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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: 001-35824

Professional Diversity Network, Inc.

(Exact name of Registrant as Specified in Its Charter)

Delaware	**80-0900177**
(State or Other Jurisdiction of Incorporation or Organization)	*(I.R.S. Employer Identification No.)*
55 E. Monroe Street, Suite 2120 Chicago, Illinois	**60603**
(Address of Principal Executive Offices)	*(Zip Code)*

(312) 614-0950

(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, $0.0001 par value per share	IPDN	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 and posted 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 and post 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" and "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.:

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

Emerging growth company ☐

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

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

There were 1,384,303 shares outstanding of the registrant's common stock as of November 16, 2026.

Note Regarding Forward-Looking Statements

This Quarterly Report contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements concern expectations, beliefs, projections, plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. Specifically, this Quarterly Report contains forward-looking statements regarding:

- our beliefs regarding our ability to capture and capitalize on market trends;
- our expectations on the future growth and financial health of the online diversity recruitment industry and the industry participants, and the drivers of such growth;
- our beliefs regarding the increased value derived from the synergies among our segments; and
- our beliefs regarding our liquidity requirements, the availability of cash and capital resources to fund our business in the future and intended use of liquidity.

These forward-looking statements reflect our current views about future events and are subject to risks, uncertainties and assumptions. We wish to caution readers that certain important factors may have affected and could in the future affect our actual results and could cause actual results to differ significantly from those expressed in any forward-looking statement. The most important factors that could prevent us from achieving our goals, and cause the assumptions underlying forward-looking statements and the actual results to differ materially from those expressed in or implied by those forward-looking statements include, but are not limited to, the following:

- our ability to raise funds in the future to support operations;
- our business and operating strategies and plans for the development of existing and new businesses, ability to implement such strategies and plans and expected time;
- failure to realize synergies and other financial benefits from mergers and acquisitions within expected time frames, including increases in expected costs or difficulties related to integration of merger and acquisition partners;
- inability to identify and successfully negotiate and complete additional combinations with potential merger or acquisition partners;
- our history of operating losses;
- our limited operating history in a new and unproven market;
- increasing competition in the market for online professional networks;
- our ability to comply with increasing governmental regulation and other legal obligations related to privacy;
- our ability to adapt to changing technologies and social trends and preferences;
- our ability to attract and retain a sales and marketing team, management and other key personnel and the ability of that team to execute on the Company's business strategies and plans;
- our ability to obtain and maintain intellectual property protection for our intellectual property;
- the outcome of current or future litigation regarding our business, including intellectual property claims;
- general and economic business conditions; and
- legal and regulatory developments, including those affecting the market for services focused on the promotion of workplace diversity and other services we provide.

The foregoing list of important factors may not include all such factors. You should consult other disclosures made by the Company (such as in our other filings with the United States Securities and Exchange Commission (the "SEC") or in company press releases) for additional factors, risks and uncertainties that may cause actual results to differ materially from those projected by the Company. Please refer to Part I, Item 1A, "Risk Factors" of our Annual Report for the fiscal year ended December 31, 2025 filed with the SEC on March 31, 2026 (the "2025 Annual Report") and Part II, Item 1A, "Risk Factors" of this Quarterly Report for additional information regarding factors that could affect our results of operations, financial condition and cash flow. You should consider these factors, risks and uncertainties when evaluating any forward-looking statements and you should not place undue reliance on any forward-looking statement. Forward-looking statements represent our views as of the date of this Quarterly Report, and we undertake no obligation to update any forward-looking statement to reflect the impact of circumstances or events that arise after the date of this Quarterly Report.

PROFESSIONAL DIVERSITY NETWORK, INC.

FORM 10-Q
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2026

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Item 1. FINANCIAL STATEMENTS

Professional Diversity Network, Inc. and Subsidiaries
CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

	September 30, 2026 (Unaudited)	December 31, 2025
Current Assets:		
Cash and cash equivalents	$ 754,859	$ 212,102
Restricted cash	2,495,000	1,250,000
Accounts receivable, net	511,222	796,949
Other receivables	-	200,977
Prepaid expense and other current assets	68,563	82,358
Current assets from discontinued operations	-	17,411
Total current assets	3,829,644	2,559,797
Property and equipment, net	593,006	35,991
Capitalized technology, net	278,791	219,297
Goodwill	1,417,753	1,417,753
Intangible assets, net	6,162,094	9,629,008
Right-of-use assets	87,807	149,525
Security deposits	49,755	49,755
Other assets	5,166,000	3,806,000
Long-term assets from discontinued operations	-	443
Total assets	$ 17,584,850	$ 17,867,569
Current Liabilities:		
Accounts payable	$ 648,688	$ 732,645
Accrued expenses	818,243	1,318,272
Deferred revenue	738,075	1,077,967
Other current liabilities	1,304,401	3,235,530
Lease liability, current portion	109,166	102,581
Current liabilities from discontinued operations	-	135,830
Total current liabilities	3,618,573	6,602,825
Lease liability, non-current portion	-	82,484
Total liabilities	3,618,573	6,685,309
Commitments and contingencies	-	-
Stockholders' Equity		
Common stock, $0.0001 par value; 1,000,000,000 shares authorized, 1,017,743 and 243,279 shares issued as of September 30, 2026 and December 31, 2025, and 1,017,741 and 243,277 shares outstanding as of September 30, 2026 and December 31, 2025.	102	24
Additional paid in capital	129,425,788	120,652,168
Accumulated deficit	(114,844,256)	(108,865,674)
Treasury stock, at cost; 2 and 2 shares at September 30, 2026 and December 31, 2025	(37,117)	(37,117)
Total Professional Diversity Network, Inc. stockholders' equity	14,544,517	11,749,401
Noncontrolling interest	(578,240)	(567,141)
Total stockholders' equity	13,966,277	11,182,260
Total liabilities and stockholders' equity	$ 17,584,850	$ 17,867,569

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

Professional Diversity Network, Inc. and Subsidiaries
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Revenues:				
Recruitment services	$ 540,951	$ 877,036	$ 1,753,466	$ 2,673,577
Contracted software development	308,536	768,274	1,670,406	1,924,729
Consumer advertising and marketing solutions	6,793	5,569	18,837	16,641
Total revenues	856,280	1,650,879	3,442,709	4,614,947
Costs and expenses:				
Cost of revenues	598,414	959,954	2,325,879	2,595,450
Sales and marketing	342,536	368,883	990,439	1,302,961
General and administrative	1,371,496	2,597,618	2,717,837	4,054,117
Depreciation and amortization	1,189,238	39,311	3,577,432	120,720
Total costs and expenses	3,501,684	3,965,766	9,611,587	8,073,248
Loss from continuing operations	(2,645,404)	(2,314,887)	(6,168,878)	(3,458,301)
Other income (expense)				
Interest and other income	(6,890)	(14,799)	15,160	(46,062)
Other income (expense), net	(6,890)	(14,799)	15,160	(46,062)
Loss before income tax expense (benefit)	(2,652,294)	(2,329,686)	(6,153,718)	(3,504,363)
Income tax expense (benefit)	-	-	-	-
Loss from continuing operations, net of tax	(2,652,294)	(2,329,686)	(6,153,718)	(3,504,363)
Income (loss) from discontinued operations	234,797	(44,967)	164,037	(103,437)
Net loss including non-controlling interests	(2,417,497)	(2,374,653)	(5,989,681)	(3,607,800)
Net loss attributable to non-controlling interests	4,087	16,852	11,099	51,972
Net loss attributable to Professional Diversity Network, Inc.	$ (2,413,410)	$ (2,357,801)	$ (5,978,582)	$ (3,555,828)
Other comprehensive loss, net of tax:				
Net loss attributable to Professional Diversity Network, Inc.	$ (2,413,410)	$ (2,357,801)	$ (5,978,582)	$ (3,555,828)
Comprehensive loss, net of tax	$ (2,413,410)	$ (2,357,801)	$ (5,978,582)	$ (3,555,828)
Basic and diluted loss per share:				
Continuing operations	$ (4.74)	$ (24.53)	$ (14.65)	$ (45.98)
Discontinued operations	$ 0.42	$ (0.47)	$ 0.39	$ (1.36)
Net loss per share	$ (4.32)	$ (25.00)	$ (14.26)	$ (47.34)
Weighted-average outstanding shares used in computing net loss per common share:				
Basic and diluted	559,811	94,957	419,947	76,215

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

Professional Diversity Network, Inc. and Subsidiaries
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (Unaudited)

	Common Stock		Additional Paid in	Accumulated	Treasury Stock		Accumulated Other Comprehensive	Non-controlling Interest in	Total Stockholders'
	Shares	Amount	Capital	Deficit	Shares	Amount	Income (Loss)	Subsidiary	Equity
Balance at January 1, 2026	243,277	$ 24	$ 120,652,168	$ (108,865,674)	2	$ (37,117)	$ -	$ (567,141)	$ 11,182,260
Sale of common stock	618,160	64	4,498,259	-	-	-	-	-	4,498,323
Issuance of common stock	156,304	14	4,213,101				-	-	4,213,115
Share-based compensation	-	-	62,260	-	-	-	-	-	62,260
Amortization of funding commitment	-	-	-	-	-	-	-	-	-
Changes in Noncontrolling Interests	-	-	-	-	-	-	-	-	-
Net loss	-	-	-	(5,978,582)	-	-	-	(11,099)	(5,989,681)
Balance at September 30, 2026	1,017,741	$ 102	$ 129,425,788	$ (114,844,256)	2	$ (37,117)	$ -	$ (578,240)	$ 13,966,277

	Common Stock		Additional Paid in	Accumulated	Treasury Stock		Accumulated Other Comprehensive	Non-controlling Interest in	Total Stockholders'
	Shares	Amount	Capital	Deficit	Shares	Amount	Income (Loss)	Subsidiary	Equity
Balance at January 1, 2025	60,776	$ 6	$ 107,774,198	$ (102,414,683)	2	$ (37,117)	$ -	$ (481,500)	$ 4,840,904
Sale of common stock	24,635	2	3,799,411	-	-	-	-	-	3,799,413
Issuance of common stock	49,645	5	3,714,828	-	-	-	-	-	3,714,833
Share-based compensation	1,790	-	40,115	-	-	-	-	-	40,115
Amortization of funding commitment	-	-	(187,500)	-	-	-	-	-	(187,500)
Changes in Noncontrolling Interests	-	-	(183,544)	-	-	-	-	(116,456)	(300,000)
Net loss	-	-	-	(3,555,828)	-	-	-	(51,972)	(3,607,800)
Balance at September 30, 2025	136,846	$ 13	$ 114,957,508	$ (105,970,511)	2	$ (37,117)	$ -	$ (649,928)	$ 8,299,965

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

Professional Diversity Network, Inc. and Subsidiaries
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

	Nine Months Ended September 30,	
	2026	**2025**
Cash flows from operating activities:		
Loss from continuing operations	$ (6,153,718)	$ (3,504,363)
Adjustments to reconcile net loss from continuing operations to net cash used in operating activities - continuing operations:		
Depreciation and amortization	3,577,432	120,720
Noncash lease expense	68,540	68,542
Stock-based compensation expense	62,260	40,115
Provision for doubtful accounts	(26,950)	94,597
Unrealized loss on investment	-	44,000
Removal of discontinued operations	(103,938)	-
Loss on disposal of property, plant and equipment	19,161	-
Changes in operating assets and liabilities, net of effects of discontinued operations:		
Accounts receivable	312,677	103,528
Prepaid expenses and other assets	214,772	(345,506)
Accounts payable	(83,957)	381,730
Accrued expenses	(500,029)	129,242
Other current liabilities	(463)	12,246
Lease liability	(82,721)	(80,883)
Deferred revenue	(339,892)	(560,915)
Net cash used in operating activities - continuing operations	(3,036,826)	(3,496,947)
Net cash provided by (used in) operating activities - discontinued operations	(4,726)	1,284
Net cash used in operating activities	(3,041,552)	(3,495,663)
Cash flows from investing activities:		
Costs incurred to develop technology	(42,500)	-
Purchases of property and equipment	(289,407)	(3,996)
Payments to acquire investments	-	(1,300,000)
Purchases of intangible assets	-	(2,900,000)
Proceeds from sale of subsidiary	149,874	
Net cash provided by (used in) investing activities	(182,033)	(4,203,996)
Cash flows from financing activities:		
Proceeds from the sale of common stock	4,498,323	5,414,246
Proceeds from short-term debt	684,433	893,343
Repayment of short-term debt	(176,266)	(73,827)
Proceeds from Noncontrolling Interests	-	-
Net cash provided by financing activities	5,006,490	6,233,762
Net increase (decrease) in cash, cash equivalents, and restricted cash	1,782,905	(1,465,897)
Cash, cash equivalents, and restricted cash, beginning of period	1,466,954	1,731,155
Cash, cash equivalents, and restricted cash, end of period	3,249,859	265,258
Supplemental disclosures of other cash flow information:		
Cash paid for income taxes	$ -	$ -
Non-cash stock issuance for additional interest in RemoteMore USA, Inc.	$ -	$ 300,000
Non-cash amortization of commitment funding	$ -	$ 187,500
Non-cash stock issuance for acquisition of copyright	$ -	$ 1,800,000
Noncash acquisition of Capitalized Technology	$ 119,990	$ -
Conversion from Note Payable to Common Stock	$ 139,344	$ -
Stock issued for previous acquired DTT Tokens	$ 2,593,780	$ -
Stock issued for investment in AI Geometric LTD	$ 1,360,000	$ -

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

Effective July 23, 2026, the Company filed a Certificate of Amendment to its Certificate of Incorporation to increase the number of authorized shares of common stock from 45,000,000 shares to 1,000,000,000 shares and to reduce the par value of its common stock and preferred stock from $0.01 per share to $0.0001 per share. The accompanying unaudited condensed consolidated financial statements and related disclosures have been retroactively adjusted, where applicable, to give effect to these changes for all periods presented.

Effective September 11, 2026, the Company filed a certificate of amendment to our Amended and Restated Certificate of Incorporation in order to implement a one-for-thirty (1-for-30) reverse stock split, through which each thirty shares of common stock, par value $0.0001 per share, issued and outstanding were combined and changed into one share of common stock, par value $0.0001 per share ("Common Stock"). All share amounts and share prices in this quarterly report on Form 10-Q have been adjusted to give effect to the reverse stock split.

1. Basis of Presentation and Description of Business

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") pursuant to the rules and regulations of the SEC for interim financial information. Accordingly, they do not include all of the information and notes required by U.S. GAAP for complete financial statements. The accompanying consolidated financial statements include all adjustments, which consist of normal recurring adjustments and transactions or events discretely impacting the interim periods, considered necessary by management to fairly state our results of operations, financial position and cash flows. The operating results for interim periods are not necessarily indicative of results that may be expected for any other interim period or for the full year. These consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2025 (the "2025 Form 10-K").

Professional Diversity Network, Inc. (the "Company," "PDN," "PDN, Inc.," "we," "our" or "us") is a dynamic operator of professional networks with a focus on talent acquisition and professional development. Our networks provide access to a robust audience across multiple demographics. We serve a variety of such communities, including Women, Hispanic Americans, African Americans, Asian Americans, persons with disabilities, Military Professionals, and Lesbian, Gay, Bisexual, Transgender and Queer (LGBTQ+). Our goal is (i) to assist our registered users and members in their efforts to connect with like-minded individuals and identify career opportunities within the network and (ii) to connect members with prospective employers while helping the employers address their workforce needs. We believe that the combination of our solutions allows us to approach recruiting and professional networking uniquely and thus create enhanced value for our members and clients.

As of September 30, 2026, PDN was a holding company and operated three business units: TalentAlly, LLC, RemoteMore USA, Inc., and PDN Intelligence, Inc.

TalentAlly, LLC ("TalentAlly" or "TalentAlly Network") consists of several online professional job seeker communities dedicated to serving professionals in the United States and employers seeking to hire talent from a wide range of sources with many demographics represented. We use the word "professional" to describe any person interested in TalentAlly's websites or career fairs presumably for the purpose of career advancement or related benefits offered by the Company, whether or not such person is employed and regardless of the level of education or skills possessed by such person. Leveraging the power of our affinity job seeker groups, these professionals harness the relationships with employers and recruiters to help advance their careers. TalentAlly operates these recruitment affinity groups within the following sectors: Women, Hispanic-Americans, African-Americans, Asian-Americans, persons with disabilities, Military Professionals, and LGBTQ+. In addition, the Company also manages the job seeker websites and career fairs for prominent diverse membership-based organizations, including but not limited to NAACP, National Urban League, and Kappa Alpha Psi. Employers and recruiters benefit from the Company's relationship with these organizations, which allows them to access a large pool of qualified job seekers in a centralized manner. TalentAlly is 100% owned and operated by PDN, Inc.

RemoteMore USA ("RemoteMore USA" or "RemoteMore") is an innovative, global entity that provides remote-hiring marketplace services for developers and companies. RemoteMore connects companies with reliable, cost-efficient, vetted developers, and empowers software developers to find meaningful jobs regardless of their location. As of September 30, 2026, PDN, Inc. owned 84.58% of RemoteMore USA, Inc. The Company consolidates RemoteMore USA's operations into its consolidated financial statements.

PDN Intelligence, Inc. was established with the goal of exploring the development of an infrastructure platform that could potentially support the computing needs of enterprises, AI developers, research teams and technology companies. Its planned activities may include acquiring or otherwise securing access to advanced GPU systems, deploying computing resources through qualified infrastructure partners, offering GPU-based computing capacity and supporting the development and operation of AI models, agents and enterprise applications.

2. Going Concern and Management's Plans

At September 30, 2026, the Company's principal sources of liquidity were its cash and cash equivalents, including cash from operations and net proceeds from the issuances of common stock, if any.

The Company had an accumulated deficit of $114,844,256 at September 30, 2026. During the nine months ended September 30, 2026, the Company generated a loss from continuing operations, net of tax, of $6,153,718. During the nine months ended September 30, 2026, the Company used cash in continuing operations of $3,036,826. At September 30, 2026, the Company had a cash balance of $754,859. Total revenues were $3,442,709 and $4,614,947 for the nine months ended September 30, 2026 and 2025, respectively. The Company had working capital from continuing operations of $211,071 as of September 30, 2026 and a working capital deficit from continuing operations of $3,924,609 at December 31, 2025. These conditions raise substantial doubt about its ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent on the Company's ability to further implement its business plan, raise capital, and generate revenues. The consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Cash on hand and cash flow from operations may not be sufficient to meet our working capital requirements for at least one year from the date these consolidated financial statements are issued. In order to accomplish our business plan objectives, the Company will need to increase revenues, raise capital through the issuance of common stock, continue its cost reduction efforts, or enter into a strategic merger or acquisition. There can be no assurances that our business plans and actions will be successful, that we will generate anticipated revenues, or that unforeseen circumstances will not require additional funding sources in the future or require an acceleration of plans to conserve liquidity. Future efforts to improve liquidity through the issuance of our common stock may not be successful, or if available, they may not be available on acceptable terms.

3. Summary of Significant Accounting Policies

Basis of Presentation - The accompanying consolidated financial statements have been prepared in accordance with U.S. GAAP.

Use of Estimates - The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the consolidated financial statements, which management considered in formulating its estimate, could change in the near term due to *one* or more future intervening events. Accordingly, the actual results could differ significantly from estimates.

Significant estimates underlying the consolidated financial statements include the fair value of acquired assets and liabilities associated with acquisitions; assessment of goodwill impairment, other intangible assets and long-lived assets for impairment; allowances for credit losses and assumptions related to the valuation allowances on deferred taxes, impact of applying the revised federal tax rates on deferred taxes, the valuation of stock-based compensation and the valuation of stock warrants.

Principles of Consolidation - The accompanying consolidated financial statements include the accounts of the Company, its wholly owned and majority-owned subsidiaries, and those subsidiaries where less than *50%* is owned but consolidation is required. All significant intercompany balances and transactions have been eliminated in consolidation.

Cash Equivalents - The Company considers cash equivalents to include all short-term, highly liquid investments that are readily convertible to known amounts of cash and have original maturities of *three* months or less.

Restricted Cash - As of September 30, 2026 and December 31, 2025, the Company had restricted cash of $2,495,000 and $1,250,000, respectively. The funds are maintained in a deposit account of the Company's wholly-owned subsidiary and are subject to withdrawal restrictions under the related Deposit Account Control Agreement, dated as of September 5, 2025 ("DACA"). Cash, cash equivalents, and restricted cash presented in the condensed consolidated statements of cash flows consisted of cash and cash equivalents of $754,859 and restricted cash of $2,495,000, totaling $3,249,859, as of September 30, 2026, and cash and cash equivalents of $212,102 and restricted cash of $1,250,000, together with $4,852 of cash included in current assets from discontinued operations, totaling $1,466,954, as of December 31, 2025.

Accounts Receivable and Allowance for Credit Losses - The Company's accounts receivable consist principally of uncollateralized amounts billed to customers. These receivables are generally due within *30* to *90* days of the period in which the corresponding sales occur and do *not* bear interest. They are recorded at net realizable value less an allowance for credit losses and are classified as accounts receivable, net on the consolidated balance sheets.

The Company considers both current conditions and reasonable and supportable forecasts of future conditions when evaluating expected credit losses for uncollectible receivable balances. In our determination of the allowance for credit losses, we pool receivables by days outstanding and apply an expected credit loss percentage to each pool. The expected credit loss percentage is determined using historical loss data adjusted for current conditions and forecasts of future economic conditions. Current conditions considered include predefined aging criteria, as well as specified events that indicate the balance due is *not* collectible. Reasonable and supportable forecasts used in determining the probability of future collection consider publicly available macroeconomic data and whether future credit losses are expected to differ from historical losses.

The Company is *not* party to any off-balance sheet arrangements that would require an allowance for credit losses in accordance with this accounting standard.

Allowance for Credit Losses

The following table summarizes the activity related to the Company's allowance for credit losses:

	September 30, 2026	December 31, 2025
Balance, beginning of period	$ 192,903	$ 61,923
Provision for credit losses	(26,950)	142,618
Write-offs	(97,588)	(11,638)
Balance, end of period	$ 68,365	$ 192,903

The numbers presented above relate solely to our portfolio of trade accounts receivable as no allowance for credit losses was recognized on other receivables as presented on our consolidated balance sheets.

Other Receivables – Other receivables represent amounts that are owed to the Company that are not considered trade receivables. The Company periodically reviews its other receivables for credit risk to determine whether an allowance is necessary and other factors that may indicate that the realization of an account may be in doubt. Account balances deemed to be uncollectible are charged to the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. As of September 30, 2026 and December 31, 2025, the balance in other receivables as reported on the consolidated balance sheets was deemed collectible.

Property and Equipment - Property and equipment is stated at cost, including any cost to place the property into service, less accumulated depreciation. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets which currently range from three to five years. Leasehold improvements are amortized over the shorter of their estimated useful lives or the term of the lease. Maintenance, repairs and minor replacements are charged to operations as incurred; major replacements and betterments are capitalized. The cost of any assets sold or retired and related accumulated depreciation are removed from the accounts at the time of disposition, and any resulting profit or loss is reflected in income or expense for the period. Depreciation expense during the nine months ended September 30, 2026 and 2025 was approximately $7,522 and $12,187 and is recorded in depreciation and amortization expense in the accompanying consolidated statements of operations.

Lease Obligations - The Company leases office space under a non-cancelable operating lease that expires in September 2027. The Company's facility lease provides for periodic rent increases and contains escalation clauses and renewal options.

The Company recognizes operating lease expense on a straight-line basis over the lease term and variable lease payments are expensed as incurred. Lease costs are primarily recorded within Selling, General and Administrative ("SG&A") expenses in the Company's consolidated statements of operations and comprehensive loss.

The Company determines if a contract contains a lease at lease inception. If the borrowing rate implicit in the lease is not determinable, the Company uses its incremental borrowing rate ("IBR") based on information available at lease commencement including prevailing financial market conditions to determine the present value of future lease payments. The Company has elected the option to combine lease and non-lease components as a single component for the Company's entire population of lease assets.

Operating lease assets and lease liabilities are recognized at the lease commencement date. Operating lease liabilities represent the present value of lease payments not yet paid. Operating lease assets represent the right to use an underlying asset and are based upon the operating lease liabilities adjusted for prepayments or accrued lease payments, initial direct costs, and lease incentives. The Company has elected not to apply the recognition requirements to short-term leases of 12 months or less and instead recognizes lease payments as expense on a straight-line basis over the lease term. The Company's lease agreement does not contain any material residual value guarantees or material restrictive covenants. Leased assets are presented net of accumulated amortization. Variable lease payment amounts that cannot be determined at the commencement of the lease, such as increases in lease payments based on changes in index rates or usage, are not included in the ROU assets or liabilities; instead, these are expensed as incurred and recorded as variable lease expense.

Capitalized Technology Costs - In accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 350-40, Internal-Use Software, the Company capitalizes certain external and internal computer software costs incurred during the application development stage. The application development stage generally includes software design and configuration, coding, testing and installation activities. Training and maintenance costs are expensed as incurred, while upgrades and enhancements are capitalized if it is probable that such expenditures will result in additional functionality. Capitalized software costs are amortized over the estimated useful lives of the software assets on a straight-line basis, generally not exceeding three years.

Business Combinations - ASC 805, Business Combinations ("ASC 805"), applies the acquisition method of accounting for business combinations to all acquisitions where the acquirer gains a controlling interest, regardless of whether consideration was exchanged. ASC 805 establishes principles and requirements for how the acquirer: a) recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any non-controlling interest in the acquiree; b) recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase; and c) determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. Accounting for acquisitions requires the Company to recognize, separately from goodwill, the assets acquired and the liabilities assumed at their acquisition-date fair values. Goodwill as of the acquisition date is measured as the excess of consideration transferred and the net of the acquisition-date fair values of the assets acquired and the liabilities assumed. While the Company uses its best estimates and assumptions to accurately value assets acquired and liabilities assumed at the acquisition date, the estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the acquisition date, the Company may record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to the interim consolidated statements of operations.

Goodwill and Intangible Assets - The Company accounts for goodwill and intangible assets in accordance with ASC 350, Intangibles – Goodwill and Other ("ASC 350"). ASC 350 requires that goodwill and other intangibles with indefinite lives should be tested for impairment annually or on an interim basis if events or circumstances indicate that the fair value of an asset has decreased below its carrying value.

Goodwill is tested for impairment at the reporting unit level on an annual basis (December 31 for the Company) and between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value. The Company considers its market capitalization and the carrying value of its assets and liabilities, including goodwill, when performing its goodwill impairment test.

When conducting its annual goodwill impairment assessment, the Company initially performs a qualitative evaluation of whether it is more likely than not that goodwill is impaired. If it is determined by a qualitative evaluation that it is more likely than not that goodwill is impaired, the Company then compares the fair value of the Company's reporting unit to its carrying or book value. If the fair value of the reporting unit exceeds its carrying value, goodwill is not impaired and the Company is not required to perform further testing. If the carrying value of a reporting unit exceeds its fair value, the Company will measure any goodwill impairment losses as the amount by which the carrying amount of a reporting unit exceeds its fair value, not to exceed the total amount of goodwill allocated to that reporting unit.

The Company's critical accounting estimates include the valuation of intangible assets acquired, the determination of the useful lives of finite-lived intangible assets, the assessment of impairment of long-lived assets, and the timing of when such assets are placed into service and begin amortization. These estimates require significant management judgment and are based on assumptions regarding future cash flows, market conditions, and the timing of commercialization. Due to the inherent uncertainty associated with these estimates, actual results may differ from those estimates, and such differences could have a material impact on the Company's financial condition and results of operations.

The Company determines the fair value of intangible assets using valuation techniques appropriate for the nature of the asset, including the income approach, market approach, or cost approach. These valuation techniques require the use of significant estimates and assumptions, including projected future cash flows, discount rates, market multiples, and other relevant factors. The Company maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. Changes in the underlying assumptions could materially affect the estimated fair value of intangible assets and any related impairment charges.

Copyright assets are classified as finite-lived intangible assets and are amortized over their estimated useful lives, which are based on the pattern in which the economic benefits are expected to be consumed. Amortization commences when the assets are placed into service and are ready for their intended use. The Company evaluates these assets for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Crypto assets are recorded at fair market value and classified as intangible assets on the consolidated balance sheet. These assets are initially recognized at cost and subsequently remeasured at fair value at each reporting date, with changes in fair value recognized in the consolidated statements of operations. Fair value is determined using quoted market prices in active markets for identical assets. Gains and losses resulting from changes in fair value are recognized in earnings in the period in which they occur.

Contingent Liabilities – Our determination of the treatment of contingent liabilities in the consolidated financial statements is based on our view of the expected outcome of the applicable contingency. In the ordinary course of business, we consult with legal counsel on matters related to litigation and other experts both within and outside our Company. We accrue a liability if the likelihood of an adverse outcome is probable and the amount of loss is reasonably estimable. We disclose the matter, but do not accrue a liability, if the likelihood of an adverse outcome is reasonably possible, or if an adverse outcome is probable but the amount of loss cannot be reasonably estimated. Legal and other costs incurred in conjunction with loss contingencies are expensed as incurred.

Treasury Stock – Treasury stock is recorded at cost as a reduction of stockholders' equity in the accompanying balance sheets.

Revenue Recognition – The Company recognizes revenue in accordance with ASC Topic 606, *Revenue from Contracts with Customers*. Revenue is recognized when or as the Company satisfies its performance obligations by transferring control of promised goods or services to customers, in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company identifies the performance obligations in its customer contracts, determines the transaction price, allocates the transaction price to the performance obligations, and recognizes revenue when or as each performance obligation is satisfied.

See Note 5 – Revenue Recognition for additional information regarding the Company's revenue recognition policies and disaggregated revenue.

Deferred revenue includes customer payments which are received prior to performing services and revenues are recognized upon the completion of these services.

Advertising and Marketing Expenses – Advertising and marketing expenses are expensed as incurred or the first time the advertising takes place. The production costs of advertising are expensed the first time the advertising takes place. For the three months ended September 30, 2026 and 2025, the Company incurred advertising and marketing expenses of approximately $124,492 and $118,505. For the nine months ended September 30, 2026 and 2025, the Company incurred advertising and marketing expenses of approximately $267,435 and $425,474. These amounts are included in sales and marketing expenses in the accompanying statements of operations.

Concentrations of Credit Risk - Financial instruments, which potentially subject the Company to concentration of credit risk, consist principally of cash and cash equivalents and accounts receivable. The Company places its cash with high credit quality institutions. At times, such amounts may be in excess of the FDIC insurance limits. The Company has not experienced any losses in such accounts and believes that it is not exposed to any significant credit risk on the account.

Income Taxes - The Company accounts for income taxes in accordance with ASC 740, Income Taxes ("ASC 740"), which requires that the Company recognize deferred tax liabilities and assets based on the differences between the financial statement basis and tax basis of assets and liabilities, using enacted tax rates in effect for the year in which the differences are expected to reverse. The Company estimates the degree to which tax assets and credit carryforwards will result in a benefit based on expected profitability by tax jurisdiction. A valuation allowance for such tax assets and loss carryforwards is provided when it is determined to be more likely than not that the benefit of such deferred tax asset will not be realized in future periods. If it becomes more likely than not that a tax asset will be used, the related valuation allowance on such assets would be reduced.

ASC 740 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with ASC 740-10 and prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. There were no deferred tax liabilities, as of September 30, 2026, recorded in the accompanying consolidated balance sheets. The Company is currently not aware of any issues under review that could result in significant payments, accruals or material deviation from its position.

The Company may be subject to potential income tax examinations by federal or state authorities. These potential examinations may include questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions and compliance with federal and state tax laws. Management does not expect that the total amount of unrecognized tax benefits will materially change over the next twelve months. Tax years that remain open for assessment for federal and state tax purposes include the years ended December 31, 2022 through 2025.

The Company's policy for recording interest and penalties associated with audits is to record such expense as a component of income tax expense. There were no amounts accrued for penalties or interest as of September 30, 2026.

Fair Value of Financial Assets and Liabilities - Financial instruments, including cash and cash equivalents, short-term investments and accounts payable, are carried at cost. Management believes that the recorded amounts approximate fair value due to the short-term nature of these instruments.

Net Loss per Share - The Company computes basic net loss per share by dividing net loss attributable to the Company's common stockholders, which excludes net loss attributable to noncontrolling interests, by the weighted average number of common shares outstanding for the period and excludes the effects of any potentially dilutive securities. Diluted earnings per share, if presented, would include the dilution that would occur upon the exercise or conversion of all potentially dilutive securities into common stock using the "treasury stock" and/or "if converted" methods as applicable. The computation of diluted net loss per share excludes the potentially dilutive securities summarized in the table below because their inclusion would be anti-dilutive.

	As of September 30,	
	2026	**2025**
Stock options	50	50
Unvested restricted stock	2,123	2,123
Total dilutive securities	2,173	2,173

Recent Accounting Pronouncements

ASU *2024-03,* Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic *220-40*). In *November 2024,* the FASB issued ASU *2024-03,* Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures. The ASU requires a public business entity to provide disaggregated disclosures of certain categories of expenses on an annual and interim basis including purchases of inventory, employee compensation, depreciation, and intangible asset amortization for each income statement line item that contains those expenses. This ASU is effective for annual reporting periods beginning after *December 15, 2026,* and interim periods within annual reporting periods beginning after *December 15, 2027,* with early adoption permitted. The Company is currently evaluating the impact of this guidance on its consolidated financial statements and related disclosures.

ASU *2025-01,* Income Statement—Expense Disaggregation Disclosures (Issued *January 2025).* In *January 2025,* the FASB issued ASU *2025-01,* which clarifies the effective date of prior guidance requiring enhanced disaggregation of certain expense captions presented on the income statement. The amendments are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently assessing the impact of this guidance.

ASU 2025-06, Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40) (Issued September 2025). In September 2025, the FASB issued ASU 2025-06, which modernizes the accounting for internal-use software by clarifying when capitalization begins and simplifying certain development stage guidance. The amendments are effective for fiscal years beginning after December 15, 2027, including interim periods within those fiscal years. Early adoption is permitted. The Company is evaluating the potential impact of this guidance.

4. Business Combinations

RemoteMore

On *September 20, 2021,* the Company acquired a 45.62% interest in RemoteMore, a software developer recruiting company, for an estimated total purchase price of $1,363,333, paying $863,333 in cash and $500,000 to be paid within *one* year of the acquisition date, or until certain factors of the agreement were met.

In *February 2022,* in connection with the *September 2021* acquisition of the 45.62% interest in RemoteMore, and as a component of the aforementioned $500,000 remaining purchase price payment, the Company issued 467 shares of its common stock, with a value of $400,000, to the co-founders of RemoteMore. In *January 2023,* the Company exercised its option to purchase an additional 20% interest in RemoteMore at a purchase price of $116,667.

In *May 2023,* the Company acquired an additional 7% interest in RemoteMore for approximately $235,000. The acquisition interest and price were based on the original valuation of RemoteMore in *September 2021.* This acquisition increased the Company's interest in RemoteMore to 72.62%.

In *April 2024,* the Company and the minority group made an aggregate $300,000 capital injection while maintaining the same percentage of control of interest.

In *February 2025,* the Company acquired an additional 10.01% interest for approximately $300,000 for a total of 82.63% interest in RemoteMore.

In *November 2025,* the Company acquired an additional 1.95% ownership interest through the conversion of a $43,800 loan, increasing its total interest in RemoteMore to 84.58%.

5. Revenue Recognition

The Company recognizes revenue under the core principle of ASC 606 – Revenue from Contracts with Customers ("ASC 606"), to depict the transfer of control to its customers in an amount reflecting the consideration to which it expects to be entitled. In order to achieve that core principle, the Company has applied the following five-step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when a performance obligation is satisfied.

The Company's contracts with customers may provide for multiple promised goods and services. The Company typically analyzes the contract and identifies the performance obligations by evaluating whether the promised goods and services are capable of being distinct within the context of the contract at contract inception. Promised goods and services that are not distinct at contract inception are combined. The next step after identifying the performance obligations is determining the transaction price, which includes the impact of variable consideration, based on contractually fixed amounts and an estimation of variable consideration. The Company allocates the transaction price to each performance obligation based on relative stand-alone selling price. Judgment is exercised to determine the stand-alone selling price of each distinct performance obligation. The Company estimates the stand-alone selling price by reference to the total transaction price less the sum of the observable stand-alone selling prices of other goods or services promised in the contract. In general, transaction price is determined by estimating the fixed amount of consideration to which we are entitled for transfer of goods and services and all relevant sources and components of variable consideration. Revenues are generally recognized when control of the promised goods or services is transferred to their customers either at a point in time or over time, in an amount that reflects the consideration it expects to be entitled to in exchange for those goods or services.

Many of the Company's contracts have one performance obligation and all consideration is allocated to that performance obligation and recognized at a point in time contemporaneously with the performance of the service or the date of the event.

Payment is typically due in full, at net 30, from the moment control of the goods or services has begun to transfer, unless both parties have negotiated an installment-based payment arrangement through the term of the contract. The Company may have contracts where there is an extended timing difference between payment and the time when control of the goods or services is transferred to the customer.

Nature of Goods and Services

The following is a description of the Company's principal revenue-generating activities and other business initiatives, including activities that have not yet generated revenue:

Recruitment Services

The Company's recruitment services revenue is derived from the Company's agreements through single and multiple job postings, recruitment media, talent recruitment communities, basic and premier corporate memberships, hiring campaign marketing and advertising, e-newsletter marketing and research and outreach services. Recruitment revenue includes revenue recognized from direct sales to customers for recruitment services and events, as well as revenue from the Company's direct e-commerce sales. Direct sales to customers are most typically a *twelve*-month contract for services and as such the revenue for each contract is recognized ratably over

its *twelve*-month term. Event revenue is recognized in the period that the event takes place and e-commerce sales are for *sixty*-to-*ninety*-day job postings and the revenue from those sales is recognized when the service is provided. The Company's recruitment services mainly consist of the following products:

- On-line job postings to our diversity sites and to our broader network of websites including the NAACP, National Urban League, Kappa Alpha Psi, Phi Beta Sigma and many other partner organizations;
- OFCCP job promotion and recordation services;
- Diversity job fairs, both in person and virtual fairs;
- Diversity recruitment job advertising services; and
- Diversity executive staffing services.

Contracted Software Development

Revenues for RemoteMore are generated from providing customized software solutions to customers and are recognized in the period work is performed.

Consumer Advertising and Marketing Solutions

The Company provides career opportunity services to its various partner organizations through advertising and job postings on their websites. The Company works with its partners to develop customized websites and job boards where the partners can generate advertising, job postings and career services to their members, students and alumni. Consumer advertising and marketing solutions revenue is recognized as jobs are posted to their hosted sites.

Corporate Licensing Services

The Company's licensing initiatives are in the early stages of development. Since September 2025, the Company has acquired the copyrights to 28 original musical works. As of September 30, 2026, the copyright assets have not generated revenue. The Company is in the process of developing and implementing commercialization strategies, including licensing and promotional activities, for these copyright assets. While management intends to pursue revenue-generating opportunities related to these assets, there can be no assurance as to the timing or extent of any revenue that may be generated.

AI Infrastructure and GPU Computing

Through our wholly owned subsidiary, PDN Intelligence, Inc., the Company is pursuing opportunities in artificial intelligence ("AI") infrastructure and graphics processing unit ("GPU") computing. On September 28, 2026, the Company announced a Master Collaboration Agreement with Goodwill Labs Inc. and HashForest Technology LLC to explore GPU computing infrastructure projects, including equipment procurement, data center operations, and related technical services. Specific projects and commercial arrangements remain subject to separate agreements.

Disaggregation of Revenue

Revenue is disaggregated by product line and timing of transfer of products and services. Additional information regarding the Company's business segments and corporate activities is presented in Note 15 – Segment Information.

Contract Balances

The Company's rights to consideration for work completed, but not billed at the reporting date, are classified as a receivable, as the Company has an unconditional right to payment or a right that is conditional only on the passage of time. The Company has no recorded contract assets as of September 30, 2026 or December 31, 2025.

Consideration received in advance from customers is recorded as a contract liability, if a contract exists under ASC 606, until services are delivered or obligations are met and revenue is earned. Contract liability represents the excess of amounts invoiced over amounts recognized as revenues. Contract liabilities to be recognized in the succeeding twelve-month period are classified as current contract liabilities and the remaining amounts, if any, are classified as non-current contract liabilities. Contract liabilities of $738,075 and $1,077,967 are included in current deferred revenues, on the consolidated balance sheets as of September 30, 2026 and December 31, 2025, respectively.

For the three months ended September 30, 2026 and 2025, we recognized revenue as follows:

	September 30, 2026	September 30, 2025
Balance, beginning of period	$ 970,958	$ 1,462,755
Recognized revenue associated with contract liabilities	(548,439)	(888,498)
Amounts collected or invoiced	315,556	562,761
Balance, end of period	$ 738,075	$ 1,137,018

Revenue recognized associated with contract liabilities that were included at the beginning of this quarter was $396,855. Deferred revenue includes customer payments which are received prior to performing services and revenues are recognized upon the completion of these services.

Transaction Price Allocated to the Remaining Performance Obligations

The Company applies the optional exemptions and does not disclose: a) information about remaining performance obligations that have an original expected duration of one year or less, or b) transaction price allocated to unsatisfied performance obligations for which variable consideration is allocated entirely to a wholly unsatisfied performance obligation or to a wholly unsatisfied promise to transfer a distinct good or service that forms part of a single performance obligation in accordance with the series guidance.

The typical duration of all event related and other contracts is one year or less and, as a result, the Company applies the optional exemptions and does not disclose information about remaining performance obligations that have an original expected duration of one year or less.

6. Capitalized Technology

The following table summarizes the activity related to the capitalized technology, net for nine months ended September 30, 2026 and 2025:

	September 30, 2026	September 30, 2025
Capitalized cost:		
Balance, beginning of period	$ 219,297	$ 327,372
Additional capitalized cost	162,490	-
Provision for amortization	(102,996)	(83,533)
Balance, end of period	$ 278,791	$ 243,839

Amortization expense related to capitalized technology was approximately $31,499 and $26,908 for the three months ended September 30, 2026 and 2025, respectively, and was approximately $102,996 and $83,533 for the nine months ended September 30, 2026 and 2025, respectively, and is recorded in depreciation and amortization expense in the accompanying consolidated statements of operations.

7. Intangible Assets

Intangible assets, net was as follows:

September 30, 2026	Useful Lives (Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Long-lived intangible assets:				
Sales Process	10	$ 2,130,956	$ (2,130,956)	$ -
Paid Member Relationships	5	803,472	(803,472)	-
Member Lists	5	8,186,181	(8,186,181)	-
Developed Technology	3	648,000	(648,000)	-
Trade Name/Trademarks	4	442,500	(442,500)	-
Contracts acquired in RemoteMore acquisition	3 - 12 (months)	1,377,083	(1,377,083)	-
Copyrights	1.5 - 15	6,933,828	(3,466,914)	3,466,914
		20,522,020	(17,055,106)	3,466,914
Indefinite-lived intangible assets:				
Trade name				101,400
Crypto				2,593,780
Intangible assets, net				$ 6,162,094

December 31, 2025	Useful Lives (Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Long-lived intangible assets:				
Sales Process	10	$ 2,130,956	$ (2,130,956)	$ -
Paid Member Relationships	5	803,472	(803,472)	-
Member Lists	5	8,186,181	(8,186,181)	-
Developed Technology	3	648,000	(648,000)	-
Trade Name/Trademarks	4	442,500	(442,500)	-
Contracts acquired in RemoteMore acquisition	3 - 12 (months)	1,377,083	(1,377,083)	-
Copyrights	1.5 - 15	6,933,828	-	6,933,828
		20,522,020	(13,588,192)	6,933,828
Indefinite-lived intangible assets:				
Trade name				101,400
Crypto				2,593,780
Intangible assets, net				$ 9,629,008

As of September 30, 2026, estimated amortization expense in future fiscal years is summarized as follows:

Year ended December 31,	
Remaining of 2026	$ 1,155,638
2027	$ 2,311,276
Net Carrying Amount	$ 3,466,914

On *September 3, 2025,* the Company entered into a copyright transfer agreement (the "High Wave Copyright Transfer Agreement") with High Wave Corp ("High Wave"), under which High Wave agreed to assign to the Company the copyrights and related rights of *forty* (40) original musical works, including all copyrights and related rights such as reproduction, performance, broadcasting, and adaptation. The total purchase consideration is $10,000,000, payable in *four* installments between *October 15* and *November 30, 2025,* with ownership of each batch of works transferring upon payment. High Wave warranted full ownership and non-infringement of the works, waived all moral rights, and agreed *not* to resell or license them. On *December 16, 2025,* the Company entered into an amendment to the High Wave Copyright Transfer Agreement (the "First Amendment to High Wave Copyright Transfer Agreement"), pursuant to which the Company retained the right, but *not* the obligation, to purchase the remaining *twenty-five* (25) musical works for total consideration of $6,300,000. If the Company elects to proceed with such purchase, the Company and High Wave will mutually agree on the delivery schedule and payment terms for the remaining works. As of *September 30, 2026,* the Company had paid $3,700,000 under the High Wave Copyright Transfer Agreement to purchase fifteen (15) original musical works.

On September 12, 2025, the Company entered into a copyright transfer agreement (the "Streams Ohio Copyright Agreement") with Streams Ohio Corp. ("Streams Ohio"), a non-affiliated accredited investor. Pursuant to the Streams Ohio Copyright Agreement, the Company agreed to acquire eight (8) original musical works from Streams Ohio. Under the terms of the Streams Ohio Copyright Agreement, consideration could be paid in cash, shares of the Company's Common Stock, or a combination thereof. The board of directors of the Company (the "Board") approved payment of the consideration through the issuance of 18,534 shares of Common Stock (the "Copyright Shares"), with an aggregate value of approximately $1,629,080, based on the closing price of $87.90 per share on September 12, 2025, subject to the limitations of Nasdaq Listing Rule 5635. The Copyright Shares were issued in reliance on the exemptions from registration provided by Section 4(a)(2) under the Securities Act of 1933, as amended (the "Securities Act"), and/or Regulation D promulgated thereunder. The Streams Ohio Copyright Agreement contains customary representations, warranties, and covenants.

On November 24, 2025, the Company entered into a copyright transfer agreement (the "Shohan Copyright Agreement") with Shohan Event Organizers Co., L.L.C. ("Shohan"), a non-affiliated accredited investor. Pursuant to the Shohan Copyright Agreement, the Company agreed to acquire five (5) original musical works from Shohan. Under the terms of the Shohan Copyright Agreement, consideration could be paid in cash, shares of Common Stock, or a combination thereof. The Board approved payment of the consideration through the issuance of 30,920 shares of Common Stock (the "Shohan Shares"), with an aggregate value of approximately $1,604,748, based on the closing price of $51.90 per share on November 24, 2025, subject to the limitations of Listing Rule 5635 of The Nasdaq Stock Market LLC. The Shohan Shares were issued in reliance on the exemptions from registration provided by Section 4(a)(2) under the Securities Act and/or Regulation D promulgated thereunder.

On December 17, 2025, the Company entered into a purchase agreement (the "DTT Purchase Agreement") with DeeptradeX.ai, an Australian-based digital asset trading platform, pursuant to which the Company agreed to acquire an aggregate of 25,937,800 native utility digital tokens issued by DeeptradeX.ai (the "DTT Tokens"). The DTT

Tokens are intended to function as a medium of exchange for services on DeeptradeX.ai's Web3.0 digital asset platform and do not represent equity, debt, dividends, governance rights or profit-sharing interests. The total consideration for the DTT Tokens is $2,593,780, payable, at the Company's election, in cash, shares of Common Stock, or a combination thereof. The Board approved payment of the consideration through the issuance of 45,267 shares of Common Stock (the "DTT Consideration Shares"), subject to the limitations of Listing Rule 5635 of The Nasdaq Stock Market LLC, and the DTT Consideration Shares were issued on January 2, 2026. The DTT Consideration Shares were issued in reliance on the exemptions from registration provided by Section 4(a)(2) under the Securities Act, and/or Regulation D promulgated thereunder. The DTT Tokens were delivered on January 7, 2026 to a wallet address designated by the Company and are subject to a 12-month lock-up period followed by a 24-month linear vesting period, with releases occurring automatically pursuant to an immutable smart contract. The DTT Purchase Agreement contains customary representations, warranties and covenants, including representations regarding regulatory compliance, token functionality and indemnification for certain regulatory matters. The Company measures the digital tokens at fair value on a recurring basis, and such measurements are classified within Level 1 of the fair value hierarchy based on unadjusted quoted prices for identical tokens in an active market on January 7, 2026. As of September 30, 2026, the fair value of the DTT Tokens subject to contractual restrictions was $2,593,780. As of September 30, 2026, all of the DTT Tokens remained subject to the lock-up period, which expires on January 7, 2027, after which the DTT Tokens will be released in equal monthly installments over the 24-month vesting period. The restrictions are enforced by the smart contract and may not be lifted or accelerated by the Company. The Company recognized no change in the fair value of the DTT Tokens during the three and nine months ended September 30, 2026.

For the three months ended September 30, 2026 and 2025, amortization expense related to intangible assets was approximately $1,155,638 and $8,333, and is recorded in depreciation and amortization expense in the accompanying consolidated statements of operations.

For the nine months ended September 30, 2026 and 2025, amortization expense related to intangible assets was approximately $3,466,914 and $25,000, and is recorded in depreciation and amortization expense in the accompanying consolidated statements of operations.

8. Notes Payable and Convertible Notes

On July 7, 2025 and July 9, 2025, the Company entered into two separate Convertible Note Purchase Agreements with two non-affiliated accredited investors (the "Convertible Note Purchasers"). Pursuant to the agreements, the Company issued and sold unsecured convertible promissory notes in the principal amounts of $250,000 (the "First Note") and $150,000 (the "Second Note," and together with the First Note, the "Notes"), respectively, for aggregate gross proceeds of $400,000. The Notes are convertible, at the option of the respective Convertible Note Purchasers, into restricted shares of Common Stock at a conversion price equal to the greater of (i) a floor price of $14.10 (as adjusted for the Reverse Stock Split (as defined in Note 12) and subject to further adjustment for stock splits and similar events), and (ii) 80% of the applicable market-based price. For the First Note, the market-based price is the lowest of (A) the 15-day average closing price, (B) the 10-day volume-weighted average price ("VWAP"), or (C) the lowest 3-day VWAP during the 45 trading days immediately prior to the applicable conversion notice. For the Second Note, the market-based price is based on the lowest 15-day average closing price preceding the applicable conversion notice. The Notes bear interest at a rate of 12% per annum and mature 360 days after the respective purchase price payment dates. The Notes contain customary events of default, including non-payment and insolvency-related events. Upon an event of default, the interest rate increases to 18% per annum, and the applicable Convertible Note Purchaser may accelerate the applicable Note and pursue additional remedies. These transactions were previously reported in the Company's Current Report on Form 8-K filed on July 11, 2025.

In December 2025, in connection with the closing of the Company's equity financing, the Second Note, together with accrued interest, was converted into 3,379 shares of the Company's Common Stock at a conversion price of $44.40 per share. Upon conversion, the carrying amount of the Second Note, including accrued interest, was reclassified to Common Stock and additional paid-in capital. No gain or loss was recognized upon conversion.

As of September 30, 2026, an aggregate of $124,344 of principal and $15,000 of accrued interest under a $250,000 convertible promissory note issued in July 2025 had been converted into 6,651 shares of Common Stock at conversion prices ranging from $14.10 to $24.30 per share. On August 16, 2026, the Company repaid the remaining outstanding balance of $142,204.32 under the note, consisting of $125,656 of principal and $16,548.32 of accrued interest. As a result, the note was fully settled, and no principal or accrued interest remained outstanding as of September 30, 2026.

9. Long-term Investments

On September 27, 2022, the Company entered into a Stock Purchase Agreement (the "Koala SPA") with Koala Malta Limited, a private limited liability company registered under the laws of Malta ("Koala"). Upon the execution of the Koala SPA, the Company purchased 65,700 issued ordinary shares of Koala Crypto Limited (now renamed QBSG Limited ("QBSG")) from Koala, representing 9% of the total issued share capital of QBSG, and in exchange, the Company issued 2,878 shares of its common stock to Koala in a private placement (the "Consideration Shares") valued at $1,350,000. As allowed under ASC 321-10-35, the Company has elected to measure the equity investment in QBSG at cost as QBSG is a private company and does not have a readily determinable fair value. The Company evaluates the investment for any impairment annually. The shares of QBSG are recorded in the consolidated balance sheet as "other assets".

Upon execution of the Koala SPA, the Company, Koala and QBSG also entered into a Shareholders' Agreement. The Shareholders' Agreement imposes certain transfer restrictions on Koala and the Company as shareholders of QBSG, provides for certain governance and approval rights among the parties, and gives the Company a put option with respect to its investment in QBSG in the event of a change of control of Koala. At the same time, Alan Tak Wai Yau, an individual and the majority shareholder of Koala Capital Limited, which is the parent company of Koala ("Koala Capital"), provided the Company with a share charge over 15 percent of the issued share capital of Koala Capital (the "Share Charge") and Koala Capital provided the Company with a guaranty and indemnity (the "Guarantee"), which Share Charge and Guarantee were granted as security for a number of Koala's obligations as set forth therein including obtaining the lifting of the voluntary suspension of QBSG's virtual financial assets license by the Malta Financial Services Authority ("MFSA"). Koala Capital had submitted and responded to all queries raised by the MFSA, and the authorization/supervision unit has approved its application. To enhance the governance of QBSG's profits and dividends, QBSG has agreed to grant the Company the right to appoint one board seat.

On December 5, 2024, the Company entered into a Profit Participation Agreement (the "PPA") with Koala. Upon the execution of the PPA, the Company purchased a 6% right in QBSG, as the target, previously Koala Crypto Limited, to receive all distributions and dividends which may be declared and/or distributed by QBSG on an annual basis in terms of applicable law, along with all rights, title, and interest from Koala. The consideration of the profit participation (the "Profit Participation") is $1,200,000, including $700,000 cash and $500,000 value of the Company's Common Stock, or a total of 3,788 shares at a price of $132.00 per share. In addition to the 9% share purchase from Koala in September 2022, the Company now owns the right to receive 15% of all distributions and dividends by QBSG.

As the Profit Participation investment does not include the ownership of equity of QBSG, only the right to future distributions, the Profit Participation investment does not meet the criteria to be recorded under ASC 321-10-35 and is subject to fair value accounting standards. The Profit Participation investment was initially recorded at its cost of $1,200,000 on December 5, 2024, representing the right to 6% of all distributions and dividends from QBSG, and is classified within Level 3 of the fair value hierarchy.

The fair value of the investment is estimated using a combination of valuation methodologies, including Discounted Cash Flow ("DCF") analysis, Relative Valuation, and Transaction Comparables, resulting in an average fair value estimate of $1,156,000. These methods incorporate significant unobservable inputs, such as a weighted average cost of capital of 15%, a long-term revenue growth rate of 10%, a long-term pre-tax operating margin of 15%, a 20% discount for lack of control, and a 40% discount for lack of marketability. The valuation also considers market data from publicly traded companies in the crypto infrastructure and digital asset services sectors, as well as data from recent merger and acquisition transactions within the industry. The inputs and estimates used may be subject to change as more current information becomes available and accordingly the actual results could differ significantly from those estimates. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the financial statements, which management considered in formulating its estimate could change in the near term due to one or more future confirming events, including regulation changes in Malta, inability of QBSG to meet revenue and income forecasts or QBSG's inability to pay dividends, all of which could significantly decrease the value of the Company's investment. Accordingly, the actual results could differ significantly from those estimates. As of September 30, 2026, the Company holds a Level *3* investment recorded at $1,156,000.

The Company recognized an unrealized loss of $44,000 on its Level 3 investment during the nine months ended September 30, 2025, which is included in "Unrealized loss on investment" within other income (expense) in the condensed consolidated statements of operations. No additional unrealized gain or loss was recorded during the remainder of the year ended December 31, 2025 or during the nine months ended September 30, 2026. There were no purchases, sales, issuances, settlements or transfers into or out of Level 3 during either period. The changes in the balance of Level 3 investments were as follows:

September 30, 2026	
Balance, beginning of period	$ 1,156,000
Transfer in	-
Unrealized loss	-
Ending balance	1,156,000
Amount of unrealized loss for the period included in income relating to assets held at the end of the reporting period	-

December 31, 2025	
Balance, beginning of period	$ 1,200,000
Transfer in	-
Unrealized loss	(44,000)
Ending balance	1,156,000
Amount of unrealized loss for the period included in income relating to assets held at the end of the reporting period	(44,000)

On *January 26, 2025,* the Company entered into a stock purchase agreement (the "AI Geometric SPA") with AI Geometric Ltd. ("AI Geometric"), a company organized under the laws of the United Kingdom of Great Britain and Northern Ireland. Pursuant to the AI Geometric SPA, the Company acquired 1,300 shares of AI Geometric, representing 13% of AI Geometric's issued and outstanding shares, for total consideration of $1,300,000 (the "Transaction"). The Board approved the Transaction on *January 17, 2025,* and the closing occurred on *January 27, 2025.* On *April 29, 2026*, the Company entered into a second stock purchase agreement with AI Geometric, pursuant to which the Company agreed to acquire an additional 3.2% of AI Geometric's issued and outstanding shares for aggregate consideration of $1,360,000. The purchase price was satisfied through the issuance of 66,667 shares of the Company's Common Stock. The Board approved the issuance of the shares, subject to the limitations of Nasdaq Listing Rule 5635 and Rule 144 under the Securities Act of 1933, as amended. The shares were issued in reliance on the exemption from registration provided by Regulation S under the Securities Act. The transaction closed on May 27, 2026. *The* investment does *not* provide the Company with significant influence over AI Geometric and, accordingly, is accounted for under ASC *321, Investments— Equity Securities*. Because AI Geometric is a private company and its shares do *not* have a readily determinable fair value, the Company has elected the measurement alternative under ASC *321- 10- 35- 2.* Under this method, the investment is measured at cost, less impairment, and adjusted for observable price changes in orderly transactions for identical or similar investments of the same issuer. The Company evaluates the investment for impairment on a periodic basis and when events or circumstances indicate that the carrying amount *may not* be recoverable. *No* impairment charges or observable price adjustments were recorded during the nine months ended *September 30, 2026.* The investment in AI Geometric is presented within "Other assets" in the consolidated balance sheet.

As of *September 30, 2026,* long-term investments totaling $5,166,000 were presented within "Other assets" in the consolidated balance sheet.

10. Commitments and Contingencies

Lease Obligations - The Company leases its corporate headquarters. The office lease is for 4,902 square feet of office space and the lease term is for 7 years, commencing on October 1, 2020. The Company made approximately $82,721 and $80,883 of cash lease payments related to the office space for the nine months ended September 30, 2026 and 2025, respectively. The weighted average remaining lease terms as of September 30, 2026 and 2025 were 1 year and 2 years, respectively. The weighted average discount rate for operating leases as of September 30, 2026 and 2025, was 6%.

The present value of the remaining lease liabilities as of September 30, 2026 is as follows:

	Operating
2026	28,186
2027	84,560
Total lease payments	112,746
Less: present value discount	3,580
Present value of lease liabilities	$ 109,166

As of September 30, 2026 and, December 31, 2025, right of use assets were $87,807 and $149,525, respectively, and related lease obligations remaining, related to the Company's office lease, were $109,166 and $185,065, respectively, as recorded on the Company's consolidated balance sheets.

Legal Proceedings

The Company and its previously wholly owned subsidiary, NAPW, Inc. ("NAPW"), are parties to a proceeding captioned Deborah Bayne, et al. vs. NAPW, Inc. and Professional Diversity Network, Inc., No. 18-cv-3591 (E.D.N.Y.), filed on June 20, 2018, and alleging violations of the Fair Labor Standards Act (the "FLSA") and certain provisions of the New York Labor Law (the "NYLL"). The class is defined as "all individuals employed in New York from June 20, 2012 through October 15, 2021 by NAPW and PDN to sell memberships to the women's networking organization known as the National Association of Professional Women and the International Association of Women," excluding corporate officers, shareholders, directors and administrative employees. As it stands, the class currently consists of 164 putative class members and 60 opt-in plaintiffs.

The complaint alleges that NAPW (and PDN in its capacity as an alleged joint employer) violated similar provisions of the FLSA and the NYLL by (i) failing to pay overtime wages as required by both the FLSA and the NYLL, (ii) failing to provide accurate wage statements under the NYLL, and (iii) willfully violating both of those statutes. The Court, in an order issued on *March 25, 2024,* granted summary judgment against NAPW on the claims related to willful failure to pay overtime wages. The Court dismissed, without prejudice, claims based on failure to provide accurate wage statements under the NYLL based on lack of subject matter jurisdiction. The Court found that questions of fact remain as to whether PDN was a joint employer with NAPW. Damages remain unsettled, particularly in light of the Court's dismissal of the plaintiffs' claims related to failure to provide accurate wage statements. During the first quarter of 2020, we recorded a $450,000 litigation settlement reserve in the event of an unfavorable outcome in this proceeding. In the fourth quarter of 2025, we recorded an additional $250,000 litigation settlement reserve. As of September 30, 2026, the Company had deposited the full amount of $700,000 into its legal counsel's escrow account in connection with the anticipated settlement of this matter. The parties entered into a Joint Settlement Agreement and Release, which was signed by the Company on July 15, 2025, and received preliminary approval from the Court on September 30, 2026. A final fairness hearing is scheduled for April 9, 2027, at which the Court will consider whether to grant final approval of the settlement.

General Legal Matters

From time to time, the Company is involved in legal matters arising in the ordinary course of business. While the Company believes that such matters are currently not material, there can be no assurance that matters arising in the ordinary course of business for which the Company is, or could be, involved in litigation, will not have a material adverse effect on its business, financial condition or results of operations.

11. CFL, Deeptrade PTY LTD and Shohan Event Organizers Co. L.L.C. Transaction

On *August 12, 2016,* the Company entered into a stock purchase agreement (the "Purchase Agreement"), with CFL, a Republic of Seychelles company wholly-owned by a group of Chinese investors. Pursuant to the Purchase Agreement, the Company agreed to issue and sell to CFL, and CFL agreed to purchase, upon the terms and subject to the conditions set forth in the Purchase Agreement, a number of shares of the Company's Common Stock, such that CFL would hold shares of Common Stock equal to approximately 51% of the outstanding shares of Common Stock, determined on a fully-diluted basis, after giving effect to the consummation of the transactions contemplated by the Purchase Agreement (the "CFL Transaction").

At the closing of the CFL Transaction, the Company entered into a Stockholders' Agreement, dated *November 7, 2016 (*the "Stockholders' Agreement") with CFL and each of its shareholders: Maoji (Michael) Wang, Jingbo Song, Yong Xiong Zheng and Nan Kou (the "CFL Shareholders"). The Stockholders' Agreement sets forth the agreement of the Company, CFL and the CFL Shareholders relating to board representation rights, transfer restrictions, standstill provisions, voting, registration rights and other matters following the closing of the CFL Transaction.

On *September 22, 2021,* the Company entered into a stock purchase agreement with CFL, in which the Company sold 1,582 shares of its Common Stock at a price per share of $630.00 for gross proceeds of approximately $1,000,000. On *October 30, 2021,* CFL entered into a transfer stock agreement with a former shareholder of the Company to purchase an additional 1,253 shares of its Common Stock.

In *December 2023,* the Company entered into a stock purchase agreement with CFL, in which the Company sold 409 shares of its Common Stock at a price per share of $489.00 for gross proceeds of approximately $200,000.

As of *September 30, 2026*, CFL beneficially held 8,975 shares of the Company's outstanding Common Stock equal to approximately 0.88% of the outstanding class.

In *November 2025,* the Company entered into the Shohan Copyright Agreement with Shohan, a non-affiliated accredited investor. Pursuant to the Shohan Copyright Agreement, the Company agreed to acquire *five* (5) original musical works from Shohan. Under the terms of the Shohan Copyright Agreement, consideration could be paid in cash, shares of the Company's Common Stock, or a combination thereof. The Board approved payment of the consideration through the issuance of 30,920 shares of Common Stock, with an aggregate value of approximately $1,604,748, based on the closing price of $51.90 per share on *November 24, 2025,* subject to the limitations of Listing Rule *5635* of The Nasdaq Stock Market LLC. The Shohan Shares were issued in reliance on the exemptions from registration provided by Section *4*(a)(*2*) under the Securities Act of *1933,* as amended, and/or Regulation D promulgated thereunder. The Shohan Copyright Agreement contains customary representations, warranties and covenants.

As of *September 30, 2026*, Shohan Event Organizers Co., L.L.C. beneficially held 30,920 shares of the Company's outstanding Common Stock equal to approximately 3.04% of the outstanding class.

In *November 2025,* the Company entered into a consultancy agreement (the "Consultancy Agreement") with Deeptrade PTY LTD (the "Consultant"), a non-affiliated accredited investor. Pursuant to the Consultancy Agreement, the Consultant agreed to provide the Company with professional consultancy services relating to the Company's intended expansion into *Web3.0,* digital asset, and real-world-asset platforms for a total consideration of $1,616,000. Under the terms of the Consultancy Agreement, consideration could be paid in cash, shares of the Company's Common Stock, par value $0.0001 per share, or a combination thereof. The Board approved payment of the consideration through the issuance of 29,934 shares of Common Stock (the "Consultancy Shares"), subject to the limitations of Listing Rule *5635* of The Nasdaq Stock Market LLC. The Consultancy Shares were issued in reliance on the exemptions from registration provided by Section *4*(a)(*2*) under the Securities Act of *1933,* as amended, and/or Regulation D promulgated thereunder. The Consultancy Agreement contains customary representations, warranties and covenants.

As of *September 30, 2026*, Deeptrade PTY LTD beneficially held 29,934 shares of the Company's outstanding Common Stock equal to approximately 2.94% of the outstanding class.

As described in Note 9, on *January 26, 2025,* the Company entered into the AI Geometric SPA with AI Geometric, pursuant to which the Company acquired 1,300 shares of AI Geometric, representing 13% of AI Geometric's issued and outstanding shares, for total consideration of $1,300,000. The Board approved the Transaction on *January 17, 2025,* and the closing occurred on *January 27, 2025.* On *April 29, 2026*, the Company entered into a second stock purchase agreement with AI Geometric, pursuant to which the Company agreed to acquire an additional 3.2% of AI Geometric's issued and outstanding shares for aggregate consideration of $1,360,000. The purchase price was satisfied through the issuance of 66,667 shares of Common Stock. The Board approved the issuance of the shares, subject to the limitations of Nasdaq Listing Rule 5635 and Rule 144 under the Securities Act. The shares were issued in reliance on the exemption from registration provided by Regulation S under the Securities Act. The second purchase closed on May 27, 2026.

As of *September 30, 2026*, AI Geometric Ltd. beneficially held 66,667 shares of the Company's outstanding Common Stock equal to approximately 6.55% of the outstanding class.

12. Stockholders' Equity

Preferred Stock – The Company has no preferred stock issued. The Company's amended and restated certificate of incorporation and amended and restated bylaws include provisions that allow the Company's Board to issue, without further action by the stockholders, up to 1,000,000 shares of undesignated preferred stock.

Common Stock – The Company has one class of Common Stock outstanding with a total number of shares authorized of 1,000,000,000. As of September 30, 2026, the Company had 1,017,741 shares of Common Stock outstanding.

In *July 2025,* the Company completed a warrant exchange transaction pursuant to a Warrant Exchange Agreement (the "Exchange Agreement") with a certain holder (the "Holder") of 8,334 Series A warrants (the "Series A Warrants") entered on *June 30, 2025,* each to purchase *one* share of the Common Stock of the Company, and 8,334 Series B warrants (the "Series B Warrants", and collectively with the Series A Warrants, the "Warrants"), each to purchase *one* share of Common Stock of the Company at an exercise price of $204.00 per share. The Warrants were issued on *November 20, 2024* to the Holder in connection with a registered direct offering and concurrent private placement of warrants which closed on *November 20, 2024.* Pursuant to the Exchange Agreement, the Holder agreed to surrender 16,668 Warrants for cancellation and the Company agreed, in exchange, to issue an aggregate of 11,112 shares of Common Stock to the Holder.

As described in Note 7, on *September 3, 2025,* the Company entered into the High Wave Copyright Transfer Agreement with High Wave, under which High Wave agreed to assign to the Company the copyrights and related rights of *forty* (40) original musical works, including all copyrights and related rights such as reproduction, performance, broadcasting, and adaptation. The total purchase consideration is $10,000,000, payable in *four* installments between *October 15* and *November 30, 2025,* with ownership of each batch of works transferring upon payment. High Wave warranted full ownership and non-infringement of the works, waived all moral rights, and agreed *not* to resell or license them. As of *September 30, 2026,* the Company had paid $3,700,000 under the High Wave Copyright Transfer Agreement. On *December 16, 2025*, the Company entered into the First Amendment to High Wave Copyright Transfer Agreement, pursuant to which the Company retained the right, but not the obligation, to purchase the remaining twenty-five (25) musical works for total consideration of $6,300,000. If the Company elects to proceed with such purchase, the Company and High Wave will mutually agree on the delivery schedule and payment terms for the remaining works.

In *September 2025,* the Company entered into a securities purchase agreement (the "Securities Purchase Agreement") with Streeterville Capital, LLC, a Utah limited liability company ("Streeterville"), pursuant to which the Company agreed to issue and sell to Streeterville shares of its Common Stock, in *one* or more pre-paid advance purchases (each, a "Pre-Paid Purchase" and collectively, the "Pre-Paid Purchases") for an aggregate purchase price of up to $20,000,000. The Company also agreed to issue to Streeterville 740 shares of Common Stock (the "Commitment Shares") as consideration for Streeterville's commitment, after stockholder approval of the transactions is obtained, and 7,584 shares of Common Stock for $2,275 as pre-delivery shares (the "Pre-Delivery Shares"), which Pre-Delivery Shares were issued at the closing of the transactions contemplated by the Securities Purchase Agreement. The transactions closed on *September 5, 2025 (*the "Closing Date"). The proceeds from the Pre-Paid Purchases were expected to be used for working capital and other corporate purposes, including repayment of debt, strategic and other general corporate purposes. The Securities Purchase Agreement provides for an initial Pre-Paid Purchase in the principal amount of up to $8,655,000 (the "Initial Pre-Paid Purchase"), an original issue discount of up to $640,000 and transaction expenses of $15,000, the terms of which are set forth on secured prepaid purchase *#1* ("Pre-Paid Purchase *#1*"). The Company received $3,397,725 in cash proceeds under the Initial Pre-Paid Purchase and $2,275 for the Pre-Delivery Shares on the Closing Date. The Initial Pre-Paid Purchase accrues interest at the rate of 8% per annum. Within *thirty* (*30*) days after closing, Streeterville would fund the remaining $4,602,275.00 under the Initial Pre-Paid Purchase into a deposit account (the "Deposit Account") of the Company's wholly-owned subsidiary, IPDN Holdings, LLC, a Utah limited liability company ("IPDN Holdings"), secured by the DACA, a guaranty (the "Guaranty") by IPDN Holdings, and a pledge agreement (the "Pledge Agreement") by the Company pledging 100% of the equity interests in IPDN Holdings, subject to certain conditions: (i) the DACA, the Guaranty and the Pledge Agreement are each executed and delivered to Streeterville, (ii) the Deposit Account has been opened, (iii) *no* Event of Default (as defined in the Initial Pre-Paid Purchase) under the Initial Pre-Paid Purchase has occurred, and (iv) trading in the Common Stock is *not* suspended, halted, chilled, frozen, reached *zero* bid or otherwise ceased trading on the Nasdaq Capital Market. On *October 7, 2025,* Streeterville funded the remaining $4,602,275.00 to the Deposit Account. In the *fourth* quarter of *2025,* the Company issued 33,533 shares of its Common Stock to Streeterville, at a price range of $39.30 to $81.00 per share, resulting in aggregate gross proceeds of $2,250,000. In the *first* quarter of *2026,* the Company issued 46,297 shares of its Common Stock to Streeterville, at a price range of $23.70 to $31.80 per share, resulting in aggregate gross proceeds of $1,205,000. In the *second* quarter of *2026,* the Company issued 15,962 shares of its Common Stock to Streeterville, at a price range of $14.10 to $22.20 per share, resulting in aggregate gross proceeds of $290,000. During the third quarter of 2026, the Company did not issue any shares of Common Stock to Streeterville.

In *September 2025,* the Company entered into the Streams Ohio Copyright Agreement with Streams Ohio, a non-affiliated accredited investor. Pursuant to the Streams Ohio Copyright Agreement, the Company agreed to acquire *eight* (*8*) original musical works from Streams Ohio. Under the terms of the Streams Ohio Copyright Agreement, consideration could be paid in cash, shares of the Company's Common Stock, or a combination thereof. The Board approved payment of the consideration through the issuance of the Copyright Shares, with an aggregate value of approximately $1,629,080, based on the closing price of $87.90 per share on *September 12, 2025,* subject to the limitations of Nasdaq Listing Rule *5635.* The Copyright Shares were issued in reliance on the exemptions from registration provided by Section *4*(a)(*2*) under the Securities Act, and/or Regulation D promulgated thereunder. The Streams Ohio Copyright Agreement contains customary representations, warranties, and covenants.

In *September 2025,* the Company entered into a consulting agreement (the "B&W Capital Consulting Agreement") with B&W Capital, a non-affiliated accredited investor. Under the B&W Capital Consulting Agreement, the Company engaged B&W Capital to provide strategic, business development, investor relations and capital markets advisory services for a period of *12* months, unless terminated earlier pursuant to the terms therein. As consideration for such services, the Board approved the issuance of 18,334 shares of Common Stock (the "Consulting Shares"), also subject to the limitations of Nasdaq Listing Rule *5635.* The Consulting Shares were issued in reliance on the exemptions from registration provided by Section *4*(a)(*2*) under the Securities Act and/or Regulation D promulgated thereunder. The B&W Capital Consulting Agreement contains customary representations, warranties and covenants.

In *November 2025,* the Company entered into the Shohan Copyright Agreement with Shohan, a non-affiliated accredited investor. Pursuant to the Shohan Copyright Agreement, the Company agreed to acquire *five* (5) original musical works from Shohan. Under the terms of the Shohan Copyright Agreement, consideration could be paid in cash, shares of the Company's Common Stock, or a combination thereof. The Board approved payment of the consideration through the issuance of 30,920 shares of Common Stock, with an aggregate value of approximately $1,604,748, based on the closing price of $51.90 per share on *November 24, 2025,* subject to the limitations of Listing Rule *5635* of The Nasdaq Stock Market LLC. The Shohan Shares were issued in reliance on the exemptions from registration provided by Section *4*(a)(*2*) under the Securities Act of *1933,* as amended, and/or Regulation D promulgated thereunder.

In *November 2025,* the Company entered into the Consultancy Agreement with the Consultant, as described in Note 11. The Board approved payment of the $1,616,000 consideration through the issuance of the Consultancy Shares, subject to the limitations of Listing Rule *5635* of The Nasdaq Stock Market LLC. The Consultancy Shares were issued in reliance on the exemptions from registration provided by Section *4*(a)(*2*) under the Securities Act and/or Regulation D promulgated thereunder.

In *December 2025,* in connection with the closing of the Company's equity financing, the outstanding $150,000 convertible note issued in *July 2025,* together with accrued interest, was converted into 3,379 shares of the Company's Common Stock at a conversion price of $44.40 per share. Upon conversion, the carrying amount of the convertible note, including accrued interest, was reclassified to Common Stock and additional paid-in capital. *No* gain or loss was recognized upon conversion.

In *December 2025,* the Company entered into the DTT Purchase Agreement with DeeptradeX.ai, an Australian-based digital asset trading platform, pursuant to which the Company agreed to acquire an aggregate of 25,937,800 DTT Tokens. The DTT Tokens are intended to function as a medium of exchange for services on DeeptradeX.ai's *Web3.0* digital asset platform and do *not* represent equity, debt, dividends, governance rights or profit-sharing interests. The total consideration for the DTT Tokens is $2,593,780, payable, at the Company's election, in cash, shares of Common Stock, or a combination thereof. The Board approved payment of the consideration through the issuance of 45,267 shares of Common Stock, subject to the limitations of Listing Rule *5635* of The Nasdaq Stock Market LLC, and the DTT Consideration Shares were issued on *January 2, 2026.* The DTT Consideration Shares were issued in reliance on the exemptions from registration provided by Section *4*(a)(*2*) under the Securities Act, and/or Regulation D promulgated thereunder. The DTT Tokens will be delivered to a wallet address designated by the Company and will be subject to a *12*-month lock-up period followed by a *24*-month linear vesting period, with releases occurring automatically pursuant to an immutable smart contract. The DTT Purchase Agreement contains customary representations, warranties and covenants, including representations regarding regulatory compliance, token functionality and indemnification for certain regulatory matters.

In *January* 2026, the Company issued to AlignTag's nominee shareholder shares of its common stock with an aggregate grant-date fair value of approximately $120,000 as consideration for the completion of the Job Fair platform and an automated customer support system for its job board, which includes a job search and application system, Applicant Tracking System (ATS), candidate engagement tools, voice interview functionality, interview analytics, monthly activity reporting, online payment and membership systems, secure data integration and protection, hot backup infrastructure, and a centralized client and administrator dashboard. The issuance resulted in the delivery of 3,559 shares of common stock at a price of $33.72 per share.

On *April 29, 2026*, the Company entered into a second Stock Purchase Agreement with AI Geometric Ltd., pursuant to which the Company agreed to acquire an additional 3.2% of AI Geometric Ltd.'s issued and outstanding shares for aggregate consideration of $1,360,000. The purchase price was satisfied through the issuance of 66,667 shares of the Company's common stock. The Board approved the issuance of the shares, subject to the limitations of Nasdaq Listing Rule 5635 and Rule 144 under the

Securities Act of 1933, as amended. The shares were issued in reliance on the exemption from registration provided by Regulation S under the Securities Act. The transaction closed on May 27, 2026.

As of *September 30, 2026*, an aggregate of $124,344 of principal and $15,000 of accrued interest under a $250,000 convertible promissory note issued in July 2025 had been converted into 6,651 shares of Common Stock at conversion prices ranging from $14.10 to $24.30 per share. On August 16, 2026, the Company repaid the remaining outstanding balance of $142,204.32 under the note, consisting of $125,656 of principal and $16,548.32 of accrued interest. As a result, the note was fully settled, and no principal or accrued interest remained outstanding as of September 30, 2026.

On *August 13, 2026*, the Company completed a best efforts public offering (the "Offering"), pursuant to which the Company sold an aggregate of (i) 54,000 units (the "Units") at an offering price of $8.40 per Unit, consisting of 54,000 shares of Common Stock and common warrants to purchase up to 54,000 shares of Common Stock (the "Common Warrants"), and (ii) 184,134 pre-funded units (the "Pre-Funded Units") at an offering price of $8.40 per Pre-Funded Unit, consisting of pre-funded warrants to purchase up to 184,134 shares of Common Stock (the "Pre-Funded Warrants") and Common Warrants to purchase up to 184,134 shares of Common Stock. The Company received aggregate gross proceeds of $2,000,320 from the Offering. Effective September 21, 2026, pursuant to Section 3(b) of the Common Warrants, the exercise price of the Common Warrants was adjusted from $0.28 per share to $3.1564 per share in connection with the Company's Reverse Stock Split (as defined below). As a result of this adjustment, the number of shares issuable upon exercise of certain Common Warrants increased to an aggregate of 617,768 shares of Common Stock. As of September 30, 2026, all Pre-Funded Warrants issued in connection with the Offering had been exercised, resulting in the issuance of 184,134 shares of Common Stock. In addition, Common Warrants to purchase an aggregate of 317,768 shares of Common Stock had been exercised at an exercise price of $3.1564 per share, resulting in aggregate gross exercise proceeds of approximately $1,003,003. As of September 30, 2026, Common Warrants to purchase 300,000 shares of Common Stock from the same adjusted warrant position remained outstanding and unexercised.

On *September 11, 2026*, the Company effected a one-for-thirty (1-for-30) reverse stock split of its outstanding Common Stock (the "Reverse Stock Split"). No fractional shares were issued in connection with the Reverse Stock Split. Instead, fractional shares were rounded up to the nearest whole share. As a result, the Company issued an aggregate of 34,162 additional shares of Common Stock to accommodate fractional share rounding, consisting of 34,137 shares issued through The Depository Trust Company ("DTC") for beneficial holders and 25 shares issued to stockholders of record.

13. Stock-Based Compensation

Equity Incentive Plans – The Company's 2013 Equity Compensation Plan (the "2013 Plan") was adopted for the purpose of providing equity incentives to employees, officers, directors and consultants including options, restricted stock, restricted stock units, stock appreciation rights, other equity awards, annual incentive awards and dividend equivalents. Through a series of amendments to the 2013 Plan, the total number of authorized shares available for issuance of Common Stock under the 2013 Plan was 2,500 shares.

On *April 11, 2023,* the Board adopted a new equity incentive plan, the Professional Diversity Network, Inc. *2023* Equity Compensation Plan (the "*2023* Equity Compensation Plan"). The *2023* Equity Compensation Plan was approved by the Company's stockholders on *June 15, 2023*. The *2023* Equity Compensation Plan supersedes and replaces the *2013* Plan, and *no* new awards will be granted under the *2013* Plan. Any awards outstanding under the *2013* Plan remain subject to and will be paid under the *2013* Plan. The *2023* Equity Compensation Plan reserves 25,000 shares of Common Stock for issuance of awards to directors, officers, employees and qualifying consultants of the Company and its affiliates.

Stock Options

The fair value of options is estimated on the date of grant using the Black-Scholes option pricing model. The valuation determined by the Black-Scholes pricing model is affected by the Company's stock price as well as assumptions regarding a number of highly complex and subjective variables. These variables include, but are not limited to, expected stock price volatility over the term of the awards, and actual and projected employee stock option exercise behaviors. The risk-free rate is based on the U.S. Treasury rate for the expected life at the time of grant, volatility is based on the average long-term implied volatilities of peer companies, the expected life is based on the estimated average of the life of options using the simplified method, and forfeitures are estimated on the date of grant based on certain historical data. The Company utilizes the simplified method to determine the expected life of its options due to insufficient exercise activity during recent years as a basis from which to estimate future exercise patterns. The expected dividend assumption is based on the Company's history and expectation of dividend payouts.

Forfeitures are required to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates.

The following table summarizes the Company's stock option activity for the nine months ended September 30, 2026 and 2025:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in Years)	Aggregate Intrinsic Value
Outstanding - January 1, 2026	50	$ 1,338.00	3.2	$ -
Granted	-	-	-	
Exercised	-	-	-	
Forfeited	-	-	-	
Outstanding - September 30, 2026	50	$ 1,338.00	2.4	$ -
Exercisable at September 30, 2026	50	$ 1,338.00	2.4	$ -

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in Years)	Aggregate Intrinsic Value
Outstanding - January 1, 2025	50	$ 1,338.00	4.2	$ -
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited	-	-	-	-
Outstanding - September 30, 2025	50	$ 1,338.00	3.4	$ -
Exercisable at September 30, 2025	50	$ 1,338.00	3.4	$ -

The Company recorded non-cash stock-based compensation expense of approximately $0 and $0 as a component of general and administrative expenses in the accompanying consolidated statements of operations for the nine months ended September 30, 2026 and 2025, respectively, pertaining to vesting of stock option awards.

There is no unrecognized stock-based compensation expense related to unvested stock options at September 30, 2026.

Restricted Stock

For the nine months ended September 30, 2026 and 2025, the following is a summary of restricted stock activity:

	Number of Shares
Outstanding - January 1, 2026	2,123
Granted	-
Forfeited	-
Vested	-
Outstanding - September 30, 2026	2,123

	Number of Shares
Outstanding - January 1, 2025	822
Granted	2,123
Forfeited	-
Vested	(822)
Outstanding - September 30, 2025	2,123

The Company recorded non-cash stock-based compensation expense of $62,260 and $40,115 as a component of general and administrative expenses in the accompanying consolidated statements of operations for the nine months ended September 30, 2026 and 2025, respectively, pertaining to granting of restricted stock awards.

Total unrecognized stock-based compensation expense related to 2,123 unvested restricted stock units at September 30, 2026 was approximately $121,507 and is expected to be fully recognized by the fourth quarter of 2026.

14. Income Taxes

The Company’s quarterly income tax provision is based upon an estimated annual income tax rate. The Company’s quarterly provision for income taxes also includes the tax impact of discrete items, if any, including changes in judgment about valuation allowances and effects of changes in tax laws or rates, in the interim period in which they occur.

During the three months ended September 30, 2026 and 2025, the Company recorded no income tax expense.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on consideration of these items, management has determined that enough uncertainty exists relative to the realization of the deferred income tax asset balances to warrant the application of a valuation allowance as of September 30, 2026. The valuation allowance at September 30, 2026 was $14,459,526. The net change in the valuation allowance during the nine months ended September 30, 2026 was an increase of $1,602,246.

15. Segment Information

The Company operated through the following business segments and activities during the three and nine months ended September 30, 2026 and 2025: (i) TalentAlly Network, which maintains and operates job board software and hosts career fairs, (ii) RemoteMore (beginning in fiscal 2021), which provides companies with talented engineers to address their software needs, (iii) PDN Intelligence, Inc., which is pursuing opportunities in AI infrastructure and GPU-powered computing services, and (iv) Corporate Licensing Services. Corporate Overhead is presented separately in the tables below for financial reporting and reconciliation purposes and is not considered a reportable operating segment. The Company's chief operating decision maker ("CODM") uses segment net income (loss) from continuing operations to assess performance and allocate resources, including by comparing actual results to budget. The significant segment expenses regularly provided to the CODM, including cost of revenues, sales and marketing, general and administrative, and depreciation and amortization expenses, are presented in the tables below.

The Company's CEO and CFO comprise the executive committee. The responsibility of the executive committee is to collectively assess performance and make resource allocation decisions related to the entity's operating segments. The CEO operates more as a strategic decision maker for the organization as a whole. The executive committee is the CODM because the committee is the highest level of management that performs these functions.

The following tables present key financial information related to the Company's business segments and corporate activities, including Corporate Licensing Services and Corporate Overhead, for the periods indicated below:

	Three Months Ended September 30, 2026					
	TalentAlly Recruitment Services	RemoteMore Contracted Software Development Service	PDN Intelligence GPU-powered computing Service	Corporate Licensing Services	Corporate Overhead	Consolidated
Recruitment services	$ 540,951	$ -	$ -	$ -	$ -	$ 540,951
Contracted software development	-	308,536	-	-	-	308,536
Consumer advertising and marketing solutions	6,793	-	-	-	-	6,793
Corporate licensing services	-	-	-	-	-	-
GPU-powered computing service	-	-	-	-	-	-
Total revenues	547,744	308,536	-	-	-	856,280
Income (loss) from continuing operations	(300,151)	(25,564)	(4,884)	(1,155,638)	(1,159,167)	(2,645,404)
Depreciation and amortization	33,495	105	-	1,155,638	-	1,189,238
Income tax expense	-	-	-	-	-	-
Net loss from continuing operations	(306,108)	(26,497)	(4,884)	(1,155,638)	(1,159,167)	(2,652,294)
	As of September 30, 2026					
Goodwill	$ 465,752	$ 952,001	$ -	$ -	$ -	$ 1,417,753
Intangible assets, net	2,695,180	-	-	3,466,914	-	6,162,094
Assets from continuing operations, net of intercompany eliminations	14,578,128	(1,043,890)	583,698	3,466,914	-	17,584,850

	Nine Months Ended September 30, 2026					
	TalentAlly Recruitment Services	RemoteMore Contracted Software Development Service	PDN Intelligence GPU-powered computing Service	Corporate Licensing Services	Corporate Overhead	Consolidated
Recruitment services	$ 1,753,466	$ -	$ -	$ -	$ -	$ 1,753,466
Contracted software development	-	1,670,406	-	-	-	1,670,406
Consumer advertising and marketing solutions	18,837	-	-	-	-	18,837
Corporate licensing services	-	-	-	-	-	-
Total revenues	1,772,303	1,670,406	-	-	-	3,442,709
Income (loss) from continuing operations	(581,101)	(75,936)	(4,884)	(3,466,914)	(2,040,043)	(6,168,878)
Depreciation and amortization	109,778	740	-	3,466,914	-	3,577,432
Income tax expense (benefit)	-	-	-	-	-	-
Net income (loss) from continuing operations	(569,923)	(71,954)	(4,884)	(3,466,914)	(2,040,043)	(6,153,718)

	Three Months Ended September 30, 2025					
	TalentAlly Recruitment Services	RemoteMore Contracted Software Development Service	PDN Intelligence GPU-powered computing Service	Corporate Licensing Services	Corporate Overhead	Consolidated
Recruitment services	$ 877,036	$ -	$ -	$ -	$ -	$ 877,036
Contracted software development	-	768,274	-	-	-	768,274
Consumer advertising and marketing solutions	5,569	-	-	-	-	5,569
Corporate licensing services	-	-	-	-	-	-
GPU-powered computing service	-	-	-	-	-	-
Total revenues	882,605	768,274	-	-	-	1,650,879
Income (loss) from continuing operations	(5,008)	(93,076)	-	-	(2,216,803)	(2,314,887)
Depreciation and amortization	37,929	1,382	-	-	-	39,311
Income tax expense (benefit)	-	-	-	-	-	-
Net income (loss) from continuing operations	(15,893)	(96,990)	-	-	(2,216,803)	(2,329,686)
	As of December 31, 2025					
Goodwill	$ 465,752	$ 952,001	$ -	$ -	$ -	$ 1,417,753
Intangible assets, net	9,629,008	-	-	$ -	-	9,629,008
Assets from continuing operations, net of intercompany eliminations	18,753,293	(903,578)	-	$ -	-	17,849,715

	Nine Months Ended September 30, 2025					
	TalentAlly Recruitment Services	RemoteMore Contracted Software Development Service	PDN Intelligence GPU-powered computing Service	Corporate Licensing Services	Corporate Overhead	Consolidated
Recruitment services	$ 2,673,577	$ -	$ -	$ -	$ -	$ 2,673,577
Contracted software development	-	1,924,729	-	-	-	1,924,729
Consumer advertising and marketing solutions	16,641	-	-	-	-	16,641
Corporate licensing services	-	-	-	-	-	-
Total revenues	2,690,218	1,924,729	-	-	-	4,614,947
Income (loss) from continuing operations	(95,925)	(277,506)	-	-	(3,084,870)	(3,458,301)
Depreciation and amortization	116,841	3,879	-	-	-	120,720
Income tax expense (benefit)	-	-	-	-	-	-
Net income (loss) from continuing operations	(145,562)	(273,931)	-	-	(3,084,870)	(3,504,363)

16. Discontinued Operations

NAPW, Inc. ("NAPW" or "NAPW Network") is a networking organization for professional women, whereby its members can develop their professional networks, further their education and skills, and promote their business and career accomplishments. NAPW provides its members with opportunities to network and develop valuable business relationships with other professionals through its website, as well as at virtual and in-person events hosted at its local chapters across the country. NAPW was 100% owned and operated by PDN, Inc. On July 3, 2026, the Company completed the sale of 100% of its ownership interests in NAPW and IAW, Inc. ("IAW") to MEB Holding LLC ("MEB") for total cash consideration of $150,000, with an economic effective date of June 30, 2026. The transaction represents the Company's strategic exit from its membership-based business. The divestiture aligns with the Company's strategy to focus on its core business operations and reduce operating losses. Under the terms of the stock purchase agreement with MEB, the transaction is effective for accounting and economic purposes as of June 30, 2026. The Company classified the results of the disposed subsidiaries as discontinued operations in accordance with ASC 205-20.

The results of discontinued operations for the periods presented are summarized below:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in thousands)		(in thousands)	
Revenues	$ -	$ 80,883	$ 142,943	$ 262,891
Cost of sales and services	-	8,997	5,200	21,487
Sales and marketing	-	64,833	111,424	195,595
General and administrative expenses	-	51,919	96,923	148,912
Depreciation and amortization	-	101	140	335
Total costs and expenses	-	125,850	213,687	366,329
Loss from operations	-	(44,967)	(70,744)	(103,438)
Other income (expense)	-	-	(16)	1
Loss before income taxes	-	(44,967)	(70,760)	(103,437)
Gain on Sale of Subsidiary	234,797	-	234,797	-
Income tax (benefit) expense	-	-	-	-
Income (loss) from discontinued operations	$ 234,797	$ (44,967)	$ 164,037	$ (103,437)

The following table summarizes NAPW assets and liabilities classified as discontinued operations in the accompanying Condensed Consolidated Balance Sheets:

	September 30, 2026 (Unaudited)	December 31, 2025
Current Assets:		
Cash and cash equivalents	-	4,852
Accounts receivable	-	10,711
Other Receivables	-	16
Prepaid expense and other current assets	-	1,832
Current assets of discontinued operations	-	17,411
Property and equipment, net	-	443
Intangible assets, net	-	-
Long-term assets of discontinued operations	-	443
Total assets of discontinued operations	$ -	$ 17,854
Current Liabilities:		
Accounts payable	-	5,232
Accrued expenses	-	15,298
Deferred revenue	-	115,300
Current liabilities of discontinued operations	-	135,830
Deferred tax liability	-	-
Long-term liabilities of discontinued operations	-	-
Total liabilities of discontinued operations	-	135,830

17. Subsequent Events

On October 5, 2026, PDN Intelligence, Inc. (“PDN Intelligence”), a wholly owned subsidiary of the Company, entered into an Equipment Lease Agreement with Goodwill Labs Inc. (“Goodwill”), a Tri-Party Compute Services Collaboration and Revenue Sharing Agreement with Goodwill and HashForest Technology LLC (“HashForest”), and a Secured Term Loan and Security Agreement with Goodwill in connection with the expansion of the Company’s graphics processing unit (“GPU”) infrastructure business. Under these agreements, PDN Intelligence committed approximately $1.177 million to two NVIDIA B300 eight-GPU systems, including the purchase of one system from AMAX Engineering Corporation for approximately $588,582 to be leased to Goodwill and a secured loan of approximately $588,849 to Goodwill to finance the acquisition of a second system. The agreements establish equipment leasing, compute services collaboration, revenue-sharing and financing arrangements, with an initial two-year term and provisions governing equipment disposition and loan settlement upon termination.

On October 16, 2026, the Company entered into Securities Purchase Agreements with three individual investors to issue and sell an aggregate of 146,713 shares of common stock at $1.704 per share, for total gross proceeds of approximately $250,000. The shares were issued on November 3, 2026, as restricted securities in a private placement.

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

Objective and Forward-Looking Statements

The objective of this Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is to provide a narrative from the perspective of management that allows investors to view the company through our eyes. This discussion should be read in conjunction with the accompanying condensed consolidated financial statements and the notes thereto. Our aim is to provide a qualitative and quantitative analysis of our financial condition, results of operations, and cash flows, with a particular focus on material events, trends, and uncertainties known to management that are reasonably likely to have a material impact on our future performance.

This MD&A contains forward-looking statements within the meaning of the federal securities laws. These statements are based on our current beliefs and expectations and are not guarantees of future performance. Forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause our actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. These factors include, but are not limited to, the risks and uncertainties discussed in Part I, Item 1A, "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2025, and in Part II, Item 1A of this Quarterly Report on Form 10-Q. We undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date of this report.

Overview

We are an operator of professional networks with a focus on diversity, employment, education and training. We use the term "diversity" (or "diverse") to describe communities, or "affinities," that are distinct based on a wide array of criteria, including ethnic, national, cultural, racial, religious or gender classification. We serve a variety of such communities, including Women, Hispanic-Americans, African-Americans, Asian-Americans, persons with disabilities, Military Professionals, and Lesbian, Gay, Bisexual and Transgender (LGBTQ+) persons, and students and graduates seeking to transition from education to career. The Company's technology platform is integral to the operation of its business.

As of September 30, 2026, our business activities were conducted through four reportable segments. TalentAlly Network, our primary business segment, includes online professional job-seeking communities that provide career resources tailored to the needs of diverse cultural groups and employers seeking to hire members of these groups. RemoteMore, our second business segment, which began operations in fiscal 2021, connects companies with reliable, cost-efficient software developers. PDN Intelligence, Inc., our newly established third business segment, focuses on exploring opportunities in AI infrastructure and GPU-powered computing. Its planned activities may include securing access to advanced GPU systems, providing computing capacity, and supporting AI development and enterprise applications. Corporate Licensing Services, our fourth reportable segment, holds copyright assets and engages in related licensing activities. Corporate Overhead is presented separately for financial reporting and reconciliation purposes and is not considered a reportable operating segment, as described in Note 15.

While maintaining our legacy operations, we are exploring opportunities in new business areas, including entertainment assets, musical copyrights, and Web 3.0 technologies, such as the tokenization of Real World Assets ("RWA"). These initiatives remain in the early stages and involve uncertainties and execution risks that may affect our future operating results and financial condition. In 2025, we established a wholly owned subsidiary, Colorful Japan, in Tokyo, Japan, to support certain exploratory activities. Colorful Japan currently has no active operations and does not generate revenues or incur material operating expenses.

Sources of Revenue

We currently generate revenue primarily from (i) recruitment services, (ii) contracted software development, and (iii) consumer advertising and marketing solutions. In addition, the Company is developing potential revenue-generating opportunities in GPU-powered computing services and Corporate licensing services, neither of which has generated revenue as of September 30, 2026. The following table sets forth our revenues from each product or service category as a percentage of total revenue for the periods presented. The period-to-period comparison of financial results is not necessarily indicative of future results.

	Nine Months Ended September 30,	
	2026	**2025**
Revenues:		
Recruitment services	50.9%	57.9%
Contracted software development	48.5%	41.7%
Consumer advertising and marketing solutions	0.6%	0.4%
GPU-powered computing service	0.0%	0.0%
Corporate licensing services	0.0%	0.0%

This shift in revenue mix, with a significant decline in the contribution from our traditional Recruitment Services and a corresponding increase from Contracted Software Development, is a direct reflection of the market trends and strategic shifts discussed in this MD&A.

Recruitment Services. We provide recruitment services through TalentAlly Network to medium and large employers seeking to diversify their employment ranks. Our recruitment services revenue is derived from the Company's agreements through single and multiple job postings, recruitment media, career fair events, talent recruitment communities, basic and premier corporate memberships, hiring campaign marketing and advertising, e-newsletter marketing and research and outreach services. Recruitment revenue includes revenue recognized from direct sales to customers for recruitment services and events, as well as revenue from the Company's direct e-commerce sales. The majority of recruitment services revenue comes from job recruitment advertising as well as face-to-face and virtual recruiting events for Engineering, Technology and Security Clearance positions, designed to attract diverse candidates who may also have STEM-based backgrounds through our wholly-owned company Expo Experts Events, LLC. We also offer to businesses subject to the regulations and requirements of the Equal Employment Opportunity Office of Federal Contract Compliance Program ("OFCCP") our OFCCP compliance product, which combines diversity recruitment advertising with job postings and compliance services.

Contracted Software Development. RemoteMore generates revenue by providing contracted programmers to assist customers with their software solutions through customized software development.

Consumer Advertising and Marketing Solutions. We work with partner organizations to provide them with integrated job boards on their websites which offer their members or customers the ability to post recruitment advertising and job openings. We generate revenue from fees charged for those postings.

GPU-powered computing Service. PDN Intelligence is being established with the goal of exploring the development of an infrastructure platform that could potentially support the computational requirements of enterprises, AI developers, research teams and technology companies. Its planned activities may include acquiring or otherwise securing access to advanced GPU systems, deploying computing resources through qualified infrastructure partners, offering GPU-based computing capacity and supporting the development and operation of AI models, agents and enterprise applications.

Corporate Licensing Services. The Company's licensing initiatives are in the early stages of development. Since September 2025, the Company has acquired the copyrights to 28 original musical works. As of September 30, 2026, the copyright assets have not generated revenue. The Company is in the process of developing and implementing commercialization strategies, including licensing and promotional activities, for these copyright assets. While management intends to pursue revenue-generating opportunities related to these assets, there can be no assurance as to the timing or extent of any revenue that may be generated.

Cost of Revenue

Cost of revenue primarily consists of costs of producing job fair and other events, revenue sharing with partner organizations, and costs of web hosting and operating our websites for the TalentAlly Network. Costs of paying outside developers are included in the cost of revenue for RemoteMore.

	Nine Months Ended September 30,	
	2026	2025
Cost of revenues:		
TalentAlly Network	30.5%	29.7%
RemoteMore	69.5%	70.3%
PDN Intelligence	0.0%	0.0%
Corporate Licensing Services	0.0%	0.0%

Results of Operations

Revenues

Total Revenues

The following tables set forth our revenue for the periods presented. The period-to-period comparison of financial results is not necessarily indicative of future results.

	Three Months Ended September 30,		Change (Dollars)	Change (Percent)
	2026	2025		
	(in thousands)			
Revenues:				
Recruitment services	$ 540	$ 877	$ (337)	(38.4)%
Contracted software development	309	768	(459)	(59.8)%
Consumer advertising and marketing solutions	7	6	1	16.7%
GPU-powered computing service	-	-	-	0.0%
Corporate licensing services	-	-	-	0.0%
Total revenues	$ 856	$ 1,651	$ (795)	(48.2)%

Total revenues for the three months ended September 30, 2026, decreased approximately $795,000, or 48.2%, to approximately $856,000 from approximately $1,651,000 during the same period in the prior year. The decrease was primarily attributable to an approximate $336,000 decline in recruitment services and consumer advertising and marketing revenues, and an approximate $459,000 decline in contracted software development revenue. Recruitment services revenue decreased primarily due to lower customer hiring activity and reduced spending on recruitment solutions. In addition, continued changes in corporate priorities surrounding diversity, equity, and inclusion (“DEI”) initiatives, together with evolving legal and regulatory developments, caused certain customers to reduce or delay spending on diversity-focused recruitment programs, negatively impacting demand for our diversity recruiting solutions. Contracted software development revenue decreased primarily due to reduced customer demand for outsourced software development and technical staffing services. Customers continued to exercise greater caution in technology spending, while advancements in AI-driven development tools have enabled some organizations to perform certain development functions with fewer external resources, resulting in lower demand for traditional outsourced development services. The Company continues to evaluate opportunities for its GPU-powered computing service and licensing business. Accordingly, no GPU-powered computing and licensing revenue was recognized during the three months ended September 30, 2026.

	Nine Months Ended September 30,		Change (Dollars)	Change (Percent)
	2026	2025		
	(in thousands)			
Revenues:				
Recruitment services	$ 1,753	$ 2,673	$ (920)	(34.4)%
Contracted software development	1,671	1,925	(254)	(13.2)%
Consumer advertising and marketing solutions	19	17	2	11.8%
GPU-powered computing service	-	-	-	0.0%
Corporate licensing services	-	-	-	0.0%
Total revenues	$ 3,443	$ 4,615	$ (1,172)	(25.4)%

Total revenues for the nine months ended September 30, 2026, decreased approximately $1,172,000, or 25.4%, to approximately $3,443,000 from approximately $4,615,000 during the same period in the prior year. The decrease was primarily attributable to an approximate $918,000 decline in recruitment services and consumer advertising and marketing revenues, and an approximate $254,000 decrease in contracted software development revenue. Recruitment services revenue decreased primarily due to lower customer hiring activity and reduced spending on recruitment solutions. In addition, continued changes in corporate priorities surrounding diversity, equity, and inclusion (“DEI”) initiatives, together with evolving legal and regulatory developments, caused certain customers to reduce or delay spending on diversity-focused recruitment programs, negatively impacting demand for our diversity recruiting solutions. Contracted software development revenue decreased primarily due to reduced customer demand for outsourced software development and technical staffing services. Customers continued to exercise greater caution in technology spending, while advancements in AI-driven development tools have enabled some organizations to perform certain development functions with fewer external resources, resulting in lower demand for traditional outsourced development services. The Company continues to evaluate opportunities for its GPU-powered computing service and licensing business, and no GPU-powered computing and licensing revenue was recognized during the nine months ended September 30, 2026.

Revenues by Segment

The following table sets forth revenues by business segment and corporate activity, as applicable, for the periods presented. The period-to-period comparison is not necessarily indicative of future results.

	Three Months Ended September 30,		Change (Dollars)	Change (Percent)
	2026	2025		
	(in thousands)			
TalentAlly Network	$ 547	$ 883	$ (336)	(38.1)%
RemoteMore	309	768	(459)	(59.8)%
PDN Intelligence	-	-	-	0.0%
Corporate Licensing Services	-	-	-	0.0%
Total revenues	$ 856	$ 1,651	$ (795)	(48.2)%

During the three months ended September 30, 2026, our TalentAlly Network generated approximately $547,000 in revenues compared to approximately $883,000 in revenues during the three months ended September 30, 2025, a decrease of approximately $336,000, or 38.1%. The decrease in the TalentAlly Network segment was due to reduced demand for online recruitment and hiring solutions, consistent with broader market conditions affecting the talent acquisition industry. In addition, certain employers moderated or deferred spending on diversity, equity, and inclusion focused initiatives, which contributed to the decrease in demand for certain of our offerings. The Company continues to monitor these trends and adjust its operating strategy accordingly.

During the three months ended September 30, 2026, RemoteMore revenue was approximately $309,000, compared to revenues of approximately $768,000 during the same period in the prior year, a decrease of approximately $459,000, or 59.8%. The decrease in the RemoteMore segment was due to reduced customer demand for outsourced software development and technical staffing services. Customers continued to exercise greater caution in technology spending, while advancements in AI-driven development tools have enabled some organizations to perform certain development functions with fewer external resources, resulting in lower demand for traditional outsourced development services.

The Company continues to evaluate opportunities for its GPU-powered computing service and licensing business. Accordingly, no GPU-powered computing and licensing revenue was recognized during the three months ended September 30, 2026.

	Nine Months Ended September 30,		Change (Dollars)	Change (Percent)
	2026	2025		
	(in thousands)			
TalentAlly Network	$ 1,772	$ 2,690	(918)	(34.1)%
RemoteMore	1,671	1,925	(254)	(13.2)%
PDN Intelligence	-	-	-	0.0%
Corporate Licensing Services	-	-	-	0.0%
Total revenues	$ 3,443	$ 4,615	$ (1,172)	(25.4)%

During the nine months ended September 30, 2026, our TalentAlly Network generated approximately $1,772,000 in revenues compared to approximately $2,690,000 in revenues during the nine months ended September 30, 2025, a decrease of approximately $918,000, or 34.1%. The decrease in the TalentAlly Network segment was due to reduced demand for online recruitment and hiring solutions, consistent with broader market conditions affecting the talent acquisition industry. In addition, certain employers moderated or deferred spending on diversity, equity, and inclusion focused initiatives, which contributed to the decrease in demand for certain of our offerings. The Company continues to monitor these trends and adjust its operating strategy accordingly.

During the nine months ended September 30, 2026, RemoteMore revenue was approximately $1,671,000 compared to revenues of approximately $1,925,000 during the same period in the prior year, a decrease of approximately $254,000, or 13.2%. The decrease in the RemoteMore segment was due to reduced customer demand for outsourced software development and technical staffing services. Customers continued to exercise greater caution in technology spending, while advancements in AI-driven development tools have enabled some organizations to perform certain development functions with fewer external resources, resulting in lower demand for traditional outsourced development services.

The Company continues to evaluate opportunities for its GPU-powered computing service and licensing business. Accordingly, no GPU-powered computing and licensing revenue was recognized during the nine months ended September 30, 2026.

Costs and Expenses

The following tables set forth our costs and expenses for the periods presented. The period-to-period comparison of financial results is not necessarily indicative of future results.

	Three Months Ended September 30,		Change (Dollars)	Change (Percent)
	2026	2025		
	(in thousands)			
Cost and expenses:				
Cost of revenues	$ 598	$ 960	$ (362)	(37.7)%
Sales and marketing	343	369	(26)	(7.0)%
General and administrative	1,372	2,598	(1,226)	(47.2)%
Depreciation and amortization	1,189	39	1,150	2,948.7%
Total pre-tax cost and expenses:	$ 3,502	$ 3,966	$ (464)	(11.7)%

	Nine Months Ended September 30,		Change (Dollars)	Change (Percent)
	2026	2025		
	(in thousands)			
Cost and expenses:				
Cost of revenues	$ 2,326	$ 2,595	$ (269)	(10.4)%
Sales and marketing	991	1,303	(312)	(23.9)%
General and administrative	2,718	4,054	(1,336)	(33.0)%
Depreciation and amortization	3,577	121	3,456	2,856.2%
Total cost and expenses:	$ 9,612	$ 8,073	$ 1,539	19.1%

Cost of revenues: Cost of revenues during the three months ended September 30, 2026 was approximately $598,000, a decrease of approximately $362,000, or 37.7%, from approximately $960,000 during the same period of the prior year. The decrease was primarily attributable to an approximate $402,000 reduction in RemoteMore's contract costs, consisting of fees paid to external developers, which declined in line with lower related revenues. Partially offsetting the decreases was an increase of approximately $40,000 in event-related costs, primarily due to higher costs associated with in-person events.

Cost of revenues: Cost of revenues during the nine months ended September 30, 2026 was approximately $2,326,000, a decrease of approximately $269,000, or 10.4%, from approximately $2,595,000 during the same period of the prior year. The decrease was predominantly due to an approximate $173,000 reduction in RemoteMore's contract costs, consisting of fees paid to external developers, which declined in line with lower related revenues and a decrease of approximately $123,000 in payroll-related costs due to labor restructuring and system automation. Partially offsetting the decreases was an increase of approximately $27,000 in event-related costs, primarily due to higher costs associated with in-person events.

Sales and marketing expense: Sales and marketing expense during the three months ended September 30, 2026 was approximately $343,000, a decrease of approximately $26,000, or 7.0%, from $369,000 during the same period in the prior year. The decrease was predominantly attributed to approximately $24,000 of reduced payroll and commission related costs, $2,000 reduction in marketing and marketing-related consulting and software costs. The overall reduction in sales and marketing expenses was driven by lower revenue levels and improved operational efficiency, which collectively resulted in decreased spending across payroll, marketing, consulting, and other related services.

Sales and marketing expense: Sales and marketing expense during the nine months ended September 30, 2026 was approximately $991,000, a decrease of approximately $312,000, or 23.9%, from $1,303,000 during the same period in the prior year. The decrease was predominantly attributed to approximately $91,000 of reduced payroll and commission related costs, $221,000 reduction in marketing and marketing-related consulting and software costs. The overall reduction in sales and marketing expenses was driven by lower revenue levels and improved operational efficiency, which collectively resulted in decreased spending across payroll, marketing, consulting, and other related services.

General and administrative expense: General and administrative expenses decreased by approximately $1,226,000, or 47.2%, to approximately $1,372,000 during the three months ended September 30, 2026, as compared to approximately $2,598,000 during the same period in the prior year. The decrease was primarily attributable to a reduction of approximately $1,647,000 in consulting expenses following the completion of consulting services related to new business areas, including entertainment assets, musical copyrights, and Web 3.0 technologies; a reduction of approximately $12,000 in other purchased services due to workforce reductions and lower software subscription and information technology service costs; a reduction of approximately $77,000 in bad debt expense due to improved collections; and a reduction of approximately $91,000 in payroll-related costs due to workforce restructuring and system automation. These decreases were partially offset by an increase of approximately $601,000 in financing costs, primarily due to increased capital-raising activities.

General and administrative expense: General and administrative expenses decreased by approximately $1,336,000, or 33.0%, to approximately $2,718,000 during the nine months ended September 30, 2026, as compared to approximately $4,054,000 during the same period in the prior year. The decrease was primarily attributable to a reduction of approximately $1,647,000 in consulting expenses following the completion of consulting services related to new business areas, including entertainment assets, musical copyrights, and Web 3.0 technologies; a reduction of approximately $25,000 in computer service expenses and $54,000 in other purchased services, resulting from workforce reductions and lower software subscription and information technology service costs; a reduction of approximately $122,000 in bad debt expense due to improved collections; and a reduction of approximately $94,000 in payroll-related costs due to workforce restructuring and system automation.These decreases were partially offset by an increase of approximately $606,000 in financing costs, primarily due to increased capital-raising activities.

Depreciation and amortization expense: Depreciation and amortization expense during the three months ended September 30, 2026 was approximately $1,189,000, an increase of approximately $1,150,000 or 2,948.7%, compared to approximately $39,000 during the same period in the prior year. The increase was primarily attributable to the amortization of musical works copyrights acquired by the Company, which are being amortized over an estimated 18-month useful life based on the expected peak streaming period.

Depreciation and amortization expense: Depreciation and amortization expense during the nine months ended September 30, 2026 was approximately $3,577,000, an increase of approximately $3,456,000 or 2,856.2% compared to approximately $121,000 during the same period in the prior year. The increase was primarily attributable to the amortization of musical works copyrights acquired by the Company, which are being amortized over an estimated 18-month useful life based on the expected peak streaming period.

Costs and Expenses by Segment

The following table sets forth costs and expenses by business segment and corporate activity, including Corporate Overhead, for the periods presented. The period-to-period comparison is not necessarily indicative of future results.

	Three Months Ended September 30,		Change (Dollars)	Change (Percent)
	2026	2025		
	(in thousands)			
TalentAlly Network	$ 848	$ 888	$ (40)	(4.5)%
RemoteMore	335	861	(526)	(61.1)%
PDN Intelligence	5	-	5	N/M
Corporate Licensing Services	1,156	-	1,156	N/M
Corporate Overhead	1,158	2,217	(1,059)	(47.8)%
Total costs and expenses:	$ 3,502	$ 3,966	$ (464)	(11.7)%

	Nine Months Ended September 30,		Change (Dollars)	Change (Percent)
	2026	2025		
	(in thousands)			
TalentAlly Network	$ 2,353	$ 2,786	$ (433)	(15.5)%
RemoteMore	1,747	2,202	(455)	(20.7)%
PDN Intelligence	5	-	5	N/M
Corporate Licensing Services	3,467	-	3,467	N/M
Corporate Overhead	2,040	3,085	(1,045)	(33.9)%
Total costs and expenses:	$ 9,612	$ 8,073	$ 1,539	19.1%

For the three months ended September 30, 2026, costs and expenses related to our TalentAlly Network segment decreased by approximately $40,000, or 4.5%, as compared to the same period in the prior year. The decrease was primarily attributable to reductions of approximately $3,000 in sales and marketing costs, $96,000 in general and administrative costs, and $1,000 in depreciation and amortization expenses. These decreases were mainly attributable to workforce reductions and operational efficiencies implemented in response to lower revenue levels. The reductions were partially offset by an increase of approximately $60,000 in cost of sales, primarily due to higher event-related expenses and increased costs associated with delivering services.

For the nine months ended September 30, 2026, costs and expenses related to our TalentAlly Network segment decreased by approximately $433,000, or 15.5%, as compared to the same period in the prior year. The decrease was primarily attributable to reductions of approximately $242,000 in sales and marketing costs, $129,000 in general and administrative costs, $61,000 in cost of sales, and $1,000 in depreciation and amortization expenses. These decreases were mainly attributable to workforce reductions and operational efficiencies implemented in response to lower revenue levels.

For the three months ended September 30, 2026, costs and expenses related to RemoteMore decreased by approximately $526,000, or 61.1%, as compared to the same period in the prior year. The decrease was primarily attributable to lower costs of sales, driven by reduced revenue-generating activities and a corresponding decline in the need for additional technical and project support to meet client demand.

For the nine months ended September 30, 2026, costs and expenses related to RemoteMore decreased by approximately $455,000, or 20.7%, as compared to the same period in the prior year. The decrease was primarily attributable to lower costs of sales, driven by reduced revenue-generating activities and a corresponding decline in the need for additional technical and project support to meet client demand.

For the three months ended September 30, 2026, costs and expenses related to PDN Intelligence increased by approximately $5,000, compared to the same period in the prior year. The increase was primarily attributable to shipping expenses associated with the GPU server.

For the nine months ended September 30, 2026, costs and expenses related to PDN Intelligence increased by approximately $5,000, compared to the same period in the prior year. The increase was primarily attributable to shipping expenses associated with the GPU server.

For the three months ended September 30, 2026, costs and expenses related to Corporate Licensing Services increased by approximately $1,156,000, as compared to the same period in the prior year. The increase was predominantly attributable to the amortization of musical works copyrights acquired by the Company, which are being amortized over an estimated 18-month useful life based on the expected peak streaming period.

For the nine months ended September 30, 2026, costs and expenses related to Corporate Licensing Services increased by approximately $3,467,000, as compared to the same period in the prior year. The increase was predominantly attributable to the amortization of musical works copyrights acquired by the Company, which are being amortized over an estimated 18-month useful life based on the expected peak streaming period.

For the three months ended September 30, 2026, costs and expenses related to Corporate Overhead decreased by approximately $1,059,000, or 47.8%, as compared to the same period in the prior year. The decrease was primarily attributable to a reduction of approximately $1,647,000 in consulting expenses following the completion of consulting services related to new business areas, including entertainment assets, musical copyrights, and Web 3.0 technologies; and a reduction of approximately $13,000 in payroll-related costs due to workforce restructuring and system automation. These decreases were partially offset by an increase of approximately $601,000 in financing costs, primarily due to increased capital-raising activities.

For the nine months ended September 30, 2026, costs and expenses related to Corporate Overhead decreased by approximately $1,045,000, or 33.9%, as compared to the same period in the prior year. The decrease was primarily attributable to a reduction of approximately $1,647,000 in consulting expenses following the completion of consulting services related to new business areas, including entertainment assets, musical copyrights, and Web 3.0 technologies; and a reduction of approximately $4,000 in payroll-related costs due to workforce restructuring and system automation. These decreases were partially offset by an increase of approximately $606,000 in financing costs, primarily due to increased capital-raising activities.

Income Tax Expense (Benefit)

	Three Months Ended September 30,		Change (Dollars)	Change (Percent)
	2026	2025		

		(in thousands)		
Income tax expense (benefit)	$ -	$ -	$ -	0.0%

	Nine Months Ended September 30,		Change	Change
	2026	2025	(Dollars)	(Percent)
		(in thousands)		
Income tax expense (benefit)	$ -	$ -	$ -	0.0%

During the three months ended September 30, 2026 and 2025, we recorded an income tax expense of approximately $0 and $0, respectively.

During the nine months ended September 30, 2026 and 2025, we recorded an income tax expense of approximately $0 and $0, respectively.

Net loss from Continuing Operations, Net of Tax

The following table sets forth net loss by business segment and corporate activity, including Corporate Overhead, for the periods presented. The period-to-period comparison is not necessarily indicative of future results.

	Three Months Ended September 30,		Change (Dollars)	Change (Percent)
	2026	2025		
	(in thousands)			
TalentAlly Network	$ (306)	$ (16)	$ (290)	(1812.5)%
RemoteMore	(26)	(97)	71	73.2%
PDN Intelligence	(5)	-	(5)	N/M
Corporate Licensing Services	(1,156)	-	(1,156)	N/M
Corporate Overhead	(1,159)	(2,217)	1,058	47.7%
Consolidated net loss from continuing operations, net of tax	$ (2,652)	$ (2,330)	$ (322)	(13.8)%

	Nine Months Ended September 30,		Change (Dollars)	Change (Percent)
	2026	2025		
	(in thousands)			
TalentAlly Network	$ (570)	$ (146)	$ (424)	(290.4)%
RemoteMore	(72)	(274)	202	73.7%
PDN Intelligence	(5)	-	(5)	N/M
Corporate Licensing Services	(3,467)	-	(3,467)	N/M
Corporate Overhead	(2,040)	(3,084)	1,044	33.9%
Consolidated net loss from continuing operations, net of tax	$ (6,154)	$ (3,504)	$ (2,650)	(75.6)%

Consolidated Net Loss from Continuing Operations, Net of Tax. As the result of the factors discussed above, during the three months ended September 30, 2026, we incurred a net loss from continuing operations of approximately $2,652,000, an increase in the net loss of approximately $322,000, compared to a net loss of approximately $2,330,000 during the three months ended September 30, 2025. As the result of the factors discussed above, during the nine months ended September 30, 2026, we incurred a net loss from continuing operations of approximately $6,154,000, an increase in the net loss of approximately $2,650,000, compared to a net loss of approximately $3,504,000 during the nine months ended September 30, 2025.

Liquidity and Capital Resources

Our analysis of liquidity and capital resources is critical for understanding the material risks and uncertainties affecting our financial condition. As disclosed in Note 2 to the consolidated financial statements, our recurring losses from operations, negative cash flow from operating activities, and working capital deficiency raise substantial doubt about our ability to continue as a going concern.

The following table summarizes our liquidity and capital resources as of September 30, 2026 and December 31, 2025:

	September 30, 2026	December 31, 2025
	(in thousands)	
Cash and cash equivalents	$ 755	$ 212
Working capital (deficiency) from continuing operations	$ 211	$ (3,925)

Our principal sources of liquidity are our cash and cash equivalents, including cash from operations and net proceeds from the issuances of Common Stock, if any. As of September 30, 2026, we had cash and cash equivalents of approximately $755,000 compared to cash and cash equivalents of approximately $212,000 at December 31, 2025. Our working capital improved from a deficit of approximately $3,925,000 as of December 31, 2025 to a surplus of approximately $211,000 as of September 30, 2026, representing an improvement of approximately $4,136,000. We had an accumulated deficit of approximately $114,844,000 at September 30, 2026.

Our history of recurring losses from operations raises substantial doubt about our ability to continue as a going concern. Our ability to continue as a going concern is dependent on our ability to further implement our business plan, raise capital, and generate revenues. The consolidated financial statements do not include any adjustments that might be necessary if we are unable to continue as a going concern.

Our cash and cash equivalents at September 30, 2026 and cash flow from operations may not be sufficient to meet our working capital requirements for the fiscal year ending December 31, 2026. To address our liquidity needs, management has implemented cost-reduction measures, including personnel reductions and vendor renegotiations, and is actively exploring additional financing opportunities. There can be no assurance that our business plans and actions will be successful, that we will generate anticipated revenues, or that unforeseen circumstances will not require additional funding sources in the future or accelerate plans to conserve liquidity. Future efforts to raise additional funds may not be successful or may not be available on acceptable terms, if at all.

We are closely monitoring operating costs and capital requirements. Management continues to reduce and control costs through personnel reductions, replacement and renegotiation of certain vendor arrangements, and the implementation of technology to reduce manual effort in routine operations. If we are unable to further reduce costs sufficiently, we may be required to dispose of certain assets or discontinue certain business lines.

Our TalentAlly Network sells recruitment services to employers, generally on a 30-to-90-day period or a one-year contract basis. This revenue is also deferred and recognized over the period of the contract. Our payment terms for TalentAlly Network customers range from 30 to 90 days. We consider the difference between the payment terms and payment receipts a result of transit time for invoice and payment processing and to date have not experienced any liquidity issues as a result of the payments extending past the specified terms. RemoteMore generates revenue by providing contracted programmers to assist customers with their software solutions through customized software development. Customers are billed for services during the period in which the work is performed, and payment terms are typically net 10 days. The Company also anticipates generating revenue from its PDN Intelligence business and Corporate Licensing Services, although neither business has generated revenue to date. The PDN Intelligence business is expected to generate revenue through GPU-powered computing services, including providing access to computing capacity and related AI infrastructure services, subject to the successful development and commercialization of these activities. The Corporate Licensing Services is expected to generate revenue through licensing and other commercialization arrangements involving the Company’s acquired music copyrights and related intellectual property.

	Nine Months Ended September 30,	
	2026	2025
	(in thousands)	
Cash provided by (used in) continuing operations		
Operating activities	$ (3,036)	$ (3,497)
Investing activities	(182)	(4,204)
Financing activities	5,006	6,234
Cash provided by (used in) discontinued operations:		
Operating activities	(5)	1
Net increase (decrease) in cash, cash equivalents, and restricted cash	$ 1,783	$ (1,466)

Cash, Cash Equivalents and Restricted Cash

The Company considers cash and cash equivalents to include all short-term, highly liquid investments that are readily convertible to known amounts of cash and have original maturities of three months or less and may consist of cash on deposit with banks and investments in money market funds, corporate and municipal debt and U.S. government and U.S. government agency securities. As of September 30, 2026 and December 31, 2025, cash and cash equivalents consisted of cash on deposit with banks and investments in money market funds. As of September 30, 2026 and December 31, 2025, the Company also had restricted cash of approximately $2,495,000 and $1,250,000, respectively, which is maintained in a deposit account of the Company's wholly-owned subsidiary and is subject to withdrawal restrictions under the related Deposit Account Control Agreement, dated as of September 5, 2025 ("DACA").

Net Cash Used in Operating Activities

Net cash used in operating activities from continuing operations during the nine months ended September 30, 2026, was approximately $3,036,000. We had a net loss from continuing operations of approximately $6,154,000 during the nine months ended September 30, 2026, which included stock-based compensation expense of approximately $62,000, depreciation and amortization expense of approximately $3,577,000, reversal of provision for doubtful accounts of approximately $27,000, loss on disposal of property, plant and equipment of approximately $19,000, removal of discontinued operations of $104,000 and noncash lease expense of $69,000. Changes in operating assets and liabilities used approximately $480,000 of cash during the nine months ended September 30, 2026.

Net cash used in operating activities from continuing operations during the nine months ended September 30, 2025, was approximately $3,497,000. We had a net loss from continuing operations of approximately $3,504,000 during the nine months ended September 30, 2025, which included stock-based compensation expense of approximately $40,000, depreciation and amortization expense of approximately $121,000, provision for doubtful accounts of approximately $95,000, unrealized loss on investment of $44,000 and noncash lease expense of $69,000. Changes in operating assets and liabilities used approximately $361,000 of cash during the nine months ended September 30, 2025.

Net Cash Used in Investing Activities

Net cash used in investing activities from continuing operations during the nine months ended September 30, 2026, was approximately $182,000, primarily attributable to approximately $289,000 in purchases of property and equipment and approximately $43,000 in technology development costs, partially offset by approximately $150,000 in proceeds from the sale of a subsidiary.

Net cash used in investing activities from continuing operations during the nine months ended September 30, 2025, was approximately $4,204,000, which was primarily related to the investment in 13% of AI Geometric Ltd.'s outstanding shares and the purchase of intangible assets.

Net Cash Provided by Financing Activities

Net cash provided by financing activities during the nine months ended September 30, 2026, was approximately $5,006,000, consisting of $4,498,000 in proceeds from the sale of Common Stock and approximately $684,000 in proceeds from short-term debt, which is non-interest-bearing and has no stated maturity date, partially offset by approximately $176,000 in repayments of short-term debt.

Net cash provided by financing activities during the nine months ended September 30, 2025 was approximately $6,234,000, consisting of $5,414,000 in proceeds from the sale of Common Stock and approximately $893,000 in proceeds from short-term debt, which is non-interest-bearing and has no stated maturity date, partially offset by approximately $73,000 in repayments of short-term debt.

Our material cash requirements for the next 12 months consist of funding our operating losses, and servicing any debt. The certainty of our cash flows from outside sources is low, as future financing is not guaranteed and may not be available on terms acceptable to us, if at all. Failure to secure sufficient additional capital in a timely manner will have a material adverse effect on our business and would likely force us to default on our obligations and scale back or cease operations.

Non-GAAP Financial Measure

Adjusted EBITDA

We believe Adjusted EBITDA provides a meaningful representation of our operating performance that provides useful information to investors regarding our financial condition and results of operations. Adjusted EBITDA is commonly used by financial analysts and others to measure operating performance. Furthermore, management believes that this non-GAAP financial measure may provide investors with additional meaningful comparisons between current results and results of prior periods as they are expected to be reflective of our core ongoing business. However, while we consider Adjusted EBITDA to be an important measure of operating performance, Adjusted EBITDA and other non-GAAP financial measures have limitations, and investors should not consider them in isolation or as a substitute for analysis of our results as reported under GAAP. Further, Adjusted EBITDA, as we define it, may not be comparable to EBITDA, or similarly titled measures, as defined by other companies.

The following non-GAAP financial information in the tables that follow are reconciled to comparable information presented using GAAP, derived by adjusting amounts determined in accordance with GAAP for certain items presented in the accompanying selected operating statement data.

The following table provides a reconciliation of net loss from continuing operations to Adjusted EBITDA, the most directly comparable GAAP measure reported in our consolidated financial statements, for the three and nine months ended September 30, 2026 and 2025:

	Three Months Ended September 30,	
	2026	2025
	(in thousands)	
Loss from Continuing Operations, net of tax	$ (2,652)	$ (2,330)
Stock-based compensation	-	18
Loss attributable to noncontrolling interest	4	17
Depreciation and amortization	1,189	39
Other (expense) income, net	7	15
Income tax expense (benefit)	-	-
Adjusted EBITDA	$ (1,452)	$ (2,241)

	Nine Months Ended September 30,	
	2026	2025
	(in thousands)	
Loss from Continuing Operations	$ (6,154)	$ (3,504)
Stock-based compensation	62	40
Loss attributable to noncontrolling interest	11	52
Depreciation and amortization	3,577	121
Other (expense) income, net	(15)	46
Income tax expense (benefit)	-	-
Adjusted EBITDA	$ (2,519)	$ (3,245)

Off-Balance Sheet Arrangements

Since inception, we have not engaged in any off-balance sheet activities within the meaning of Item 303 of Regulation S-K.

Critical Accounting Policies and Estimates

Our management's discussion and analysis of financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States, or U.S. GAAP. The preparation of these consolidated financial statements requires us to exercise considerable judgment with respect to establishing sound accounting policies and in making estimates and assumptions that affect the reported amounts of our assets and liabilities, our recognition of revenues and expenses, and disclosure of commitments and contingencies at the date of the consolidated financial statements.

We base our estimates on our historical experience, knowledge of our business and industry, current and expected economic conditions, the attributes of our products, the regulatory environment, and in certain cases, the results of outside appraisals. We periodically re-evaluate our estimates and assumptions with respect to these judgments and modify our approach when circumstances indicate that modifications are necessary. These estimates and assumptions form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

While we believe that the factors we evaluate provide us with a meaningful basis for establishing and applying sound accounting policies, we cannot guarantee that the results will always be accurate. Since the determination of these estimates requires the exercise of judgment, actual results could differ from such estimates.

While our significant accounting policies are more fully described in Note 3 to our consolidated financial statements included in Part I, Item 1 of this Quarterly Report, we believe that the following accounting policies are the most critical to aid you in fully understanding and evaluating our reported financial results and affect the more significant judgments and estimates that we use in the preparation of our consolidated financial statements.

Accounts Receivable and Allowance for Credit Losses

Our accounts receivable consists principally of uncollateralized amounts billed to customers. These receivables are generally due within 30 to 90 days of the period in which the corresponding sales occur and do not bear interest. They are recorded at net realizable value less an allowance for credit losses and are classified as accounts receivable, net on the consolidated balance sheets.

We adopted ASU 2016-13, Financial Instruments - Credit Losses, in the first quarter of fiscal 2023. This accounting standard requires companies to measure expected credit losses on financial instruments based on the total estimated amount to be collected over the lifetime of the instrument.

We consider both current conditions and reasonable and supportable forecasts of future conditions when evaluating expected credit losses for uncollectible receivable balances. In our determination of the allowance for credit losses, we pool receivables by days outstanding and apply an expected credit loss percentage to each pool. The expected credit loss percentage is determined using historical loss data adjusted for current conditions and forecasts of future economic conditions. Current conditions considered include predefined aging criteria, as well as specified events that indicate the balance due is not collectible. Reasonable and supportable forecasts used in determining the probability of future collection consider publicly available macroeconomic data and whether future credit losses are expected to differ from historical losses.

We are not party to any off-balance sheet arrangements that would require an allowance for credit losses in accordance with this accounting standard.

Goodwill and Intangible Assets

The Company accounts for goodwill and intangible assets in accordance with ASC 350, Intangibles – Goodwill and Other ("ASC 350"). ASC 350 requires that goodwill and other intangibles with indefinite lives should be tested for impairment annually or on an interim basis if events or circumstances indicate that the fair value of an asset has decreased below its carrying value.

Goodwill is tested for impairment at the reporting unit level on an annual basis (December 31 for the Company) and between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value. The Company considers its market capitalization and the carrying value of its assets and liabilities, including goodwill, when performing its goodwill impairment test.

When conducting its annual goodwill impairment assessment, the Company initially performs a qualitative evaluation of whether it is more likely than not that goodwill is impaired. If it is determined by a qualitative evaluation that it is more likely than not that goodwill is impaired, the Company then compares the fair value of the Company's reporting unit to its carrying or book value. If the fair value of the reporting unit exceeds its carrying value, goodwill is not impaired and the Company is not required to perform further testing. If the carrying value of a reporting unit exceeds its fair value, the Company will measure any goodwill impairment losses as the amount by which the carrying amount of a reporting unit exceeds its fair value, not to exceed the total amount of goodwill allocated to that reporting unit.

The Company's critical accounting estimates include the valuation of intangible assets acquired, the determination of the useful lives of finite-lived intangible assets, the assessment of impairment of long-lived assets, and the timing of when such assets are placed into service and begin amortization. These estimates require significant management judgment and are based on assumptions regarding future cash flows, market conditions, and the timing of commercialization. Due to the inherent uncertainty associated with these estimates, actual results may differ from those estimates, and such differences could have a material impact on the Company's financial condition and results of operations.

The Company determines the fair value of intangible assets using valuation techniques appropriate for the nature of the asset, including the income approach, market approach, or cost approach. These valuation techniques require the use of significant estimates and assumptions, including projected future cash flows, discount rates, market multiples, and other relevant factors. The Company maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. Changes in the underlying assumptions could materially affect the estimated fair value of intangible assets and any related impairment charges.

Copyright assets are classified as finite-lived intangible assets and are amortized over their estimated useful lives, which are based on the pattern in which the economic benefits are expected to be consumed. Amortization commences when the assets are placed into service and are ready for their intended use. The Company evaluates these assets for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Crypto assets are recorded at fair market value and classified as intangible assets on the consolidated balance sheet. These assets are initially recognized at cost and subsequently remeasured at fair value at each reporting date, with changes in fair value recognized in the consolidated statements of operations. Fair value is determined using quoted market prices in active markets for identical assets. Gains and losses resulting from changes in fair value are recognized in earnings in the period in which they occur.

Capitalized Technology Costs

We account for capitalized technology costs in accordance with ASC 350-40, Internal-Use Software ("ASC 350-40"). In accordance with ASC 350-40, we capitalize certain external and internal computer software costs incurred during the application development stage. The application development stage generally includes software design and configuration, coding, testing and installation activities. Training and maintenance costs are expensed as incurred, while upgrades and enhancements are capitalized if it is probable that such expenditures will result in additional functionality. Capitalized software costs are amortized over the estimated useful lives of the software assets on a straight-line basis, generally not exceeding three years.

Business Combinations

ASC 805, Business Combinations ("ASC 805"), applies the acquisition method of accounting for business combinations to all acquisitions where the acquirer gains a controlling interest, regardless of whether consideration was exchanged. ASC 805 establishes principles and requirements for how the acquirer a) recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any non-controlling interest in the acquiree; b) recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase; and c) determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. Accounting for acquisitions requires the Company to recognize, separately from goodwill, the assets acquired and the liabilities assumed at their acquisition-date fair values. Goodwill as of the acquisition date is measured as the excess of consideration transferred and the net of the acquisition-date fair values of the assets acquired and the liabilities assumed. While the Company uses its best estimates and assumptions to accurately value assets acquired and liabilities assumed at the acquisition date, the estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the acquisition date, the Company may record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to the consolidated statements of comprehensive loss.

Revenue Recognition

Our principal sources of revenue are recruitment revenue, consumer marketing and consumer advertising revenue, event revenues from career fairs, and contracted software development. Recruitment revenue includes revenue recognized from direct sales to customers for recruitment services and events, as well as revenue from our direct ecommerce sales. Revenues from recruitment services are recognized when control of the promised services is transferred to the customer, in an amount that reflects the consideration we expect to be entitled to in exchange for those services. Our recruitment revenue is derived from agreements through single and multiple job postings, recruitment media, talent recruitment communities, basic and premier corporate memberships, hiring campaign marketing and advertising, e-newsletter marketing and research and outreach services.

Consumer marketing and consumer advertising revenue is recognized either based upon a fixed fee for revenue sharing agreements in which payment is required at the time of posting or billed based upon the number of impressions (the number of times an advertisement is displayed) recorded on the websites as specified in the customer agreement.

Revenues generated from RemoteMore consist of contracts entered into to provide customers with software solutions and are recognized in the month work is performed.

Lease Obligations

We lease office space under a non-cancelable operating lease that expires in September 2027. Our facility lease provides for periodic rent increases and contains escalation clauses and renewal options.

We recognize operating lease expense on a straight-line basis over the lease term and variable lease payments are expensed as incurred. Lease costs are primarily recorded within SG&A expenses in the Company's consolidated statements of operations and comprehensive loss.

We determine if a contract contains a lease at lease inception. If the borrowing rate implicit in the lease is not determinable, we use our incremental borrowing rate ("IBR") based on information available at lease commencement, including prevailing financial market conditions, to determine the present value of future lease payments. We have elected the option to combine lease and non-lease components as a single component for our entire population of lease assets.

Operating lease assets and lease liabilities are recognized at the lease commencement date. Operating lease liabilities represent the present value of lease payments not yet paid. Operating lease assets represent the right to use an underlying asset and are based upon the operating lease liabilities adjusted for prepayments or accrued lease payments, initial direct costs, and lease incentives. We have elected not to apply the recognition requirements to short-term leases of 12 months or less and instead recognize lease payments as expense on a straight-line basis over the lease term. Our lease agreement does not contain any material residual value guarantees or material restrictive covenants. Leased assets are presented net of accumulated amortization.

Variable lease payment amounts that cannot be determined at the commencement of the lease, such as increases in lease payments based on changes in index rates or usage, are not included in the ROU assets or liabilities; instead, these are expensed as incurred and recorded as variable lease expense.

Recent Accounting Pronouncements

ASU *2024-03,* Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic *220-40*). In *November 2024,* the Financial Accounting Standards Board ("FASB") issued ASU *2024-03,* Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures. The ASU requires a public business entity to provide disaggregated disclosures of certain categories of expenses on an annual and interim basis including purchases of inventory, employee compensation, depreciation, and intangible asset amortization for each income statement line item that contains those expenses. This ASU is effective for annual reporting periods beginning after *December 15, 2026,* and interim periods within annual reporting periods beginning after *December 15, 2027,* with early adoption permitted. The Company is currently evaluating the impact of this guidance on its consolidated financial statements and related disclosures.

ASU *2025-01,* Income Statement—Expense Disaggregation Disclosures (Issued *January 2025).* In *January 2025,* the FASB issued ASU *2025-01,* which clarifies the effective date of prior guidance requiring enhanced disaggregation of certain expense captions presented on the income statement. The amendments are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently assessing the impact of this guidance.

ASU 2025-06, Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40) (Issued September 2025). In September 2025, the FASB issued ASU 2025-06, which modernizes the accounting for internal-use software by clarifying when capitalization begins and simplifying certain development stage guidance. The amendments are effective for fiscal years beginning after December 15, 2027, including interim periods within those fiscal years. Early adoption is permitted. The Company is evaluating the potential impact of this guidance.

ITEM 3 – QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4 – CONTROLS AND PROCEDURES

Evaluation of disclosure controls and procedures

As of September 30, 2026, our management conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as such term is defined under Rules 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), under the supervision of and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer. Based on that evaluation, our management, including our Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures were effective as of September 30, 2026.

Subsequent to the end of the quarter, effective October 2, 2026, Ms. Gu was appointed Chief Executive Officer while continuing to serve as Chief Financial Officer.

Management, with oversight from the Board of Directors, also evaluated the impact of Ms. Gu serving concurrently as the Company's Chief Executive Officer and Chief Financial Officer on the Company's disclosure controls and procedures and internal control over financial reporting. Based on this evaluation, management concluded that the combination of these roles did not adversely affect the effectiveness of the Company's disclosure controls and procedures or result in any changes in internal control over financial reporting that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Exchange Act Rules 13a-15 or 15d-15 that occurred during our third quarter of fiscal 2026, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II

ITEM 1 – LEGAL PROCEEDINGS

The Company and its previously wholly owned subsidiary, NAPW, Inc. ("NAPW"), are parties to a proceeding captioned Deborah Bayne, et al. vs. NAPW, Inc. and Professional Diversity Network, Inc., No. 18-cv-3591 (E.D.N.Y.), filed on June 20, 2018, and alleging violations of the Fair Labor Standards Act (the "FLSA") and certain provisions of the New York Labor Law (the "NYLL"). The class is defined as "all individuals employed in New York from June 20, 2012 through October 15, 2021 by NAPW and PDN to sell memberships to the women's networking organization known as the National Association of Professional Women and the International Association of Women," excluding corporate officers, shareholders, directors and administrative employees. As it stands, the class currently consists of 164 putative class members and 60 opt-in plaintiffs.

The complaint alleges that NAPW (and PDN in its capacity as an alleged joint employer) violated similar provisions of the FLSA and the NYLL by (i) failing to pay overtime wages as required by both the FLSA and the NYLL, (ii) failing to provide accurate wage statements under the NYLL, and (iii) willfully violating both of those statutes. The Court, in an order issued on *March 25, 2024,* granted summary judgment against NAPW on the claims related to willful failure to pay overtime wages. The Court dismissed, without prejudice, claims based on failure to provide accurate wage statements under the NYLL based on lack of subject matter jurisdiction. The Court found that questions of fact remain as to whether PDN was a joint employer with NAPW. Damages remain unsettled, particularly in light of the Court's dismissal of the plaintiffs' claims related to failure to provide accurate wage statements. During the first quarter of 2020, we recorded a $450,000 litigation settlement reserve in the event of an unfavorable outcome in this proceeding. In the fourth quarter of 2025, we recorded an additional $250,000 litigation settlement reserve. As of September 30, 2026, the Company had deposited the full amount of $700,000 into its legal counsel's escrow account in connection with the anticipated settlement of this matter. The parties entered into a Joint Settlement Agreement and Release, which was signed by the Company on July 15, 2025, and received preliminary approval from the Court on September 30, 2026. A final fairness hearing is scheduled for April 9, 2027, at which the Court will consider whether to grant final approval of the settlement.

General Legal Matters

From time to time, the Company is involved in legal matters arising in the ordinary course of business. While the Company believes that such matters are currently not material, there can be no assurance that matters arising in the ordinary course of business for which the Company is, or could be, involved in litigation, will not have a material adverse effect on its business, financial condition or results of operations.

ITEM 1A – RISK FACTORS

In addition to the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2025, we are subject to the following new and updated material risks. You should carefully consider these risks, in addition to the other information in this report and our other filings with the SEC.

Risks Related to Our Financial Condition and Ability to Continue as a Going Concern

Our ability to fund our operations and strategic initiatives is dependent on raising additional capital, and we may not achieve or sustain profitability in the future.

Our recurring losses and negative cash flow necessitate that we secure additional financing to continue operations and fund our new strategic direction. Our future financial viability depends on our ability to raise capital through equity or debt financings, enter into a strategic merger or acquisition, or generate sufficient revenue to achieve positive cash flow.

There is no assurance that we will be successful in obtaining the required financing on acceptable terms, or at all. The capital markets may be unwilling to provide funding to a company with our financial history and the "going concern" qualification from our auditors. If we are unable to raise sufficient capital, we may be forced to significantly delay, scale back, or even cease our operations, including our new strategic pivot into music copyrights. Even if we do secure financing, it may be on terms that are highly dilutive to our existing stockholders. Ultimately, despite our best efforts, we may never achieve or sustain profitability or positive cash flow, which could result in you losing all or part of your investment.

Risks Related to Our New Business Strategy

The valuation and future monetization of intangible assets like musical copyrights and Web 3.0 technologies are speculative and subject to significant uncertainty.

The core of our new strategy involves investing in intangible assets whose intrinsic worth is difficult to determine and whose future value and ability to generate revenue are highly speculative.

The value of musical copyrights is dependent on numerous unpredictable factors, including shifting public tastes, the royalty rates paid by streaming platforms, the risk of digital piracy, and the long-term popularity of artists. Valuation methodologies for copyrights are complex and subjective, and we may overpay for these assets. Furthermore, successfully monetizing these copyrights through licensing, synchronization, or other means requires specialized industry knowledge and networks that we do not currently possess.

The Web 3.0 sector, including blockchain, decentralized applications, and related technologies, is still in its early stages of development. The industry is characterized by rapid technological change, unproven business models, and an uncertain regulatory framework. Investments in Web 3.0 projects are subject to numerous risks, including technological failure, lack of market adoption, security vulnerabilities such as hacking, and the potential for future restrictive regulations. The value of these assets is extremely volatile, and there is no assurance that we will realize any return on these investments; we could lose our entire investment.

Our GPU infrastructure business is at an early stage, has not generated any revenue, and is subject to significant market, technological, operational, counterparty and financial risks, and we may be unable to recover our investments or achieve the anticipated returns.

We have recently expanded our business into artificial intelligence ("AI") computing infrastructure through our wholly owned subsidiary, PDN Intelligence, Inc. ("PDN Intelligence"). As of September 30, 2026, PDN Intelligence had not generated any revenue. On October 5, 2026, PDN Intelligence entered into an equipment lease agreement, a compute services collaboration and revenue sharing agreement, and a secured term loan agreement with Goodwill Labs Inc. ("Goodwill") and, in the case of the collaboration agreement, HashForest Technology LLC ("HashForest"), under which we committed approximately $1.177 million to acquire, lease and finance two GPU-based computing systems. This business is new to us, requires significant capital investment and is subject to substantial uncertainty regarding market demand, pricing, utilization, competition and technological developments. We have limited experience operating in this industry, and there can be no assurance that this business will generate meaningful revenue or become profitable.

The market for AI computing infrastructure is evolving rapidly and may experience periods of volatility, reduced capital investment, excess computing capacity or declining demand. Changes in customer spending, availability of financing, competitive conditions or expectations regarding the commercial viability of AI technologies could

adversely affect the demand for and pricing of GPU computing services. In addition, rapid advances in GPU technology, including the introduction of newer or more efficient computing systems, may shorten the useful lives of our equipment, reduce its market value or require additional investments to maintain competitiveness. These developments could result in lower-than-anticipated returns or impairment charges.

Our GPU infrastructure business also depends substantially on third parties for equipment procurement, deployment, operations, technical support and customer relationships. Any delays in equipment delivery or deployment, operational disruptions, failure to attract or retain customers, or inability of our business partners to perform their contractual obligations could adversely affect our ability to generate revenue and recover our investments.

Furthermore, our current arrangements are concentrated with a limited number of counterparties, principally Goodwill and HashForest, and provide for returns based on the profitability of GPU computing operations. These arrangements also expose us to the residual value of the underlying equipment and, with respect to the secured term loan of approximately $588,849 to Goodwill, to Goodwill's credit risk. If computing revenues are insufficient, our counterparties fail to perform their obligations or repay amounts owed to us, the collateral securing the loan proves insufficient, or the market value of the equipment declines, we may not recover all or a substantial portion of our invested capital.

Any of these factors could materially and adversely affect our business, financial condition, results of operations and prospects.

Risks Related to Our Corporate Structure

Our Chief Executive Officer also serves as our Chief Financial Officer, which may adversely affect our internal controls over financial reporting and our ability to manage our business effectively.

On October 1, 2026, our board of directors (the "Board") appointed Yiran Gu, our Chief Financial Officer, to serve as our Chief Executive Officer, effective October 2, 2026. Ms. Gu will continue to serve as Chief Financial Officer while serving as Chief Executive Officer, until her successor is duly appointed or as otherwise determined by the Board. The concentration of these two key executive functions in a single individual may limit the segregation of duties and independent oversight ordinarily provided by separate executive officers responsible for the Company's operations and financial reporting. In particular, this arrangement may increase the risk that errors, irregularities or deficiencies in our financial reporting processes or internal controls will not be prevented or detected on a timely basis. In addition, the responsibilities associated with serving in both capacities may place significant demands on Ms. Gu's time and attention and could impair her ability to effectively discharge all of her responsibilities.

Although the Board and Audit Committee provide oversight of our financial reporting and internal control processes, there can be no assurance that such oversight will fully mitigate the risks associated with the concentration of these executive responsibilities. If we are unable to maintain effective internal controls over financial reporting, or if the demands of these combined roles adversely affect our management or financial reporting functions, we could experience errors or delays in our financial reporting, difficulties complying with applicable SEC reporting requirements, or other operational disruptions, any of which could materially adversely affect our business, financial condition, results of operations and the market price of our common stock.

Risks Related to the Ownership of our Securities

We may fail to maintain compliance with Nasdaq's continued listing requirements, including the $5 million minimum market value of listed securities standard if it becomes operative, which could result in immediate suspension and delisting of our common stock.

On July 22, 2026, the SEC approved a Nasdaq rule change that, if operative, would require the immediate suspension and delisting of any listed company whose market value of listed securities ("MVLS") falls below $5 million for 30 consecutive business days, subject to limited review by a Nasdaq Hearings Panel. On July 29, 2026, the SEC stayed the approval order pending review, and on September 11, 2026, it continued the stay pending further order. The rule will become operative upon termination of the stay, with the 30-consecutive-business-day measuring period beginning on the following business day. Under the approved rule, if it becomes operative, a timely request for a hearing will not stay the suspension of trading, and our securities would generally trade on the over-the-counter market during any appeal process. The Hearings Panel may grant a limited exception period (not to exceed 180 days) to demonstrate compliance with initial listing requirements, but there can be no assurance that such relief would be granted.

Our common stock, par value $0.0001 per share ("Common Stock") is currently listed on The Nasdaq Stock Market LLC ("Nasdaq"). In order to maintain that listing, we must satisfy minimum financial and other continued listing requirements and standards, including those regarding minimum MVLS, minimum stockholders' equity, minimum share price, and certain corporate governance requirements.

If the $5 million MVLS requirement becomes operative, our ability to maintain compliance will depend on a number of factors, including the market price of our Common Stock and the number of our issued and outstanding shares. The market price of our Common Stock may be volatile and could decline for reasons beyond our control, including:

- general market conditions or downturns in the broader equity markets;
- sector-specific or industry-wide volatility;
- changes in interest rates or macroeconomic conditions;
- geopolitical events;
- actual or perceived short selling activity or other trading dynamics;
- reduced liquidity or limited public float; and
- investor perceptions regarding our business, prospects, or financial condition.

If the $5 million MVLS requirement becomes operative and our MVLS then remains below $5 million for 30 consecutive business days, Nasdaq would issue a staff delisting determination and immediately suspend trading of our Common Stock on Nasdaq. Any suspension or delisting of our Common Stock from Nasdaq could materially and adversely affect our business, financial condition, results of operations, and the value of our Common Stock.

In addition, if we fail to comply with other applicable listing standards and Nasdaq delists our Common Stock, we and our stockholders could face significant adverse consequences, including:

- a limited availability of market quotations for our Common Stock;
- reduced liquidity for our Common Stock;
- a determination that our Common Stock is "penny stock", which would require brokers trading in our Common Stock to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for our Common Stock;
- a limited amount of news about us and analyst coverage of us; and
- a decreased ability for us to issue additional equity securities or obtain additional equity or debt financing in the future.

The National Securities Markets Improvement Act of 1996, a federal statute, preempts the states from regulating the sale of certain securities, which are referred to as "covered securities." Because our Common Stock is currently listed on Nasdaq, our Common Stock is a covered security. Although the states are preempted from regulating the sale of covered securities, the federal statute allows the states to investigate companies if there is a suspicion of fraud and, if there is a finding of fraudulent activity, to regulate or bar the sale of covered securities in a particular case. Further, if our Common Stock were no longer listed on Nasdaq, it would not be a covered security, and we would be subject to regulations in each state in which we offer our securities.

Future sales or issuances of our Common Stock, including shares issuable upon exercise of the warrants issued in our August 2026 public offering, may result in substantial dilution and could adversely affect the market price of our Common Stock.

On August 13, 2026, the Company completed a best efforts public offering (the "Offering"), pursuant to which the Company sold an aggregate of (i) 54,000 units (the "Units") at an offering price of $8.40 per Unit, consisting of 54,000 shares of Common Stock and common warrants to purchase up to 54,000 shares of Common Stock (the "Common Warrants"), and (ii) 184,134 pre-funded units (the "Pre-Funded Units") at an offering price of $8.40 per Pre-Funded Unit, consisting of pre-funded warrants to purchase up to 184,134 shares of Common Stock (the "Pre-Funded Warrants") and Common Warrants to purchase up to 184,134 shares of Common Stock. The Company received aggregate gross proceeds of $2,000,320 from the Offering. Effective September 21, 2026, pursuant to Section 3(b) of the Common Warrants, the exercise price of the Common Warrants was adjusted from $0.28 per share to $3.1564 per share in connection with the Company's one-for-thirty (1-for-30) reverse stock split of its Common Stock effected on September 11, 2026. As a result of this adjustment, the number of shares issuable upon exercise of certain Common Warrants increased to an aggregate of 617,768 shares of Common Stock. As of September 30, 2026, all Pre-Funded Warrants issued in connection with the Offering had been exercised, resulting in the issuance of 184,134 shares of Common Stock. In addition, Common Warrants to purchase an aggregate of 317,768 shares of Common Stock had been exercised at an exercise price of $3.1564 per share, resulting in aggregate gross exercise proceeds of approximately $1,003,003. As of September 30, 2026, Common Warrants to purchase 300,000 shares of Common Stock from the same adjusted warrant position remained outstanding and unexercised.

The issuance of a substantial number of shares upon exercise of these warrants, or the perception that such issuances may occur, could adversely affect the market price of our Common Stock. The outstanding warrants may also create an overhang on the market for our Common Stock and may make it more difficult for us to raise additional capital on favorable terms. Warrant holders may exercise their warrants at times when we could otherwise obtain more favorable terms in a new equity financing, and the availability of shares for issuance upon exercise may discourage potential investors from purchasing our Common Stock.

We may need to raise additional capital to support our operations and strategic initiatives. We may do so through additional issuances of Common Stock, preferred stock, convertible securities, warrants or other equity-linked securities. Any such future issuance could result in additional and potentially substantial dilution to our existing stockholders, may include rights or preferences senior to those of our Common Stock, and could further adversely affect the market price of our Common Stock.

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

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

1.1	Placement Agency Agreement, dated August 12, 2026, by and between Professional Diversity Network, Inc. and Maxim Group LLC (incorporated by reference to Exhibit 1.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 13, 2026).
3.1(i)(a)	Certificate of Amendment to the Certificate of Incorporation, as amended, of Professional Diversity Network, Inc., effective July 23, 2026 (incorporated by reference to Exhibit 3.1(i)(a) to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 24, 2026).
3.1(i)(b)	Certificate of Amendment to the Certificate of Incorporation, as amended, of Professional Diversity Network, Inc., effective September 11, 2026 (incorporated by reference to Exhibit 3.1(i)(a) to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on September 11, 2026).
4.1	Form of Common Warrant (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 13, 2026).
4.2	Form of Pre-Funded Warrant (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 13, 2026).
10.1	Stock Purchase Agreement, dated July 2, 2026, by and between Professional Diversity Network, Inc. and MEB Holding LLC (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 6, 2026).
10.2	Form of Lock-Up Agreement (incorporated by reference to Exhibit 10.39 to the Amendment 2 to the Company's registration statement on Form S-1 (File No. 333-297043), filed with the Securities and Exchange Commission on July 27, 2026).
10.3	Form of Standstill Agreement, dated July 28, 2026, by and between Professional Diversity Network, Inc. and Streeterville Capital, LLC (incorporated by reference to Exhibit 10.40 to the Amendment 2 to the Company's registration statement on Form S-1 (File No. 333-297043), filed with the Securities and Exchange Commission on July 27, 2026).
10.4	Form of Securities Purchase Agreement, dated August 12, 2026, by and between Professional Diversity Network, Inc. and the purchaser signatory thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 13, 2026).
31.1	Certification of Chief Executive Officer pursuant to Exchange Act Rule 13a-14(a) or Rule 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Exchange Act Rule 13a-14(a) or Rule 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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

PROFESSIONAL DIVERSITY NETWORK, INC.

Date: November 16, 2026

By: */s/ Yiran Gu*
Name: Yiran Gu
Title: Chief Financial Officer
(Principal Financial Officer)

Exhibit 31.1

CERTIFICATIONS

I, Yiran Gu, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Professional Diversity 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 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 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 16, 2026

/s/ Yiran Gu
Yiran Gu
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATIONS

I, Yiran Gu, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Professional Diversity 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 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 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 16, 2026

/s/ Yiran Gu

Yiran Gu
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO 18
U.S.C. SECTION 1350

In connection with the Quarterly Report of Professional Diversity Network, Inc. (the "registrant") on Form 10-Q for the fiscal quarter ended September 30, 2026, as filed with the United States Securities and Exchange Commission on the date hereof (the "report"), the undersigned of the registrant, certify, pursuant to 18 U.S.C. § 1350, that to our knowledge:

(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 registrant.

Date: November 16, 2026

/s/ Yiran Gu
Yiran Gu
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO 18
U.S.C. SECTION 1350

In connection with the Quarterly Report of Professional Diversity Network, Inc. (the "registrant") on Form 10-Q for the fiscal quarter ended September 30, 2026, as filed with the United States Securities and Exchange Commission on the date hereof (the "report"), the undersigned of the registrant, certify, pursuant to 18 U.S.C. § 1350, that to our knowledge:

(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 registrant.

Date: November 16, 2026

/s/ Yiran Gu
Yiran Gu
Chief Financial Officer
(Principal Financial Officer)