgment, including additional post-judgment attorneys' fees and costs; (iii) pursue the Guarantor for the Guaranteed Obligations in accordance with Section 3.3; (iv) exercise all rights and remedies of a secured party under the UCC with respect to the Collateral in accordance with Section 4; and/or (v) without limiting any of the foregoing, pursue any or all of its other rights and remedies under this Agreement, under the Amended Consulting Agreement, and/or at law, in equity, and/or by statute.

(n) The Consent Judgment and the Final Judgment shall be filed with, and entered by, the Court promptly following the execution of this Agreement in accordance with Section 3.2(c), and shall not be held in escrow; the Lawsuit shall be resolved by entry of the Consent Judgment and not by any dismissal. Only after (i) Evora has indefeasibly received all Payments and all other Obligations then due have been indefeasibly paid and satisfied in full, (ii) the 95-Day Period has expired, (iii) no Proceeding has occurred prior to or during the 95-Day Period, (iv) no Event of Default has occurred and is continuing, and (v) Evora has received the Written Verification, Evora shall, within a commercially reasonable time, file or deliver a satisfaction of the Final Judgment and a release of the Judgment Lien

3.3 **The Guaranty**

(a) The Guarantor absolutely, unconditionally, and irrevocably guarantees to Evora the full and timely payment and performance when due any and all of the October 1 Payment, November 5 Payment, December 7 Payment and December 21 Payment obligations totaling $750,000.00 obligations of BEN under this Agreement. These guarantees specifically do not include any additional amount that may become due pursuant to the Stipulated Judgment, the Consent Judgment, and the Final Judgment, together with all interest, attorneys' fees, costs, and enforcement costs payable to Evora, and, upon and after the occurrence of an Event of Default, all obligations of BEN under the Amended Consulting Agreement, including the full Outstanding Indebtedness and all amounts owing thereunder (collectively, the "Guaranteed Obligations"). This is a guaranty of payment and performance, and not merely of collection. The Guarantor is jointly and severally liable with BEN for the October 1 Payment, November 5 Payment, December 7 Payment and December 21 Payment obligations totaling $750,000.00.

(b) The obligations of the Guarantor are absolute, continuing, and independent, and Evora may enforce this Guaranty against the Guarantor without first proceeding against BEN, exhausting any other remedy, or joining BEN in any action. The Guaranty shall not be affected, released, or impaired by any modification, extension, renewal, indulgence, compromise, settlement, or forbearance granted to BEN, all of which Evora may grant without notice to or further consent of the Guarantor. The Parties agree and acknowledge that the Settlement Amount represents a negotiated, discounted resolution of the Outstanding Indebtedness offered in reliance upon the Obligors' full and timely performance of this Agreement. Accordingly, upon and after the occurrence of an Event of Default, Evora may pursue and recover from the Guarantor, at Evora's sole election, the then unpaid balance of the total of the October 1 Payment, November 5 Payment, December 7 Payment and December 21 Payment.

(c) If BEN fails to pay any amount of the Settlement Amount when due and Evora elects to enforce, demand payment under, or otherwise pursue the Guarantor under the Guaranty set forth in Section 3.3, BEN shall take all actions necessary or reasonably requested by Evora to ensure that the Guarantor has, and continues to have, sufficient funds and assets to satisfy the Guarantor's obligations under the Guaranty in full. This obligation is in addition to, and does not limit, BEN's own payment obligations or Evora's rights against BEN or the Guarantor.

(d) Without limiting Section 3(d), BEN shall, promptly and in any event within five (5) days of Evora's written request, take all actions within its power to enable the Guarantor to satisfy the guaranteed obligations, including: (a) issuing, transferring, or causing to be registered in the name of the Guarantor such shares and/or equity interests of BEN as are necessary to provide the Guarantor with assets or funds sufficient to satisfy the guaranteed obligations; (b) taking all corporate action required to authorize and give effect to such issuance, transfer, or registration, including obtaining any board, shareholder, or third-party approvals and making any required filings; and (c) using commercially reasonable efforts to cause such shares and/or equity interests to be registered for resale under applicable securities laws and to cooperate in any sale, transfer, or monetization of such shares and/or equity interests so that the resulting proceeds are available to satisfy the guaranteed obligations.

(e) The Company shall promptly execute and deliver all documents, and take all further actions, that the Claimant may reasonably request to give effect to this Section 3.3 and to ensure the Guarantor's ability to pay the guaranteed Obligations, and shall not take, and shall not permit the Guarantor to take, any action the primary purpose or effect of which is to impair the Guarantor's ability to satisfy the guaranteed obligations.

(f) The Company shall bear all costs and expense, including legal and registration fees, incurred by BEN, the Guarantor, or Evora in connection with the actions contemplated by this Section 3.3.

(g) The Guarantor waives presentment, demand for payment, protest, notice of dishonor, notice of acceptance of this Guaranty, notice of default, and all other notices and demands, and waives all suretyship and similar defenses to the fullest extent permitted by law. The Guarantor further waives any defense arising from the discount reflected in the Settlement Amount, any defense based on Evora's election of remedies or manner of enforcement, and any defense based on Evora's failure to name, pursue, or obtain judgment against BEN. Until all Guaranteed Obligations have been indefeasibly paid in full and the 95-Day Period has expired, the Guarantor irrevocably waives all rights of subrogation, reimbursement, indemnity, and contribution against BEN, and any right to enforce any remedy Evora may have against BEN or the Collateral.

(h) If any payment applied to the Guaranteed Obligations is avoided, rescinded, set aside, or required to be returned or repaid, whether in any Proceeding or otherwise, the Guaranteed Obligations to which such payment was applied shall be reinstated and enforceable against the Guarantor as if such payment had not been made.

(i) The Guarantor is an "Obligor" for all purposes of this Agreement, including without limitation the releases, waivers, representations and warranties, consent to jurisdiction, and the guaranty and security provisions set forth herein. For the avoidance of doubt, because the Guarantor is not a party to the Lawsuit, the Guarantor is not consenting to entry of the Consent Judgment against the Guarantor; the Guarantor's liability arises solely under this Section 3.3 and the other provisions of this Agreement to which the Guarantor is bound.

4. <u>Reaffirmation and Grant of Security Interest</u>

4.1 **Reaffirmation of Existing Security Interest.** BEN hereby ratifies, reaffirms, and confirms the continuing, first-priority security interest it granted to Evora in and to the Litigation Proceeds under Section A.2.a.iv of the Amended Consulting Agreement, and acknowledges and agrees that (a) such security interest remains in full force and effect, (b) the UCC Financing Statement and all continuations, amendments, and related filings remain valid, perfected, and enforceable, and (c) such security interest secures, and shall continue to secure, all of the Obligations, in addition to BEN's obligations under the Amended Consulting Agreement. Such continuing, first-priority security interest shall remain valid until Evora has indefeasibly received all Payments and all other Obligations then due under this Agreement have been indefeasibly paid and satisfied in full, (ii) the 95-Day Period has expired, (iii) no Proceeding has occurred prior to or during the 95-Day Period, (iv) no Event of Default has occurred and is continuing, and (v) Evora has received the Written Verification.

4.2 **Grant of Security Interest.** As additional security for the full and timely payment and performance of all of the Obligations, BEN hereby grants, pledges, and assigns to Evora a continuing, first-priority security interest in and to all of BEN's right, title, and interest in and to the Collateral, whether now existing or hereafter arising and wherever located, together with all proceeds, products, substitutions, and accessions thereof. This grant is in addition to, and not in substitution for, the security interest granted under the Amended Consulting Agreement, and is cumulative with the Judgment Lien and all other rights and remedies of Evora.

4.3 **Perfection; Further Assurances.** BEN authorizes Evora to file, at any time and without further authorization, one or more financing statements (UCC-1), amendments (UCC-3), and continuation statements describing the Collateral in the appropriate jurisdiction(s), including with the Delaware Secretary of State, and to take any other action Evora deems necessary or desirable to perfect, continue, and protect its security interest in the Collateral. BEN shall execute and deliver such further instruments and take such further actions as Evora may reasonably request to perfect, protect, and maintain Evora's security interest and the priority thereof. BEN shall not assign, pledge, encumber, sell, or otherwise transfer any interest in the Collateral without the prior written consent of Evora.

4.4 **Representations Regarding Collateral.** BEN represents and warrants that (a) it is the sole owner of the Collateral, free and clear of all liens, security interests, claims, and encumbrances other than Evora's; (b) it has not assigned, pledged, encumbered, or otherwise transferred any interest in the Collateral to any person or entity other than Evora; and (c) no financing statement or other lien filing covering the Collateral is on file in favor of any person or entity other than Evora. BEN shall not take any action inconsistent with these representations.

4.5 **Remedies as Secured Party.** Upon and after the occurrence of an Event of Default, Evora shall have all rights and remedies of a secured party under the UCC and any other applicable law, in addition to and not in lieu of any other rights and remedies under this Agreement, including without limitation the right to notify account debtors and obligors on the Litigation to make payment directly to Evora, to collect, compromise, and enforce the Litigation Proceeds, to take possession of and dispose of the Collateral, and to apply the proceeds of any disposition of the Collateral, after payment of Evora's costs and reasonable attorneys' fees, to the Obligations in such order as Evora may elect. Any notification of intended disposition of any Collateral required by law shall be deemed reasonable if given at least ten (10) days prior to such disposition.

4.6 **Reaffirmation of Underlying Obligation.** BEN hereby ratifies, reaffirms, and confirms the Amended Consulting Agreement and its obligation to pay the Outstanding Indebtedness thereunder, and acknowledges and agrees that, except as expressly modified by this Agreement, the Amended Consulting Agreement (including the security interest, advancement, indemnification, exculpation, and release provisions thereof) remains in full force and effect.

4.7 **Change of Control.** Notwithstanding the Payment Schedule set forth in Section 3.1, upon the occurrence of a Change of Control, the entire unpaid balance of the Settlement Amount, together with any accrued and unpaid interest amounts then owing under this Agreement, shall automatically become immediately due and payable in full, without notice, demand, presentment, or any further action by Evora, all of which BEN hereby waives. BEN shall pay such amount to the Evora no later than the closing of the Change of Control transaction. BEN shall give Evora written notice of any Change of Control (or any agreement that, if consummated, would result in a Change of Control) no later than ten (10) days before the closing of such Change of Control. BEN's failure to give such notice does not limit the Evora's rights under this Agreement or delay the acceleration provided for herein. No Change of Control, and no assignment, assumption, merger, sale, or other transaction constituting or resulting in a Change of Control, relieves the BEN or any successor of its payment obligations under this Agreement, and such obligations are binding upon and enforceable against BEN and its successors and assigns.

5. Events of Default/Remedies

5.1 An "Event of Default" shall mean the occurrence of any one or more of the following events:

(a) The Obligors fail to tender original signature pages to this Agreement and the Stipulated Judgment within five (5) days after execution of this Agreement;

(b) The Payments due under this Agreement are not timely paid;

(c) The Obligors fail to perform any further acts and to execute and deliver any documents which may be reasonably necessary to effectuate the provisions of this Agreement in accordance with Section 3 above;

(d) Without limiting any of the foregoing, the Obligors fail to comply with any term, condition, or provision set forth in this Agreement;

(e) Any Proceeding is commenced by or against any Obligor at any time before Evora has indefeasibly received all Payments required under Section 3.1, or during the 95-Day Period;

(f) Without limiting any of the foregoing, a receiver, custodian, trustee, or similar fiduciary is appointed over any Obligor or any material portion of any Obligor's assets at any time before Evora has indefeasibly received all Payments required under Section 3.1, or during the 95-Day Period;

(g) Without limiting any of the foregoing, any Obligor makes an assignment for the benefit of creditors, admits in writing its inability to pay its debts as they become due, or generally fails to pay its debts as they become due, at any time before Evora has indefeasibly received all Payments required under Section 3.1, or during the 95-Day Period; or

(h) Without limiting any of the foregoing, any representation or warranty made by any Obligor in this Agreement, the Stipulated Judgment, or any document delivered in connection with this Agreement is false, inaccurate, or materially misleading when made;

(i) Without limiting any of the foregoing, any Obligor assigns, pledges, encumbers, sells, or otherwise transfers any interest in the Collateral in violation of Section 4, or any lien, levy, attachment, or enforcement action is asserted against the Collateral by any person or entity other than Evora that materially impairs Evora's rights or remedies in the Collateral;

(j) Without limiting any of the foregoing, BEN fails to cause each Investor to execute and deliver an Investor Release, or fails to cause each Individual Shareholder to execute this Agreement as to the releases in Section 7, in each case as and when required under Section 7;

(k) Without limiting any of the foregoing, an "Event of Default" occurs under the Amended Consulting Agreement, or any Obligor breaches or fails to perform any obligation under the Amended Consulting Agreement; or

(l) Without limiting any of the foregoing, any Obligor obtains, or any third party obtains against any Obligor, a judgment or order that materially impairs Evora's rights or remedies under this Agreement, the Judgment Lien, or the Collateral.

5.2 Unless a different cure period is expressly provided in this Agreement, the Obligors shall have five (5) days after written notice from Evora to cure an Event of Default, but only if such Event of Default is capable of being fully cured within such period, as determined by Evora in its reasonable discretion. Notwithstanding the foregoing, no notice or cure period shall be required for any Event of Default arising under Sections 5.1(e), 5.1(f), or 5.1(g), or for any Event of Default that, by its nature, cannot be cured, causes immediate harm to Evora, impairs Evora's rights in the Final Judgment, the Judgment Lien, or the Collateral, or creates a material risk of nonpayment.

5.3 Upon the occurrence of an Event of Default that is not timely cured, or for which no notice or cure period is required, the entire unpaid balance of the Settlement Amount, the Final Judgment, the Guaranteed Obligations, all Obligations, and, at Evora's election, all amounts owing under the Amended Consulting Agreement (including the full Outstanding Indebtedness), together with all accrued interest, attorneys' fees, costs, and enforcement costs, shall become immediately due and payable without further notice, demand, presentment, or protest, all of which the Obligors knowingly and expressly waive.

5.4 Upon the occurrence of an Event of Default that is not timely cured, or for which no notice or cure period is required, Evora may immediately pursue, on a joint and several basis against BEN and (as to the Guaranteed Obligations) the Guarantor, any and all rights and remedies available under this Agreement, the Amended Consulting Agreement, the Final Judgment, applicable law, equity, or otherwise, including without limitation the right to: (a) enforce the Final Judgment against any and all assets of BEN; (b) execute upon, levy against, garnish, attach, restrain, seize, or otherwise collect against any assets, accounts, receivables, payment rights, claims, causes of action, general intangibles, real property, or personal property of the Obligors, wherever located; (c) commence turnover, supplementary, receivership, or fraudulent-transfer proceedings; (d) domesticate, register, record, docket, transcribe, renew, or otherwise enforce the Final Judgment in any jurisdiction where the Obligors have assets; (e) exercise all rights and remedies of a secured party under the UCC with respect to the Collateral; (f) pursue the Guarantor for the Guaranteed Obligations; and (g) pursue any other remedy available at law, in equity, by contract, by statute, or otherwise.

5.5 The Obligors acknowledge and agree that Evora would be irreparably harmed by any Event of Default involving the dissipation, transfer, concealment, diversion, encumbrance, or impairment of the Collateral or any other assets, and that, upon any such Event of Default, Evora shall be entitled to seek injunctive relief, specific performance, receivership, asset restraints, and turnover relief without the necessity of proving irreparable harm, the inadequacy of legal remedies, or posting a bond or other security, to the maximum extent permitted by law.

5.6 Neither Obligor shall oppose, object to, delay, or otherwise contest any post-default enforcement effort by Evora, including without limitation any effort to enforce, register, domesticate, docket, transcribe, renew, execute upon, or collect the Final Judgment, or any request by Evora for turnover relief, asset restraints, discovery in aid of enforcement, or appointment of a receiver. The Obligors knowingly and expressly waive any defenses, objections, counterclaims, setoffs, recoupments, stays, or other challenges to Evora's enforcement of the Final Judgment, the Judgment Lien, or the Collateral, or collection of amounts due under this Agreement, except only the defense of actual payment to Evora of the amounts sought to be collected.

5.7 The Obligors shall, upon request from Evora after an Event of Default, promptly provide complete and accurate information concerning their respective assets, liabilities, accounts, receivables, payment rights, claims, causes of action, real and personal property, and other property, including without limitation account statements, financial statements, tax returns, and schedules of assets and liabilities, as Evora may reasonably request to enforce its rights.

5.8 The Obligors acknowledge and agree that they shall have no claim, and waive and covenant not to assert any claim, for damages, injunctive relief, or otherwise against Evora with respect to Evora's declaration of an Event of Default and/or Evora's subsequent exercise of its rights, powers, and remedies, absent Evora's own fraud or willful misconduct.

5.9 Remedies under this Agreement, under any contract and/or at law, in equity, and/or by statute, are and shall be cumulative, and may be exercised simultaneously, successively, or in any order as Evora deems fit in its sole and absolute discretion, to the extent permitted by law. No delay, failure, or omission by Evora in exercising any right or remedy shall operate as a waiver thereof.

6. <u>Limited Forbearance</u>

6.1 So long as no Event of Default has occurred and is continuing, Evora shall forbear from enforcing or executing upon the Final Judgment and from exercising its rights and remedies under this Agreement, the Amended Consulting Agreement, and the Collateral, except for (a) filing, docketing, recording, transcribing, registering, certifying, domesticating, and renewing the Stipulated Judgment, the Consent Judgment, and the Final Judgment, (b) perfecting, docketing, recording, and maintaining the Judgment Lien and its security interest in the Collateral, and (c) any action expressly permitted under this Agreement.

6.2 The limited forbearance set forth in this Section is expressly conditioned upon the Obligors' strict compliance with each and every term, condition, and provision of this Agreement, and shall immediately cease and terminate, without notice, demand, presentment, or protest (all of which the Obligors knowingly and expressly waive), upon the occurrence of an Event of Default that remains uncured or unwaived after any applicable cure period.

6.3 The limited forbearance set forth in this Section shall be limited precisely as written and shall not be construed as a consent to, or waiver of, any breach or Event of Default, or as a waiver, amendment, or modification of any term of this Agreement, the Amended Consulting Agreement, or the Final Judgment.

7. Releases

7.1 Immediately upon the execution of this Agreement, the Obligors, on behalf of themselves and their successors, assigns, subsidiaries, affiliates, insurers, employees, attorneys, agents, representatives, and other persons and/or entities connected with any of the foregoing, hereby fully and forever compromise, settle, release, acquit, and discharge Evora and each of Evora's predecessors, successors, assigns, subsidiaries, affiliates, insurers, attorneys, agents, representatives, and other persons and/or entities connected with any of the foregoing from any and all debts, claims, demands, liabilities, responsibilities, disputes, causes, damages, actions, causes of action (whether at law and/or in equity), and obligations of every nature whatsoever (whether liquidated or unliquidated, known or unknown, asserted or unasserted, foreseen or unforeseen, matured or unmatured, fixed or contingent) that Obligors have, had, and/or may claim to have against Evora which arise from or relate to any actions which Evora has and/or may have taken or has and/or may have omitted to take prior to the date this Agreement was executed and, without limiting the foregoing, any and all debts, claims, demands, liabilities, responsibilities, disputes, causes, damages, actions, causes of action (whether at law and/or in equity), and obligations of every nature whatsoever (whether now known, unknown, asserted, unasserted, foreseen, unforeseen, contingent, actual, liquidated, or unliquidated) related to or arising out of this Agreement, the Amended Consulting Agreement, the Guaranty, the Lawsuit, the Stipulated Judgment, the Final Judgment, any litigation relating to the aforementioned, and/or any documents executed and/or delivered in connection with any of the foregoing. For clarity, the instant release specifically excludes Christopher Gaertner, DHC Sponsor, LLC, Cohen & Company and its affiliates, Coooley LLP and Haynes and Boone.

7.2 The releases set forth in Section 7.1 above shall survive fully and forever and remain in full force and effect whether or not the Obligors perform all their obligations under this Agreement and/or Evora pursues its rights and remedies against the Obligors under this Agreement, the Amended Consulting Agreement, the Stipulated Judgment, the Final Judgment, and/or otherwise.

7.3 Provided that Evora has indefeasibly received all Payments required under Section 3.1, the 95-Day Period has expired, no Proceeding has occurred during the 95-Day Period, no Event of Default has occurred and is continuing, and Evora has received the Written Verification, Evora shall release the Obligors from claims arising out of the Amended Consulting Agreement, the Guaranty, the Lawsuit, the Stipulated Judgment, the Final Judgment, and any documents executed and/or delivered in connection with any of the foregoing. Notwithstanding the foregoing, nothing in this Section shall release, waive, impair, or limit any obligations of the Obligors under this Agreement that expressly survive, including without limitation obligations relating to the advancement, indemnification, exculpation, and duty-to-defend obligations set forth in the Advancement and Indemnification Section of this Agreement (Section 16) and in the Amended Consulting Agreement, the reaffirmation and grant of security interest set forth in Section 4, releases by the Investors and Individual Shareholders (Sections 7.4 and 7.5), the Release Agreement attached as Schedule A to the Amended Consulting Agreement, returned payments, reinstatement, bankruptcy, taxes, enforcement costs, or any breach of this Agreement. The release provided for by this Section does not impact Evora's rights as an indemnitee or secured party.

7.4 Effective upon the execution of this Agreement, each of the Investors, each of the Individual Shareholders, and BEN on behalf of itself and its past, present, and future affiliates, subsidiaries, successors, assigns, officers, directors, employees, agents, representatives, and any other person or entity claiming by, through, or under it, and to the fullest extent it is able to bind them, the Investors and the Individual Shareholders (collectively the "Releasing Parties") hereby fully and forever compromise, settle, release, acquit, and discharge Evora and each of Evora's predecessors, successors, assigns, subsidiaries, affiliates, members, owners, managers, partners, directors, officers, employees, consultants, agents, attorneys, and insurers (collectively, the "Evora Releasees") from any and all debts, demands, actions, causes of action, suits, accounts, promises, doings, omissions, covenants, contracts, agreements, damages, and liabilities whatsoever, known and unknown, asserted and unasserted, foreseen and unforeseen, matured and unmatured, fixed and contingent, of every name and nature, in law and in equity, which the Releasing Parties now have, or may have had, or which the Releasing Parties ever had from the beginning of time to the Effective Date, including, without limitation, any and all claims arising out of or relating to Evora's engagement, the Consulting Agreement, the Amended Consulting Agreement, the business combination between DHC and BEN, any capital raised by or invested in BEN, any securities of BEN, the Lawsuit, the Stipulated Judgment, the Final Judgment, and any documents executed and/or delivered in connection with any of the foregoing, or the Evora Releasees' performance of services that are the subject of the Consulting Agreement, and any claims which could have arisen under any of the foregoing, whether direct, indirect, derivative, or on behalf of or in the right of BEN (collectively, the "Released Claims"). This release includes, without limitation, any and all claims arising under contract, tort, statute, common law, or equity, and any claims for attorneys' fees or costs. Without limitation of the foregoing, it is the intention of the Releasing Parties that the within release be a complete and total release and extinguishment of any and all claims of every nature and sort which the Releasing Parties ever had from the beginning of time to this date against the Evora Releasees relating to the Released Claims, and to that end, and not in limitation of the scope of the within release, the Releasing Parties intend the within release to cover all matters which are known, unknown, disclosed and undisclosed to the Releasing Parties, whether or not apparent or yet to be discovered, or which may hereafter develop, for any acts or omissions related to or arising from, directly or indirectly, the Released Claims. BEN acknowledges and agrees that the delivery and acceptance of the within release is neither an admission, nor evidence of any liability whatsoever by, or of any of the Evora Releasees, by whom such liability is expressly denied. The release is being executed by BEN upon full consideration and advice of its independent counsel and is not executed in reliance upon any representations made by the Evora Releasees or their attorneys. BEN acknowledges and agrees that it has been represented by counsel of its own choosing in the negotiation and preparation of this release and/or has been afforded the opportunity to consult with such counsel; that it has, by and through its authorized representatives, read this release or has had this release read to it; that it has been advised by counsel or has had the opportunity to be advised by counsel, and is fully aware of the contents of this release and its legal effect. The Releasing Parties' release of claims against the Evora Releasees is given in consideration of, and as a condition to Evora's entry into this Agreement, which provides material value to BEN.

7.5 Each of the Individual Shareholders identified on Part B of Schedule A shall execute this Agreement solely with respect to, and shall be bound by, the releases and covenants not to sue set forth in this Section 7, and for no other purpose. In addition, and as a condition to Evora's obligations under this Agreement, BEN shall cause each Investor identified on Part A of Schedule A to execute and deliver to Evora a release substantially in the form attached hereto as **Exhibit 2** (each, an "Investor Release") on or before the Effective Date, and in any event no later than five (5) business days after the Effective Date. The Evora Releasees (as defined herein and therein) are express third-party beneficiaries of this Section 7 and each Investor Release and shall have the right to enforce the same.

7.6 Each of the Releasing Parties covenants and agrees not to commence, prosecute, join in, fund, or assist in the prosecution of any action, suit, or proceeding against any Evora Releasee asserting any Released Claim, whether directly, indirectly, derivatively, or on behalf of or in the right of BEN.

7.7 Each of the Releasing Parties understands and acknowledges that the Released Claims may include claims that the Releasing Parties do not currently know or suspect to exist, and that this release extinguishes all such claims. Each Releasing Party expressly assumes the risk of such unknown claims and, to the fullest extent permitted by law, waives any and all rights and benefits conferred by Section 1542 of the California Civil Code and any similar or comparable law of any jurisdiction, which provides: "A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

7.8 There is a risk that, after the execution of this Agreement, either of the Parties will discover new injuries and damages, the nature, scope, and character of which are unknown and/or not discovered at the time this Agreement is signed. There is a risk that the injuries and damages presently known may now be or may become more serious than is now known, understood, expected, or anticipated. Accordingly, each of the Parties hereby assumes the above-mentioned risks.

8. Attorneys' Fees, Costs, and Expenses

8.1 In addition to all of the Parties' other rights, powers, and remedies under this Agreement, in the event that legal or other action is required to enforce Evora's rights, powers, and remedies pursuant to this Agreement, the Amended Consulting Agreement, the Guaranty, the Lawsuit, at law, in equity, and/or by statute or otherwise, Evora shall be entitled to pursue the Obligors for costs, including reasonable attorneys' fees, it has incurred in connection with the enforcement of its rights, powers, and remedies, specifically including any post-judgment enforcement efforts.

9. Bankruptcy

9.1 In the event that any payment or any portion of any payment made to Evora pursuant to this Agreement and/or the Amended Consulting Agreement becomes the subject of an avoidance or turnover action pursuant to Section 544, 547, 548, 549 or 550 of the Bankruptcy Code or any statute or law of similar effect, the Parties deem the consideration Evora has provided under this Agreement to be a contemporaneous exchange for new value pursuant to 11 U.S.C. § 547(c)(1).

9.2 In the event that a Proceeding occurs (including, without limitation, a voluntary or involuntary bankruptcy petition if filed by or against the Obligors), then, in addition to all other rights, powers, and remedies under this Agreement and notwithstanding any of the terms, conditions, or provisions of this Agreement, Evora shall be entitled to file a claim in any such Proceeding for all amounts due under the Amended Consulting Agreement and/or the Final Judgment (less any amounts the Obligors have irrevocably and indefeasibly paid to Evora under this Agreement).

9.3 In addition to Evora's other rights, powers, and remedies under this Agreement, in the event any payment made to, or other amount or value received by, Evora by, from, or on or for the account of the Obligors is avoided, rescinded, set aside or must otherwise be returned or repaid by Evora, whether in any bankruptcy, reorganization, insolvency, or similar proceeding involving Obligors or otherwise, then the indebtedness and liabilities intended to be repaid thereby shall be reinstated (without any further action by any party) and shall be enforceable against the Obligors and their respective successors and/or assigns.

9.4 In the event Evora is for any reason required to repay or disgorge any amount or property received under this Agreement, the Amended Consulting Agreement, or the Final Judgment (including any repayment based on 11 U.S.C. §§ 544, 547, 548, 549, and/or 550 or any statute of similar effect), then, in addition to the reinstatement provided above, the Obligors shall jointly and severally indemnify Evora for all amounts (a) Evora incurs in defending against any such repayment or disgorgement claim, and (b) Evora repays or disgorges, regardless of whether such repayment or disgorgement is made voluntarily by Evora or pursuant to a court order or judgment. The Judgment Lien and the security interest in the Collateral shall likewise be reinstated to secure all such reinstated obligations.

10. Additional Acknowledgments, Representations, and Warranties

10.1 The Obligors are executing this Agreement after due deliberation and with full knowledge of all circumstances surrounding or relating to the matters covered hereby. The Obligors acknowledge, represent, and warrant that the Obligors (a) have the opportunity to consult counsel of the Obligors' choice prior to entering into this Agreement, (b) have read the entirety of this Agreement and fully understand same, (c) are satisfied with the contents and effect of this Agreement, and (d) have entered into this Agreement of the Obligors' free will and are not under duress of any kind or nature whatsoever.

10.2 Each person executing this Agreement on behalf of an entity represents and warrants that such person has full power and authority to execute and deliver this Agreement and to bind such entity to all terms and obligations set forth herein. Each Obligor represents and warrants that the execution, delivery, and performance of this Agreement have been duly authorized and do not violate any agreement, organizational document, order, judgment, or law applicable to such Obligor.

10.3 Each Obligor represents and warrants that, as of the Effective Date, it does not intend to file, and has no present intention of filing or causing to be filed, a petition for relief under any chapter of the Bankruptcy Code or any other state or federal insolvency law.

10.4 The Obligors represent and warrant that they possess no defense, right of set-off, counterclaim, or claim against Evora with respect to the Consulting Agreement, the Amended Consulting Agreement, the Outstanding Indebtedness, the Collateral, the Lawsuit, or this Agreement, and that they have not sold, assigned, or otherwise transferred any claim, defense, or cause of action released or affected by this Agreement.

11. Counterparts and Facsimile or Scanned .pdf Copies

11.1 This Agreement may be executed in counterparts, each of which will be deemed to be an original copy of this Agreement and, when taken together, will be deemed to constitute one and the same agreement. Facsimile signatures or scanned .pdf signature pages shall be deemed acceptable to bind the Parties to the terms, provisions, and conditions of this Agreement. The Obligors shall deliver to Evora their original signature pages promptly after delivering any facsimile or scanned .pdf signature pages; however, the Obligors' failure to deliver such original signature pages after exchanging any facsimile or scanned .pdf signature pages shall not affect the enforceability of this Agreement.

12. Enforceability and Severability

12.1 If any term, condition, or other provision of this Agreement is found to be invalid, illegal, or incapable of being enforced by any rule of law or public policy by a court of competent jurisdiction, all other terms, conditions, and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any of the Parties. Upon such determination that any term, condition, or provision is invalid, illegal, or incapable of being enforced by a court of competent jurisdiction, the Parties shall negotiate in good faith to modify this Agreement so as to give effect to the original intent of this Agreement as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

13. No Modification Except in Writing

13.1 This Agreement may not be modified, altered, changed, or amended except in writing and signed by each of the Parties.

14. No Waiver

14.1 Evora's failure at any time to require strict performance by the Obligors of any term, condition, or provision of this Agreement shall not waive, affect, or diminish any right of Evora thereafter to demand strict compliance and performance therewith. None of the undertakings, agreements, warranties, covenants, and representations of the Obligors contained in this Agreement shall be deemed to have been suspended or waived by Evora unless such suspension or waiver is (a) in writing and signed by Evora, and (b) delivered to the Obligors.

15. Limitation on Relationship Between Parties

15.1 The relationship of Evora, on the one hand, and the Obligors, on the other hand, has been and shall continue to be, at all times, that of creditors and debtors and not as joint venturers or partners. Nothing contained in the Amended Consulting Agreement and/or this Agreement or any instrument, document, or agreement delivered in connection therewith shall be deemed or construed to create a fiduciary relationship between or among the Parties.

16. Advancement and Indemnification

16.1 In the event that Evora Partners, LLC or its affiliates or any of its or its affiliates' respective current or former directors, officers, partners, owners, managers, consultants, agents, representatives or employees (including any person controlling Evora or any of its affiliates) (collectively, "Indemnified Persons") becomes involved in any capacity in any action, proceeding or investigation brought by or against any person, including, without limitation, stockholders or investors of BEN, in connection with or as a result of Evora's engagement or any matter referred to in the Consulting Agreement or subsequent amendments to the Consulting Agreement and, in addition, any action, proceeding, investigation, or claim arising out of or relating to this Agreement, the Guaranty, the Stipulated Judgment, the Consent Judgment, the Final Judgment, or the negotiation, execution, performance, or enforcement of any of the foregoing, BEN shall initially advance to the Indemnified Persons $100,000 for legal and other expenses (inclusive of the anticipated cost of any investigation, preparation, and response) incurred or to be incurred in connection therewith within five (5) days of receipt of the notification from the Indemnified Persons without regard to and in advance of any determination of BEN's ultimate indemnification obligation, and such advances shall not be conditioned on any finding of entitlement. BEN shall continue to advance the expected costs of the Indemnified Persons' reasonable legal and other expenses (including the reasonable cost of any investigation, preparation, and response) incurred or to be incurred in connection therewith as needed and upon notification. Amounts not timely advanced shall accrue interest at 8% per annum. BEN also will indemnify and hold Indemnified Persons harmless against any and all losses, claims, damages, liabilities, deficiencies, actions, judgments, settlements, interest, awards, penalties, fines, costs, or expenses of whatever kind, including reasonable professional fees and attorneys' fees (collectively, "Losses") whether or not involving a third party, and whether brought by BEN, any affiliate of BEN, stockholders of BEN or any third party, to the extent arising out of, relating to, or resulting from, directly or indirectly, either the Indemnified Persons' engagement or any matter referred to in the Consulting Agreement, except to the extent that any such Losses result from the gross negligence, willful misconduct or bad faith of Indemnified Persons in performing the services that are the subject of the Consulting Agreement. As of the Effective Date, BEN acknowledges and agrees that no Indemnified Person has acted or failed to act in a manner that constitutes gross negligence, willful misconduct, or bad faith. If for any reason the foregoing indemnification is unavailable to indemnified Persons or insufficient to hold it harmless, then BEN shall contribute to the amount paid or payable by Indemnified Persons as a result of such Losses in such proportion as is appropriate to reflect the relative economic interests of BEN and its stockholders on the one hand and Indemnified Persons on the other hand in the matters contemplated by the Consulting Agreement as well as the relative fault of BEN and Indemnified Persons with respect to such Losses and any other relevant equitable considerations. BEN also agrees that Indemnified Persons shall not have any liability to BEN or any person or entity asserting claims on behalf of or in right of BEN in connection with or as a result of either Evora's engagement or any matter referred to in the Consulting Agreement except to the extent that any Losses incurred by BEN result from the gross negligence, willful misconduct or bad faith of Indemnified Persons in performing the services that are the subject of the Consulting Agreement. The reimbursement, indemnity and contribution obligations of BEN under this paragraph shall be in addition to any liability which BEN may otherwise have, and such obligations, as well as the exculpation set forth in the preceding sentence, shall extend upon the same terms and conditions to any affiliate of Indemnified Persons ("Indemnified Persons Affiliate") and the partners, shareholders, managers, directors, officers, agents, employees, representatives and controlling persons (if any), as the case may be, of Indemnified Persons and any Indemnified Persons Affiliate, and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of BEN, Indemnified Persons and Indemnified Persons Affiliate.

16.2 BEN shall defend, or at each Indemnified Person's election pay as incurred the cost of defending, any such action, proceeding, investigation, or claim, regardless of whether it is meritorious and without awaiting any determination of BEN's ultimate indemnification obligation. Each Indemnified Person may select its own counsel, and BEN shall not settle any matter in a manner that imposes any obligation or admission on an Indemnified Person without that person's prior written consent.

16.3 The obligations stated in this Section shall continue to apply to any involvement by Evora in the AFG Lawsuit.

16.4 For the sake of clarity, the obligations outlined in this Section 16 shall survive indefinitely, and are not terminated upon an Event of Default, full payment of the Settlement Amount, or any other event that should occur.

17. Final Agreement/Integration

17.1 This Agreement, the Stipulated Judgment, the Final Judgment, and any documents executed and/or delivered in connection with any of the foregoing, embody the entire agreement and understanding between the Parties with respect to the subject matter hereof and supersede all prior oral or written negotiations, agreements, and understandings of the Parties with respect to the subject matter hereof except as detailed in this Section.

17.2 Exhibit A to the Amended Consulting Agreement, specifically the release agreement between Michael Lucas and Evora, shall survive the execution of this Agreement.

18. Further Assurances

18.1 The Obligors covenant and agree to promptly take all such reasonable actions, including without limitation the execution and delivery of additional documents, required to effectuate the purposes of this Agreement, if any.

19. Parties Bound/Assignment

19.1 This Agreement is binding upon and shall inure to the benefit of all Parties, and their respective agents, heirs, administrators, successors, assigns, and executors. This Agreement shall not be assignable by the Obligors without the prior written consent of Evora. Evora may freely assign to one (1) or more persons or parties all or any part of its rights, obligations and benefits hereunder.

20. Choice of Law; Jurisdiction and Venue

20.1 The Parties agree that this Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to its conflict-of-law principles.

20.2 Each Obligor irrevocably submits to the exclusive jurisdiction of the United States District Court for the Southern District of New York for all purposes in connection with the Lawsuit, this Agreement, the Stipulated Judgment, and the Final Judgment, including the entry and enforcement of the Final Judgment, and agrees that the Court shall retain jurisdiction for such purposes. If and only to the extent that the Court lacks or declines to exercise subject-matter jurisdiction over any such matter, each Obligor irrevocably submits to the jurisdiction of any New York State court located in the City and County of New York, and to any other court in which Evora seeks to register, enforce, or collect upon the Final Judgment. Each Obligor waives any objection based upon improper venue, *forum non conveniens*, insufficiency of service of process, or any similar defense.

21. Waiver of Jury Trial

21.1 TO THE EXTENT NOT PROHIBITED BY LAW, THE PARTIES EXPRESSLY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR SUIT TO ENFORCE OR DEFEND ANY RIGHTS OR REMEDIES HEREUNDER OR UNDER ANY AGREEMENT, DOCUMENT, OR INSTRUMENT DELIVERED OR WHICH MAY HEREAFTER BE DELIVERED IN CONNECTION HEREWITH OR THEREWITH, OR ARISING FROM ANY RELATIONSHIP ARISING HEREUNDER OR THEREUNDER, AND AGREE THAT ANY SUCH ACTION OR SUIT SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

22. Tax Consequences

22.1 The Obligors understand and agree that (a) Evora makes no representations regarding this Agreement's tax consequences, including without limitation with respect to any debt forgiveness or cancellation of income, (b) the Obligors are, and shall be, solely responsible for any and all taxes, interest, and penalties due and owing, if any, should any tax liability arise or result from the provisions of this Agreement, and (c) if Evora receives less than the full amount owed under this Agreement, Evora may file a Form 1099 with the Internal Revenue Service (IRS).

23. Reservation of Rights

23.1 Except as expressly set forth herein, neither the fact of Evora's forbearance, nor any other term of this Agreement, shall be deemed or construed to (a) be a consent to any forbearance, waiver, amendment, or modification of any term of the Amended Consulting Agreement, the Final Judgment, or any other contract between Evora and any Obligor, or (b) affect, impair, operate as a waiver of, or prejudice any right, power, or remedy that Evora may now or hereafter have under this Agreement, the Amended Consulting Agreement, the Final Judgment, the Collateral, at law, in equity, or by statute. Evora hereby expressly reserves all rights, powers, and remedies it possesses under this Agreement, the Amended Consulting Agreement, the Final Judgment, the Collateral, at law, in equity, and by statute.

24. Draftsmanship/Construction

24.1 The Parties have jointly prepared this Agreement and agreed to the use of the particular language of the terms, conditions, and provisions of this Agreement. Any question of doubtful interpretation shall not be resolved by any rule of interpretation providing for interpretation against the Party who causes an uncertainty to exist or against the draftsman. In addition, the Section titles in this Agreement are solely for convenience of reference and shall be given no effect in the construction or interpretation of this Agreement. The gender and number of terms used in this Agreement are used as reference terms only and shall apply with the same effect whether the Parties are of the masculine or feminine gender, corporate or other form, and the singular shall likewise include the plural to the extent necessary to effectuate the terms, provisions, and conditions of this Agreement.

25. Notice

25.1 Any notice, demand, or other communication required or permitted to be given under this Agreement shall be in writing and sent by overnight delivery via a nationally recognized overnight delivery service and/or the United States Postal Service Express Mail to the following addresses (unless any Party notifies the other Parties in writing as set forth below in this Section 25.1 of a different address):

(a) If to Evora: Evora Partners, LLC, Attn: Richard Miller, Managing Director, 228 Park Ave S., Ste 600781, New York, NY 10003, with a copy to Evora's counsel, Mitchell D. Cohen, Esq., Vedder Price P.C., 1633 Broadway, 31st Floor, New York, NY 10019 and mcohen@vedder.com;

(b) If to the Obligors: Brand Engagement Network, Inc., Attn: James D. Henderson, Jr., The Law Offices of James D. Henderson, Jr., 2530 Wilshire Blvd., Second Floor, Santa Monica, CA 90403 and BEN Capital Fund I, LLC (Guarantor), 125 S. King St., Suite 2A, Jackson, WY 83001 with a copy to James D. Henderson, Jr.

25.2 Notice given in compliance with this Section shall be sufficient for all purposes under this Agreement, and such notice shall be effective when sent.

26. Survival. The releases, waivers, representations, warranties, acknowledgments, covenants, payment obligations, bankruptcy provisions, reinstatement provisions, attorneys' fees provisions, jurisdiction and venue provisions, and all rights and remedies of Evora under this Agreement, the Stipulated Judgment, and the Final Judgment shall survive the execution of this Agreement, entry of the Final Judgment, payment of the Payments, and any satisfaction of judgment to the fullest extent necessary to effectuate their terms.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK—SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, this Agreement has been duly EXECUTED, AGREED, and ACCEPTED as of the day and year first above written.

EVORA PARTNERS, LLC

By: /s/ Richard Miller
Name: Richard Miller
Its: Managing Director

BRAND ENGAGEMENT NETWORK, INC.

By: /s/ James D. Henderson, Jr.
Name: James D. Henderson, Jr.
Its: General Counsel

BEN CAPITAL FUND I, LLC

By: /s/ James Irving
Name: James Irving
Its: Managing Director

SCHEDULE A

Part A - Investors Required to Deliver Investor Releases

1. BEN Capital Fund I, LLC

2. BEN Capital II, LLC

3. Lucas Venture Partners LLC

4. Genuine Lifetime LLC

5. Joseph Bevash

Exhibit 31.1

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

I, Tyler Luck, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Brand Engagement Network 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 presented in this report;

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

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

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

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

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

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

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

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

Date: November 23, 2026

By: *<u>/s/ Tyler Luck</u>*

Tyler Luck
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

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

I, Walid Khiari, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Brand Engagement Network 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 presented in this report;

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

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

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

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

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

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

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

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

Date: November 23, 2026

By: **

Walid Khiari
Chief Financial Officer and Chief Operating Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

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

In connection with the Quarterly Report of Brand Engagement Network Inc. (the "Company") on Form 10-Q for the period ended September 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Tyler Luck, hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

Date: November 23, 2026

By: *<u>/s/ Tyler Luck</u>*

Tyler Luck
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

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

In connection with the Quarterly Report of Brand Engagement Network Inc. (the "Company") on Form 10-Q for the period ended September 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Walid Khiari, hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

Date: November 23, 2026

By: */s/ Walid Khiari*

Walid Khiari
Chief Financial Officer and Chief Operating Officer
(Principal Financial and Accounting Officer)