Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

Vyant Bio, Inc.

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2370 State Route 70 West, Ste 310
Cherry Hill, NJ 08002

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8071

Quarterly Report

For the period ending June 30, 2023 (the "Reporting Period")

Outstanding Shares
The number of shares outstanding of our Common Stock was:

6,328,752 as of June 30, 2023

5,922,446 as of December 31, 2022

Shell Status
Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Change in Control
Indicate by check mark whether a Change in Control[1] of the company has occurred over this reporting period:

Yes: ☐ No: ☒

[1] "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

Current Name: Vyant Bio, Inc.

Predecessor Name: Cancer Genetics, Inc.

Predecessor Name: StemoniX, Inc.

Date/Description: Cancer Genetics, Inc. ("CGI") completed its business combination with StemoniX, Inc. ("StemoniX") effective as of March 30, 2021 (the "Merger"), pursuant to which, CGI Acquisition Corp., a wholly-owned subsidiary of CGI ("Merger Sub") merged with and into StemoniX, with StemoniX surviving the Merger as a wholly-owned subsidiary of CGI. Effective with the Merger, CGI changed its name to Vyant Bio, Inc. The Merger was accounted for as a reverse acquisition with StemoniX being the accounting acquirer of CGI using the acquisition method of accounting. Under acquisition accounting, the assets and liabilities (including executory contracts, commitments and other obligations) of CGI, as of March 30, 2021, the closing date of the Merger, were recorded at their respective fair values and added to those of StemoniX.

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

Vyant Bio, Inc. (f/k/a Cancer Genetics, Inc.): Delaware
Status: Active

StemoniX, Inc.: Minnesota
Status: Active

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

None.

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

One-for-five (1:5) reverse stock split, effective November 1, 2022

The address(es) of the issuer's principal executive office:

2 Executive Campus
2370 State Route 70 West, Ste 310
Cherry Hill, NJ 08002

The address(es) of the issuer's principal place of business: _____

☒ *Check if principal executive office and principal place of business are the same address.*

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: ☒ Yes: ☐ If Yes, provide additional details below:

_____

2) Security Information

Transfer Agent

Name: Continental Stock Transfer & Trust Company
Phone: (212) 509-4000
Email: cstmail@continentalstock.com
Address: 1 State Street, 30th Floor, New York, NY 10004

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

Trading symbol:	VYNT	
Exact title and class of securities outstanding:	Common Stock	
CUSIP:	92942V208	
Par or stated value:	$0.0001	
Total shares authorized:	100,000,000	as of date: June 30, 2023
Total shares outstanding:	6,328,752	as of date: June 30, 2023
Total number of shareholders of record:	72	as of date: July 28, 2023

All additional class(es) of publicly quoted or traded securities (if any): None.

Trading symbol:	____	
Exact title and class of securities outstanding:	____	
CUSIP:	____	
Par or stated value:	____	
Total shares authorized:	____	as of date:
Total shares outstanding:	____	as of date:
Total number of shareholders of record:	____	as of date:

Trading symbol:	____	
Exact title and class of securities outstanding:	____	
CUSIP:	____	
Par or stated value:	____	
Total shares authorized:	____	as of date:
Total shares outstanding:	____	as of date:
Total number of shareholders of record:	____	as of date:

Other classes of authorized or outstanding equity securities:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g. preferred shares). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

Exact title and class of the security:	Preferred Stock *-Series A Convertible Preferred Stock* *-Series B Convertible Preferred Stock* *-Series A-1 Convertible Preferred Stock*	
CUSIP (if applicable):	____	
Par or stated value:	$0.0001	
Total shares authorized:	9,764,000	as of date: June 30, 2023
-Series A Convertible Preferred Stock:	588,000	as of date: June 30, 2023
-Series B Convertible Preferred Stock:	2,000,000	as of date: June 30, 2023
-Series A-1 Convertible Preferred Stock:	1,764,000	as of date: June 30, 2023

Total shares outstanding (if applicable):	0	as of date: June 30, 2023
Total number of shareholders of record (if applicable):	0	as of date: June 30, 2023

Exact title and class of the security:	Warrants	
CUSIP (if applicable):	____	
Par or stated value:	Exercise Prices Range: $12.10 – $138.00	
Total shares authorized:	____	as of date: June 30, 2023
Total shares outstanding (if applicable):	455,139	as of date: June 30, 2023
Total number of shareholders of record (if applicable):	____	as of date: June 30, 2023

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

1. **For common equity, describe any dividend, voting and preemption rights.**

Voting Rights. Holders of our common stock are entitled to one vote per share in the election of directors and on all other matters on which stockholders are entitled or permitted to vote. Holders of our common stock are not entitled to cumulative voting rights.

Dividend Rights. Subject to the terms of any outstanding series of preferred stock, the holders of our common stock are entitled to dividends in the amounts and at times as may be declared by the board of directors out of funds legally available therefor.

Liquidation Rights. Upon liquidation or dissolution, holders of our common stock are entitled to share ratably in all net assets available for distribution to stockholders after we have paid, or provided for payment of, all of our debts and liabilities, and after payment of any liquidation preferences to holders of our preferred stock.

Other Matters. Holders of our common stock have no redemption, conversion or preemptive rights. There are no sinking fund provisions applicable to our common stock. The rights, preferences and privileges of the holders of our common stock are subject to the rights of the holders of shares of any series of preferred stock that we may issue in the future.

2. **For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.**

3. *N/A – None Issued and Outstanding.* **Describe any other material rights of common or preferred stockholders.**

N/A – None Issued and Outstanding.

4. **Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.**

● On March 24, 2023, Vyant Bio, Inc. (the "Company") terminated its Equity Distribution Agreement, dated April 8, 2022, by and between the Company and Canaccord Genuity LLC, regarding the issue and sale, from time to time, of shares of the Company's common stock for an aggregate offering price of up to $20,000,000.

- On March 24, 2023, the "Company") terminated its Purchase Agreement, dated March 28, 2022, by and between the Company and Lincoln Park Capital Fund, LLC, regarding the issue and sale, from time to time, of shares of the Company's common stock for an aggregate offering price of up to $15,000,000.

- On March 24, 2023, the Company filed post-effective amendments to certain of its registration statements previously filed with the SEC, including post-effective amendments to each of: (i) Registration Statement Nos. 333-249513, 333-252628, 333-239497, and 333-218229 on Form S-3; (ii) Registration Statement Nos. 333-191520, 333-191521, 333-196198, 333-205903, 333-256225 and 333-214599 on Form S-8; and (ii) Registration Statement No. 333-215284 and 333-264595 on Form S-1 (such post-effective amendments, collectively the "Post-Effective Amendments" and such registration statements, collectively the "Registration Statements"). In accordance with undertakings made by the Company in each of the Registration Statements to remove from registration, by means of a post-effective amendment, any and all securities of the Company that were registered for issuance that remain unsold at the termination of the offerings, the Company removed from registration any and all securities of the Company registered but unsold under each of the Registration Statements. As a result of this deregistration, no securities remain registered for sale pursuant to the Registration Statements.

- On April 24, 2023 the Company's Board of Directors determined it was appropriate to voluntarily delist its securities from The Nasdaq Capital Market ("Nasdaq").

- On May 4, the Company filed a Form 25 with the Securities and Exchange Commission (the "SEC") and the delisting became effective on May 15, 2023.

- Following the delisting of the Company's securities from Nasdaq, the Company filed a Form 15 with the SEC to suspend its reporting obligations under the Securities Exchange Act of 1934, as amended. The Company expects that the deregistration of such securities will become effective 90 days after the filing of the Form 25 with the SEC.

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period**.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: ☐ Yes: ☒ (If yes, you must complete the table below)

Shares Outstanding as of Second Most Recent Fiscal Year End: Opening Balance: Date: 12/31/2021 Common: 5,798,599 Preferred: 0			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	**Transaction type (e.g., new issuance, cancellation, shares returned to treasury)**	**Number of Shares Issued (or cancelled)**	**Class of Securities**	**Value of shares issued ($/per**	**Were the shares issued at a discount to market price at**	**Individual/ Entity Shares were issued to. *You must disclose the**	**Reason for share issuance (e.g. for cash or debt conversion) - OR- Nature of**	**Restricted or Unrestricted as of this filing.**	**Exemption or Registration Type.**

				share) at Issuance	the time of issuance? (Yes/No)	control person(s) for any entities listed.	Services Provided		
1/1/2021	Opening Balance	518,721	Common Stock	_____	No	(1)	Opening CGIX shares	Unrestricted	_____
2/17/2021	New issuance	733	Common Stock	_____	No	Christopher Chapman	Stock option exercise	Unrestricted	4a-2
3/30/2021	New issuance	5,277,708	Common Stock	_____	No	Various private and institutional shareholders(2)	Merger	Unrestricted	S-4
10/25/2021	New issuance	762	Common Stock	_____	No	Ryan Gordon	Stock option exercise	Unrestricted	S-8
11/30/2021	New issuance	675	Common Stock	_____	No	Sarah Romero	Stock option exercise	Unrestricted	S-8
3/28/2022	New issuance	82,153	Common Stock	_____	No	Josh Scheinfeld and Jonathan Cope(3)	Lincoln Park equity line	Unrestricted	S-1
3/30/2022	New issuance	1,735	Common Stock	_____	No	John Fletcher	Restricted stock vesting	Unrestricted	S-8
5/9/2022	New issuance	72	Common Stock	_____	No	Josh Scheinfeld and Jonathan Cope(3)	Lincoln Park equity line	Unrestricted	S-1
11/1/2022	Cancellation	(1,275)	Common Stock	_____	No	Various private and institutional shareholders(4)	Reverse split	Unrestricted	3a-9
11/3/22	New issuance	5,366	Common Stock	_____	No	Various brokered transactions(5)	Canaccord ATM trade	Unrestricted	S-3
11/4/22	New issuance	7,317	Common Stock	_____	No	Various brokered transactions(5)	Canaccord ATM trade	Unrestricted	S-3
11/7/22	New issuance	9,051	Common Stock	_____	No	Various brokered transactions(5)	Canaccord ATM trade	Unrestricted	S-3
11/8/22	New issuance	7,239	Common Stock	_____	No	Various brokered transactions(5)	Canaccord ATM trade	Unrestricted	S-3
11/9/22	New issuance	51	Common Stock	_____	No	Various brokered transactions(5)	Canaccord ATM trade	Unrestricted	S-3
11/11/22	New issuance	10,537	Common Stock	_____	No	Various brokered transactions(5)	Canaccord ATM trade	Unrestricted	S-3
11/14/22	New issuance	1,601	Common Stock	_____	No	Various brokered transactions(5)	Canaccord ATM trade	Unrestricted	S-3

1/5/23	New issuance	342,067	Common Stock	_____	No	Various brokered transactions(5)	Canaccord ATM trade	Unrestricted	S-3
1/18/2023	New issuance	811	Common Stock	_____	No	Geoffrey Harris	Restricted stock vesting	Unrestricted	S-8
1/18/2023	New issuance	744	Common Stock	_____	No	John Fletcher	Restricted stock vesting	Unrestricted	S-8
1/18/2023	New issuance	1,068	Common Stock	_____	No	Joanna Horobin	Restricted stock vesting	Unrestricted	S-8
1/18/2023	New issuance	572	Common Stock	_____	No	Paul Hansen	Restricted stock vesting	Unrestricted	S-8
3/30/2023	New issuance	8,695	Common Stock	_____	No	Geoffrey Harris	Restricted stock vesting	Unrestricted	S-8
3/30/2023	New issuance	13,663	Common Stock	_____	No	John Fletcher	Restricted stock vesting	Unrestricted	S-8
3/30/2023	New issuance	8,695	Common Stock	_____	No	Joanna Horobin	Restricted stock vesting	Unrestricted	S-8
3/30/2023	New issuance	8,695	Common Stock	_____	No	Paul Hansen	Restricted stock vesting	Unrestricted	S-8
3/30/2023	New issuance	8,695	Common Stock	_____	No	Howard McLeod	Restricted stock vesting	Unrestricted	S-8
3/30/2023	New issuance	8,695	Common Stock	_____	No	Ping Yeh	Restricted stock vesting	Unrestricted	S-8
4/18/2023	New issuance	1,031	Common Stock	_____	No	Geoffrey Harris	Restricted stock vesting	Unrestricted	S-8
4/18/2023	New issuance	788	Common Stock	_____	No	John Fletcher	Restricted stock vesting	Unrestricted	S-8
4/18/2023	New issuance	1,359	Common Stock	_____	No	Joanna Horobin	Restricted stock vesting	Unrestricted	S-8
4/18/2023	New issuance	728	Common Stock	_____	No	Paul Hansen	Restricted stock vesting	Unrestricted	S-8
Shares Outstanding on Date of This Report: Ending Balance: Date 6/30/2023 Common: 6,328,752 Preferred: 0									

Example: A company with a fiscal year end of December 31st, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2021 through December 31, 2022 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

*(1) R*eflects opening balance for number of shares outstanding as of January 1, 2021.

(2) Various private and institutional shareholders received shares of Vyant Bio, Inc., formerly known as Cancer Genetics, Inc. ("CGI") in connection with the completion of the business combination (the "Merger") between CGI and StemoniX, Inc., a Minnesota corporation ("StemoniX") effective as of March 30, 2021 (the "Merger"), pursuant to which, CGI Acquisition Corp., a wholly-owned subsidiary of CGI ("Merger Sub") merged with and into StemoniX, with StemoniX surviving the Merger as a

wholly-owned subsidiary of CGI. Effective with the Merger, CGI changed its name to Vyant Bio, Inc. The total consideration paid by StemoniX in the Merger amounted to $59.9 million, which represented the fair value of CGI's shares of Common Stock, warrants and options outstanding on the closing date of the Merger. At the effective time of the Merger, approximately 235 existing StemoniX shareholders received incremental shares in accordance with the conversion ratio set forth in the Merger Agreement.

(3) Reflects issuances to various private and institutional shareholders pursuant to the purchase agreement, dated March 28, 2022 ("Purchase Agreement") entered into between the Company and Lincoln Park Capital Fund, LLC ("Lincoln Park"), for the sale and purchase, from time to time, of up to $15 million of shares of Common Stock. The control persons of Lincoln Park were Josh Scheinfeld and Jonathan Cope.

(4) The Company effected a one-for-five (1:5) reverse stock split on November 1, 2022. Reflects repurchase of common shares for fractional shares as a result of the reverse stock split.

(5) Reflects various brokered transactions pursuant to the Equity Distribution Agreement, dated April 8, 2022 (the "Sales Agreement") entered into between the Company and Canaccord Genuity LLC (the "Agent"), for the issuance and sale, from time to time, of up to up to $20 million of shares of Common Stock (the "Shares"), depending on market demand, with the Agent acting as an agent for sales of the Shares made by any method permitted by law deemed to be an "at the market offering" as defined in Rule 415(a)(4) of the Securities Act of 1933, as amended (the "Securities Act"), including, those made directly on or through the NASDAQ Capital Market.

B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

No: ☒ Yes: ☐ (If yes, you must complete the table below)

Date of Note Issuance	Outstanding Balance ($)	Principal Amount at Issuance ($)	Interest Accrued ($)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder. *You must disclose the control person(s) for any entities listed.	Reason for Issuance (e.g. Loan, Services, etc.)
______	______	______	______	______	______	______	______
______	______	______	______	______	______	______	______
______	______	______	______	______	______	______	______
______	______	______	______	______	______	______	______

Use the space below to provide any additional details, including footnotes to the table above:

_____

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations.
(Please ensure that these descriptions are updated on the Company's Profile on www.otcmarkets.com).

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

In January 2023, we have ceased substantially all preclinical and clinical development activities as we completed our review of our strategic alternatives. We do not currently have any manufacturing facilities or personnel for our therapeutic assets. We expect to rely on third parties to manufacture our therapeutic product candidates for preclinical and clinical testing. In 2022, we converted our Maple Grove, MN to a research and development facility to focus our resources on internal drug discovery development programs. We began transforming our Maple Grove, Minnesota facility to a high throughput manufacturing and screening facility in the fourth quarter of 2021 to expand our internal research and development capabilities. This transition was in line with our strategy to leverage our iPSC technology to pursue wholly owned and partnered drug discovery projects that yield higher valued proprietary therapeutic assets. This facility transformation was substantially completed in the second half of 2022. We have manufactured microBrains at our facility in Maple Grove, Minnesota. Previously, we derived revenue from the sale of iPSC-based microOrgan™ plates to pharmaceutical, biotechnology and research customers and through the performance of Discovery as a Service ("DaaS") for these customers.

B. List any subsidiaries, parent company, or affiliated companies.

StemoniX, Inc., a Minnesota corporation.

C. Describe the issuers' principal products or services.

Historically, we have been a company that incorporates innovative biology and data science to improve drug discovery for complex neurodevelopmental and neurodegenerative disorders. Our central nervous system ("CNS") drug discovery platform combines human-derived organoid models of brain disease, scaled biology, and machine learning. Our platform is designed to: (i) elucidate disease pathophysiology; (ii) formulate key therapeutic hypotheses; (iii) identify and validate drug targets, cellular assays, and biomarkers to guide candidate molecule selection; and (iv) guide clinical trial patient selection and trial design. Our programs focused on identifying repurposed and novel small molecule clinical candidates for rare CNS genetic disorders including Rett Syndrome ("Rett"), CDKL5 Deficiency Disorders ("CDD") and familial Parkinson's Disease ("PD"). Our management believes that drug discovery needs to progressively shift as the widely used preclinical models for predicting safe and effective drugs have under-performed, as evidenced by the time and cost of bringing novel drugs to market. As a result, we focused on combining sophisticated data science capabilities with highly functional human cell derived disease models. We also leveraged our ability to identify validated targets and molecular-based biomarkers to screen and test thousands of small molecule compounds in human diseased 3D brain organoids in order to create a unique approach to assimilating biological data that supports decision making iteratively throughout the discovery phase of drug development to identify both novel and repurposed drug candidates. In January 2023 we have ceased substantially all preclinical and clinical development activities in furtherance of completing our review of strategic alternatives as further discussed below.

5) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

As of June 30, 2023, we have lease agreements for two locations, including a 14,932 square foot lab, manufacturing and office in Maple Grove, Minnesota, and a 1,625 square foot corporate headquarters office in Cherry Hill, New Jersey. Our leases have escalating payment schedules. The Maple Grove lease expires in 2027 and the Cherry Hill lease expires on March 31, 2024. We believe that these facilities are adequate for our current needs. On July 13, 2023 the Company signed an agreement for the sale of substantially all of its StemoniX ("Seller") subsidiary's operating assets which are located at the Maple Grove facility to AxoSim, Inc. ("Purchaser"), and the assumption by Purchaser of the building and equipment lease liabilities at that facility. The closing of this transaction is subject to Company shareholder approval.

On March 9, 2023, we terminated our January 2022 lease agreement for the lease of a San Diego office and laboratory, effective March 31, 2023, resulting in a $1.2 million reduction in future operating lease payments and an early termination fee of $45 thousand. On May 11, 2023, we returned one piece of equipment to our leasing company for the final lease payment of $181 thousand. Prior to that, we sold equipment in our San Diego laboratory on March 7, 2023 to a third party in exchange of $200,000 in consideration.

6) Officers, Directors, and Control Persons

Using the table below, please provide information, as of the period end date of this report, regarding any officers, or directors of the company, individuals or entities controlling more that 5% of any class of the issuers securities, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.**

Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Names of All Officers, Directors and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class (Common Stock unless otherwise noted)	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
Andrew D. C. LaFrence	Officer	Stillwater, MN	70,830	(1)	1.11%	(1)
John Fletcher	Director	Hingham, MA	30,278	(2)	(*)	(2)
Paul Hansen	Director	Sunfish Lake, MN	150,036	(3)	2.37%	(3)
Geoffrey Harris	Director	Morristown, NJ	16,181	(4)	(*)	(4)
Joanna Horobin	Director	Wellesley Hills, MA	16,355	(5)	(*)	(5)
Howard McLeod	Director	St. George, UT	12,317	(6)	(*)	(6)
John A. Roberts	Director	San Francisco, CA	39,399	(7)	(*)	(7)
Yung-Ping Yeh	Director	Eden Prairie, MN	282,728	(8)	4.46%	(8)
The Robert John Petcavich Living Trust	Owner of more than 5%	Montgomery, TX	339,886	Common Stock	5.37%	Robert Petcavich
Khejri Pte LTD	Owner of more than 5%	London, England	354,509	(9)	5.60%	(9)

(*) Less than 1%.
(1) Includes 12,823 common shares owned by the Trust Agreement of Andrew David Chapman LaFrence and Kimberly Ann Chapman LaFrence dated August 11, 2017, and 58,007 shares of common stock underlying options exercisable on or before August 29, 2023.
(2) Includes 4,652 shares of common stock underlying options exercisable on or before August 29, 2023.
(3) Includes 2,603 shares of common stock underlying options exercisable on or before August 29, 2023.
(4) Includes 3,533 shares of common stock underlying options exercisable on or before August 29, 2023.
(5) Includes 3,615 shares of common stock underlying options exercisable on or before August 29, 2023.
(6) Includes 3,533 shares of common stock underlying options exercisable on or before August 29, 2023.
(7) Includes 31,417 shares of common stock underlying options exercisable on or before August 29, 2023.

(8) Includes 265,624 shares of common stock owned by the Yung-Ping Yeh Revocable Trust, 8,409 shares of common stock underlying options exercisable on or before August 29, 2023.
(9) Includes 3,104 shares of common stock underlying options exercisable on or before August 29, 2023 by Sriram Nadathur, a beneficial owner of Khejri Pte LTD.

7) Legal/Disciplinary History

A. Identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

   None.

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

   None.

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

   None.

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

   None.

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

   None.

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: Lowenstein Sandler LLP
Address 1: One Lowenstein Dr, Roseland, NJ 07068
Address 2: ______
Phone: (973) 597-2500
Email: AWovsaniker@lowenstein.com

Accountant or Auditor

Name: Patrick Dooling

Firm: Deloitte & Touche LLP
Address 1: 50 South 6th St Suite 2800, Minneapolis, MN 55402
Address 2: _____
Phone: (612) 397-4000
Email: usindiaogc@deloitte.com

Investor Relations

Name: Andrew D. C. LaFrence, President, Chief Executive Officer and Chief Financial Officer
Firm: Vyant Bio, Inc.
Address 1: 2 Executive Campus, 2370 State Route 70 West, Ste 310, Cherry Hill, NJ 08002-4102
Address 2: _____
Phone: 612-802-9299
Email: andrew.lafrence@vyantbio.com

All other means of Investor Communication:

Twitter: @VyantBio
Discord: _____
LinkedIn https://www.linkedin.com/company/vyant-bio
Facebook: _____
[Other] _____

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement.** This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: _____
Firm: _____
Nature of Services: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

9) Financial Statements

A. The following financial statements were prepared in accordance with:

☐ IFRS
☒ U.S. GAAP

B. The following financial statements were prepared by (name of individual)[2]:

Name: Andrew D. C. LaFrence
Title: President, Chief Executive Officer and Chief Financial Officer
Relationship to Issuer: President, Chief Executive Officer and Chief Financial Officer
Describe the qualifications of the person or persons who prepared the financial statements: Chief Financial Officer

[2] The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

Provide the following financial statements for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

a. Audit letter, if audited;
b. Balance Sheet;
c. Statement of Income;
d. Statement of Cash Flows;
e. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
f. Financial Notes

Important Notes:

- Financial statements must be "machine readable". Do not publish images/scans of financial statements.
- All financial statements for a fiscal period must be published together with the disclosure statement in one Annual or Quarterly Report.

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Andrew D. C. LaFrence certify that:

1. I have reviewed this Disclosure Statement for Vyant Bio, Inc.;

2. Based on my knowledge, this disclosure statement 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 disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

August 15, 2023

/s/ Andrew D. C. LaFrence

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Principal Financial Officer:

I, Andrew D. C. LaFrence certify that:

1. I have reviewed this Disclosure Statement for Vyant Bio, Inc.;

1. Based on my knowledge, this disclosure statement 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 disclosure statement; and

2. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

August 15, 2023

/s/ Andrew D. C. LaFrence

(Digital Signatures should appear as “/s/ [OFFICER NAME]”)

Vyant Bio, Inc. and Subsidiaries

June 30, 2023 Financial Statements

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Our independent auditors have not performed any audit or review procedures over the Company's 2023 condensed consolidated interim financial information and, therefore, have not expressed an opinion or any other form of assurance on them.

Vyant Bio, Inc.
Condensed Consolidated Balance Sheets
(unaudited)
(Shares and USD in Thousands)

	June 30, 2023		December 31, 2022	
Assets				
Current assets:				
Cash and cash equivalents	$	2,797	$	10,041
Trade accounts and other receivables		234		323
Inventory		-		53
Prepaid expenses and other current assets		400		747
Assets of discontinuing operations – current		-		345
Total current assets		3,431		11,509
Non-current assets:				
Fixed assets, net		396		1,106
Operating lease right-of-use assets, net		421		1,542
Long-term prepaid expenses and other assets		1,980		1,048
Total non-current assets		2,797		3,696
Total assets	$	6,228	$	15,205
Liabilities and Stockholders' Equity				
Current liabilities:				
Accounts payable	$	510	$	655
Accrued expenses		310		1,154
Deferred revenue		-		72
Obligations under operating leases, current portion		118		313
Obligation under finance lease, current portion		64		252
Liabilities of discontinuing operations – current		199		1,219
Total current liabilities		1,201		3,665
Obligations under operating leases, less current portion		350		1,301
Obligations under finance leases, less current portion		119		273
Long-term debt		57		57
Total liabilities	$	1,727	$	5,296
Commitments and contingencies				
Stockholders' equity:				
Preferred stock, authorized 9,764 shares $0.0001 par value, none issued		-		-
Common stock, authorized 100,000 shares, $0.0001 par value, 6,329 and 5,922 shares issued and outstanding as of June 30, 2023 and December 31, 2022, respectively		1		1
Additional paid-in capital		112,108		111,443
Accumulated deficit		(107,608)		(101,503)
Accumulated comprehensive loss		-		(32)
Total Stockholders' equity		4,501		9,909
Total liabilities and Stockholders' equity	$	6,228	$	15,205

See Notes to Unaudited Condensed Consolidated Financial Statements.

Vyant Bio, Inc.
Consolidated Statements of Operations and Comprehensive Loss
(unaudited)
(Shares and USD in thousands, except per share amounts)

	Three months ended June 30,		Six months ended June, 30	
	2023	**2022**	**2023**	**2022**
Revenue:				
Service	$ -	$ -	$ -	$ 94
Product	119	165	199	374
Total revenue	119	165	199	468
Operating costs and expenses:				
Cost of goods sold	276	304	418	690
Research and development	-	1,688	1,318	3,239
Selling, general and administrative	1,509	2,509	4,527	5,272
Total operating costs and expenses	1,785	4,501	6,263	9,201
Loss from operations	(1,666)	(4,336)	(6,064)	(8,733)
Other income (expense):				
Interest income (expense), net	41	11	111	(2)
Total other income (expense)	41	11	111	(2)
Loss from continuing operations before income taxes	(1,625)	(4,325)	(5,953)	(8,731)
Income tax expense (benefit)	-	-	-	-
Loss from continuing operations	(1,625)	(4,325)	(5,953)	(8,731)
Discontinuing operations (net of $0 tax benefit in 2023 and $44 in 2022)	-	(1,480)	(152)	(6,237)
Net loss	(1,625)	(5,805)	(6,105)	(14,968)
Cumulative translation adjustment	-	8	-	12
Comprehensive loss	$ (1,625)	$ (5,797)	$ (6,105)	$ (14,956)
Net loss per share attributed to common stock – basic and diluted:				
Net loss per share from continuing operations	$ (0.26)	$ (0.74)	$ (0.95)	$ (1.50)
Net loss per share from discontinuing operations	-	(0.25)	(0.02)	(1.05)
Net loss per share	$ (0.26)	$ (0.99)	$ (0.97)	$ (2.55)
Weighted average shares outstanding:				
Weighted average common shares outstanding - Basic and Diluted	6,328	5,882	6,288	5,843

See Notes to Unaudited Condensed Consolidated Financial Statements.

Vyant Bio, Inc.
Condensed Consolidated Statements of Stockholders' Equity
(unaudited)
(Shares and USD in Thousands)

	Three Months Ended June 30, 2023					
	Common Stock		Additional Paid In Capital	Accumulated Deficit	Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount				
Balance as of April 1, 2023	6,325	$ 1	$ 112,060	$ (105,983)	$ -	$ 6,078
Stock-based compensation	-	-	48	-	-	48
Vesting of restricted stock	4	-	-	-	-	-
Net loss	-	-	-	(1,625)	-	(1,625)
Balance as of June 30, 2023	6,329	$ 1	$ 112,108	$ (107,608)	$ -	$ 4,501

	Six Months Ended June 30, 2023					
	Common Stock		Additional Paid In Capital	Accumulated Deficit	Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount				
Balance as of January 1, 2023	5,922	$ 1	$ 111,443	$ (101,503)	$ (32)	$ 9,909
Stock-based compensation	-	-	207	-	-	207
Vesting of restricted stock	65	-	-	-	-	-
Issuance of common stock to pursuant to At The Market financing, net of $14 thousand of issuance costs	342	-	458	-	-	458
Foreign currency translation adjustment	-	-	-	-	32	32
Net loss	-	-	-	(6,105)	-	(6,105)
Balance as of June 30, 2023	6,329	$ 1	$ 112,108	$ (107,608)	$ -	$ 4,501

	Three months ended June 30, 2022					
	Common Stock		Additional Paid In Capital	Accumulated Deficit	Accumulated Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount				
Balance as of April 1, 2022	5,882	$ 1	$ 110,413	$ (87,976)	$ (70)	$ 22,368
Stock-based compensation	-	-	365	-	-	365
Issuance of common stock, net of issuance costs	1	-	(149)	-	-	(149)
Foreign currency translation adjustment	-	-	-	-	8	8
Net loss	-	-	-	(5,805)	-	(5,805)
Balance as of June 30, 2022	5,883	$ 1	$ 110,629	$ (93,781)	$ (62)	$ 16,787

	Six months ended June 30, 2022					
	Common Stock		Additional Paid In Capital	Accumulated Deficit	Accumulated Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount				
Balance as of January 1, 2022	5,799	$ 1	$ 110,176	$ (78,813)	$ (74)	$ 31,290
Stock-based compensation	-	-	699	-	-	699
Exercise of stock options	1	-	4	-		4
Vesting of restricted stock	2	-	-	-	-	-
Issuance of common stock, net of issuance costs	81	-	(250)	-	-	(250
Foreign currency translation adjustment	-	-	-	-	12	12
Net loss	-	-	-	(14,968)	-	(14,968
Balance as of June 30, 2022	5,883	$ 1	$ 110,629	$ (93,781)	$ (62)	$ 16,787

Vyant Bio, Inc.
Condensed Consolidated Statements of Cash Flows
(unaudited)
(USD in Thousands)

	Six months ended June 30,	
	2023	**2022**
Cash Flows from Operating Activities:		
Net loss	$ (6,105)	$ (14,968)
Net loss from discontinuing operations	152	6,237
Reconciliation of net loss to net cash used in operating activities, continuing operations:		
Stock-based compensation	207	560
Amortization of operating lease right-of-use assets	128	171
Depreciation and amortization expense	152	276
Loss on the sale of leasehold improvements and equipment and asset impairment charges	443	-
Changes in operating assets and liabilities:		
Trade accounts and other receivables	89	(50)
Inventory	53	38
Prepaid expenses and other assets	(1,060)	(562)
Accounts payable	262	300
Obligations under operating leases	(74)	(122)
Accrued expenses and other current liabilities	(1,130)	570
Net cash used in operating activities, continuing operations	(6,883)	(7,550)
Net cash used in operating activities, discontinuing operations	(535)	(585)
Net cash used in operating activities	(7,418)	(8,135)
Cash Flows from Investing Activities:		
Equipment purchases and leasehold improvements	-	(361)
Sale of leasehold improvements and equipment	190	-
Net cash provided by (used in) investing activities, continuing operations	190	(361)
Net cash used in investing activities, discontinuing operations	(132)	-
Net cash provided by (used in) investing activities	58	(361)
Cash Flows from Financing Activities:		
Issuance of common stock, net of issuance costs	458	(246)
Principal payments on obligations under finance leases	(342)	(72)
Net cash provided by (used in) financing activities, continuing operations	116	(318)
Net cash used in financing activities, discontinuing operations	-	(20)
Net cash provided by (used in) financing activities	116	(338)
Net decrease in cash and cash equivalents	(7,244)	(4,168)
Cash and cash equivalents, and restricted cash beginning of the period	10,041	20,608
Cash and cash equivalents, and restricted cash end of the period	$ 2,797	$ 11,702
Supplemental disclosure of cash flow information from continuing operations:		
Cash paid for interest	$ 8	$ 14
Cash paid for income taxes	-	8
Non-cash investing activities from continuing operations:		
Right-of-use asset obtained in exchange for new lease	-	1,189

See Notes to Unaudited Condensed Consolidated Financial Statements.

Vyant Bio, Inc.
Notes to Condensed Consolidated Financial Statements
Period Ended June 30, 2023
(Unaudited)

Note 1. Organization and Description of Business

Vyant Bio, Inc. (the "Company", "Vyant Bio", "VYNT" or "we"), has historically been an innovative biotechnology company reinventing drug discovery for complex neurodevelopmental and neurodegenerative disorders. Our central nervous system ("CNS") drug discovery platform combines human-derived organoid models of brain disease, scaled biology, and machine learning. Our platform is designed to: 1) elucidate disease pathophysiology; 2) formulate key therapeutic hypotheses; 3) identify and validate drug targets, cellular assays, and biomarkers to guide candidate molecule selection; and 4) guide clinical trial patient selection and trial design. Our current programs are focused on identifying repurposed and novel small molecule clinical candidates for rare CNS genetic disorders including Rett Syndrome ("Rett"), CDKL5 Deficiency Disorders ("CDD") and familial Parkinson's Disease ("PD"). The Company's management believes that drug discovery needs to progressively shift as the widely used preclinical models for predicting safe and effective drugs have under-performed, as evidenced by the time and cost of bringing novel drugs to market. As a result, Vyant Bio has historically focused on combining sophisticated data science capabilities with highly functional human cell derived disease models. We have leveraged our ability to identify validated targets and molecular-based biomarkers to screen and test thousands of small molecule compounds in human diseased 3D brain organoids in order to create a unique approach to assimilating biological data that supports decision making iteratively throughout the discovery phase of drug development to identify both novel and repurposed drug candidates.

In December 2021, the Company's Board of Directors approved a plan to sell the *vivo*Pharm Pty Ltd ("*vivo*Pharm") business to focus the Company on the development of neurological developmental and degenerative disease therapeutics. In the fourth quarter of 2022, the Company sold substantially all of the operations of *vivo*Pharm in two separate transactions. To complete the disposition of the Company's former *vivo*Pharm business and to resolve certain issues that had arisen with the Buyer, on March 13, 2023, the Company sold *vivo*Pharm to the Buyer for a nominal sum. As part of the sale of *vivo*Pharm to Buyer, the Company provided that *vivo*Pharm had cash of at least $200 thousand and the Company assumed certain specific *vivo*Pharm liabilities, principally liabilities directly associated with the proposed Phase 2 Donepezil clinical trial in Australia (which the Company has placed on hold as it evaluates its strategic alternatives) and certain *vivo*Pharm tax liabilities through the transaction's closing. The transaction was consummated effective March 13, 2023.

<u>Going Concern</u>

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

The Company has suffered recurring losses and negative cash flows from operations since inception, has an accumulated deficit, and is expected to generate minimal revenue from continuing operations as we have substantially ceased the Maple Grove facility's revenue producing operations to support internal drug discovery programs. The Company is projecting insufficient liquidity to meet its obligations as they become due over the next twelve months. The Company had cash and cash equivalents of $2.8 million as of June 30, 2023, an accumulated deficit of $107.6 million, cash outflows from continuing operations of $6.9 million for the six-months ended June 30, 2023 and $12.8 million for the year then ended December 31, 2022, as well as a net loss from continuing operations of $6.1 million for the six months ended June 30, 2023 and $15.8 million for the year ended December 31, 2022. These conditions and events raise substantial doubt about the Company's ability to continue as a going concern.

In 2023, the Company has undertaken the following actions:

- On January 4, 2023, the Company announced that it had engaged LifeSci Capital as its financial advisor to assist in exploring a range of strategic alternatives focused on enhancing shareholder value. There can be no assurance that this review process will result in any changes to the Company's current business plans or lead to any specific action or transaction.

- The Company's Board of Directors (the "Board") approved a plan on January 31, 2023 to preserve the Company's cash to be able to continue to pursue a satisfactory strategic alternative for the purpose of maximizing the value of the Company's business while also having sufficient cash to adequately fund an orderly wind down of the Company's operations (the "Cash Preservation Plan") in the event it is unable to secure a satisfactory strategic alternative. As part of the Cash Preservation Plan, the Company implemented a reduction in force which included the Company's former President and Chief Executive Officer, and Chief Scientific Officer.

- On March 7, 2023, the Company sold its equipment in its San Diego laboratory to a third party in exchange of $200,000 in consideration.

- On March 9, 2023, the Company terminated its January 2022, San Diego office and laboratory lease agreement. The effective date of the termination was June 30, 2023. The landlord retained approximately $45 thousand as an early termination fee. This lease termination resulted in a $1.2 million reduction in future operating lease payments.

- On March 24, 2023 the Company terminated its (a) Equity Distribution Agreement, dated April 8, 2022, by and between the Company and Canaccord Genuity LLC, regarding the issue and sale, from time to time, of shares of the Company's common stock for an aggregate offering price of up to $20,000,000, and (b) Purchase Agreement, dated March 28, 2022, by and between the Company and Lincoln Park Capital Fund, LLC, regarding the issue and sale, from time to time, of shares of the Company's common stock for an aggregate offering price of up to $15,000,000.

- On March 24, 2023, the Company filed post-effective amendments to certain of its registration statements previously filed with the SEC, including post-effective amendments to each of: (i) Registration Statement Nos. 333-249513, 333-252628, 333-239497, and 333-218229 on Form S-3; (ii) Registration Statement Nos. 333-191520, 333-191521, 333-196198, 333-205903, 333-256225 and 333-214599 on Form S-8; and (ii) Registration Statement No. 333-215284 and 333-264595 on Form S-1 (such post-effective amendments, collectively the "Post-Effective Amendments" and such registration statements, collectively the "Registration Statements"). In accordance with undertakings made by the Company in each of the Registration Statements to remove from registration, by means of a post-effective amendment, any and all securities of the Company that were registered for issuance that remain unsold at the termination of the offerings, the Company removed from registration any and all securities of the Company registered but unsold under each of the Registration Statements. As a result of this deregistration, no securities remain registered for sale pursuant to the Registration Statements.

- On April 24, 2023 the Company's Board of Directors determined it was appropriate to voluntarily delist its securities from The Nasdaq Capital Market ("Nasdaq"). On May 4, the Company filed a Form 25 with the Securities and Exchange Commission (the "SEC") and the delisting became effective on May 15, 2023. Following the delisting of the Company's securities from Nasdaq, the Company filed a Form 15 with the SEC to suspend its reporting obligations under the Securities Exchange Act of 1934, as amended. The Company expects that the deregistration of such securities will become effective 90 days after the filing of the Form 25 with the SEC. The documents filed with the SEC will be available on the Company's website. The Board made the decision to pursue this strategy following its review and careful consideration of a number of factors, including, but not limited to, the expected reduction in operating expenses by eliminating SEC reporting costs, which would allow the Company to focus more resources on its continued pursuit and exploration of satisfactory strategic alternative transactions and/or execution of an orderly wind down of the Company, if necessary. The Board determined that deregistration is in the overall best interests of the Company and its stockholders. Following delisting of the Company's common stock from Nasdaq, the common stock has been quoted on the Pink Open Market operated by OTC Markets Group Inc. (the "OTC") under the symbol "VYNT" starting on May 15, 2023. The Company intends to continue to provide information to its stockholders and to take other actions within its control to enable its common stock to be quoted on the OTC Pink Open Market in the Pink Current Information market tier. There is no guarantee, however, that a broker will continue to make a market in the common stock and that trading of the common stock will continue on an OTC market or otherwise. Going forward, Vyant Bio may, from time to time, when it deems appropriate, provide limited information regarding its financial status and business activities, or issue press releases for select events or developments.

- On May 9, 2023, the Company and the Andrew D. C. LaFrence, the Company's President, Chief Executive Officer and Chief Financial Officer, entered into a Consulting Agreement providing that effective as of June 1, 2023, Mr. LaFrence would continue to serve as the Company's President, Chief Executive Officer and Chief Financial Officer as a part time consultant rather than a full time employee. His employment agreement, which is filed as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 2021, would be deemed terminated as of that date by the Company without cause for purposes of determining severance thereunder. The Consulting Agreement is a further step in the Company's efforts to conserve cash consistent with its Cash Preservation Plan.

  As a result of the above activities to be undertaken in the first half of 2023, the Company accrued $1.2 million of severance expense in the first quarter of 2023 of which substantially all was paid by the end of the second quarter of 2023.

- On May 11, 2023 pursuant to the Company's Cash Preservation Plan, the Company returned one piece of equipment to its leasing Company for the final lease payment of $181 thousand.

- On July 13, 2023 the Company signed an agreement (the "Asset Purchase Agreement") the sale of substantially all of its StemoniX ("Seller") subsidiary's operating assets to AxoSim, Inc. ("Purchaser"), and the assumption by Purchaser of certain liabilities in connection with those operating assets. The Asset Purchase Agreement between the parties is subject to Company' shareholder approval to close. Pursuant to the asset purchase agreement:

  - StemoniX entered into the Exclusive Distributor Agreement with Purchaser on the date of the Asset Purchase Agreement. Pursuant to the Exclusive Distributor Agreement, Purchaser is StemoniX's exclusive distributor of the microBrain products worldwide, as well as any ancillary services offered in connection therewith; the agreement terminates upon the closing of the Sale.

  - The total consideration for the purchase and sale of Seller's assets is $2,250,000 plus the assumption of certain liabilities, described in the first bullet above, principally real estate lease and equipment lease liabilities estimated to be an aggregate of approximately $1,100,000 at September 30, 2023.

- At Closing, the Seller shall be paid $1,100,000 and the following portions of the purchase price will be held back in an escrow account: (i) $175,000 to secure the Delivered Plates Escrow Amount (as defined below), (ii) $637,000 to secure the Post-Closing Revenue Escrow Amount (as defined below), and (iii) $338,000 to cover potential indemnification claims asserted in the first year following the Closing (the “Indemnification Escrow Amount” and, together with the Delivered Plates Escrow Amount and the Post-Closing Revenue Escrow Amount, the “Escrow Amount”).

- Until the Closing, Seller is prohibited from, directly or indirectly, engaging in any solicitation or similar activities, as set forth in the Asset Purchase Agreement (the “No-Shop”). During the No-Shop, Seller may, under certain limited circumstances, consider unsolicited, alternative transaction proposals from third parties that are Superior Proposals. The Company must give Purchaser an opportunity to revise its proposal so that any other alternative transaction proposals are no longer Superior Proposals.

- Contemporaneously with the Closing of the Sale, Purchaser shall assume the lease of the Company’s facility in Maple Grove, Minnesota and a certain equipment lease. Each party shall pay the Maple Grove landlord $25,000 ($50,000 in total) to consent to the assignment, and Purchaser shall reimburse the Company $25,000 one year after the Closing.

- Pursuant to the Asset Purchase Agreement, Purchaser and Ping Yeh, one of our directors and the co-founder of StemoniX, shall enter into a Consulting Agreement, pursuant to which Mr. Yeh shall provide ongoing consulting services to Purchaser in connection with the Business for an hourly fee.

- For a period of three years commencing on the Closing, both Seller and Ping Yeh (and their Affiliates) are prohibited from owning, managing, operating, controlling or participating in the management, ownership or control of any business that is substantially similar to the Business (as defined below), or that otherwise competes with the Business within the United States, France, Japan, Singapore, Switzerland, Germany, or the United Kingdom.

- As a condition to Closing, Purchaser shall deliver offers of employment to the four current employees of StemoniX.

- If Seller terminates the Asset Purchase Agreement for an Adverse Recommendation Change following a Superior Proposal, Seller shall pay Purchaser a Break Fee in an amount equal to (i) $85,000, plus (ii) Purchaser’s fees, costs and expenses incurred in connection with the evaluation, negotiation and attempted consummation of the transaction, up to a maximum aggregate amount of $140,000.

The Company significantly reduced its operating expenses in the first six months of 2023, as it evaluated strategic partners to acquire its assets, including our public company as a reverse merger candidate. As we seek to close the AxoSim transaction, there are no assurances that we will be able to raise cash from this transaction to complete an orderly winddown of the Company’s operations or, if sufficient funds are not available, bankruptcy. Our ability to complete the AxoSim transaction, approval and execute a an orderly winddown of our business have not yet been finalized and are not within the Company’s control, and therefore cannot be deemed probable. As a result, the Company has concluded that management’s plans do not alleviate substantial doubt about the Company’s ability to continue as a going concern.

The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might result from the outcome of this uncertainty.

These unaudited condensed consolidated financial statements should be read together with the audited consolidated financial statements for the year ended December 31, 2022, and notes thereto included in our Annual Report on Form 10-K as filed with the SEC. The preparation of condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Ultimate results could differ from those estimates. The results of operations for the three months ended June 30, 2023 are not necessarily indicative of the results that may be expected for the entire 2023 year. Dollar amounts in tables are stated in thousands of U.S. dollars.

No new accounting pronouncement issued or effective has had, or is expected to have, a material impact on the Company's condensed consolidated financial statements other than the Company's planned adoption of liquidation accounting upon the shareholder approval of the sale of assets to AxoSim and the winddown of the Company's business, which is expected to occur before the end of calendar of 2023. If the Company's shareholders do not approve either the AxoSim sale or the winddown plan, the Company will most likely seek to adopt a plan to file for bankruptcy which will also trigger liquidation accounting.

Under the liquidation basis of accounting, all of the Company's assets are stated at their estimated net realizable value. All liabilities of the Company are stated at contractual amounts and estimated liabilities are stated at their estimated settlement amounts, including estimated costs associated with completing a liquidation plan. These estimates are periodically reviewed and adjusted as appropriate. The valuation of assets at their net realizable value and liabilities at their anticipated settlement amounts will represent estimates, based on then present facts and circumstances of the net realizable value of the assets and the costs associated with carrying out the liquidation plan. The actual values and costs associated with carrying out a liquidation may materially differ due to the length of time necessary to complete the liquidation activities and other factors.

Note 2. Cancer Genetics, Inc. Merger

The Company formerly known as Cancer Genetics, Inc. ("CGI"), StemoniX and CGI Acquisition, Inc. ("Merger Sub") entered into a merger agreement on August 21, 2020, which was amended on February 8, 2021 and February 26, 2021 (as amended, the "Merger Agreement"). Pursuant to the terms of the Merger Agreement, Merger Sub was merged (the "Merger") with and into StemoniX on March 30, 2021, with StemoniX surviving the Merger as a wholly owned subsidiary of the Company. For U.S. federal income tax purposes, the Merger qualified as a tax-free "reorganization". Concurrent with the Merger closing, the Company changed its name to Vyant Bio, Inc. Under the terms of the Merger Agreement, upon consummation of the Merger, the Company issued (i) an aggregate of 3,595,508 shares of VYNT common stock, par value $0.0001 per share (the "Common Stock") to the holders of StemoniX capital stock (after giving effect to the conversion of all StemoniX preferred shares and StemoniX 2020 Convertible Notes) and StemoniX warrants (which does not include a certain warrant (the "Major Investor Warrant") issued to a certain StemoniX convertible note holder (the "Major Investor")), (ii) options to purchase an aggregate of 178,356 shares of Common Stock to the holders of StemoniX options with exercise prices ranging from $3.30 to $23.05 per share and a weighted average exercise price of $7.30 per share, and (iii) a warrant (the "Major Investor Warrant") to the Major Investor, expiring February 23, 2026 to purchase 28,778 shares of Common Stock at a price of $29.5295 per share in exchange for the Major Investor Warrant.

The Merger was accounted for as a reverse acquisition with StemoniX being the accounting acquirer of CGI using the acquisition method of accounting. Under acquisition accounting, the assets and liabilities (including executory contracts, commitments and other obligations) of CGI, as of March 30, 2021, the closing date of the Merger, were recorded at their respective fair values and added to those of StemoniX. Any excess of purchase price consideration over the fair values of the identifiable net assets is recorded as goodwill. The total consideration paid by StemoniX in the Merger amounted to $59.9 million, which represents the fair value of CGI's 2,201,437 shares of Common Stock or $50.74 million, 431,537 Common Stock warrants or $9.04 million and 11,181 Common Stock options outstanding on the closing date of the Merger with a fair value of $139 thousand. In addition, at the effective time of the Merger, existing StemoniX shareholders received an additional 160,942 incremental shares in accordance with the conversion ratio set forth in the Merger Agreement.

Note 3. Discontinuing Operations

In December 2021, the Company's Board of Directors approved a plan to sell the *vivo*Pharm Pty Ltd ("*vivo*Pharm") business to focus the Company on the development of neurological developmental and degenerative disease therapeutics. In December 2021, the Company engaged an investment bank to sell the *vivo*Pharm business which was substantially completed in the fourth quarter of 2022.

On November 2, 2022 the Company completed the sale of its *vivo*Pharm subsidiary, *vivo*Pharm LLC located in Hershey, Pennsylvania, to Reaction Biology Corporation for $5.5 million in an upfront cash payment, subject to customary adjustments for working capital, closing cash, indebtedness and transaction expenses. After these closing adjustments were reflected, $5.5 million was paid at closing and an additional $0.3 million was paid in February 2023. The Company received approximately $4.8 million in cash after transaction related expenses and income taxes, as well as incurred $0.4 million in exit costs associated with this transaction. Exit costs associated with the *vivo*Pharm business were paid in January 2023. In connection with the sale of the *vivo*Pharm LLC business, the Company agreed to retain certain liabilities aggregating to $357 thousand.

On December 30, 2022, the Company entered into a Share Purchase Agreement (the "Agreement") with Sabine Brandt as trustee for the Brandt Family Trust ("Buyer"), pursuant to which *vivo*Pharm sold the entirety of the Company's remaining *vivo*Pharm business for early discovery services, represented by 100% of the outstanding shares of (i) of RDDT a *vivo*Pharm Company Pty Ltd; and (ii) *vivo*Pharm Europe Ltd, to Buyer in exchange for a nominal cash amount, subject to adjustments for closing cash and accounts payable, on and subject to the terms and conditions set forth therein. The sale resulted in the Company delivering target closing cash as part of the sold entities of approximately $827 thousand and the assumption by Buyer of liabilities of the sold entities aggregating to approximately $2.0 million. The Transaction was consummated effective December 31, 2022. The Agreement contains customary representations, warranties, covenants and indemnification provisions.

To complete the disposition of the Company's former *vivo*Pharm business and to resolve certain issues that had arisen with the Buyer, on March 13, 2023, the Company sold *vivo*Pharm to the Buyer for a nominal sum. As part of the sale of *vivo*Pharm to Buyer, the Company provided that *vivo*Pharm had cash of at least $200 thousand and the Company assumed certain specific *vivo*Pharm liabilities, principally liabilities directly associated with the proposed Phase 2 Donepezil clinical trial in Australia (which the Company has placed on hold as it evaluates its strategic alternatives) and certain *vivo*Pharm tax liabilities through the transaction's closing. The transaction was consummated effective March 13, 2023.

Also included in discontinuing operations are pre-Merger-related payables related to Cancer Genetics' sale of its BioPharma and Clinical businesses ("Pre-Merger discontinuing operations"). As of June 30, 2023 and December 31, 2022, $199 thousand and $267 thousand, respectively, of liabilities relating to these businesses are classified as other current liabilities – discontinuing operations on the Company's condensed consolidated balance sheets. Asset and liabilities of discontinuing operations were as follows:

	June 30, 2023	December 31, 2022
Accounts receivable	$ -	$ 11
Due from Reaction Biology Corporation	-	334
Assets of discontinuing operations - current	$ -	$ 345
Assets of discontinuing operations - non-current	$ -	$ -
Accounts payable	$ -	$ 47
Due to RDDT a vivoPharm Company Pty Ltd	-	216
Accrued expense	-	577
Deferred revenue	-	43
Taxes payable	-	69
Other current liabilities	199	267
Liabilities of discontinued operations - current	$ 199	$ 1,219
Liabilities of discontinued operations -non- current	$ -	$ -

Results of discontinuing operations were as follows for the three and six months ended June 30, 2023 and 2022:

	Three months ended June, 30		Six months ended June 30,	
	2023	2022	2023	2022
Revenue	$ -	$ 1,687	$ -	$ 3,040
Cost of goods sold	-	605	-	1,380
General and administrative	-	1,096	152	2,141
Impairment of goodwill and intangible assets	-	1,513	-	5,803
Total operating costs and expenses	-	3,214	152	9,324
Loss from discontinuing operations	-	(1,527)	(152)	(6,284)
Total other income	-	3	-	3
Loss from discontinuing operations before income taxes	-	(1,524)	(152)	(6,281)
Income tax benefit	-	44	-	44
Net loss from discontinuing operations	$ -	$ (1,480)	$ (152)	$ (6,237)

During the three months ended June 30, 2022, the *vivo*Pharm business signed an extension to its Hershey, Pennsylvania facility lease and a new lease in South Australia resulting in an increase of $1.0 million of right-of-use ("ROU") assets and related liability within discontinuing operations.

Intangible assets consisted of the following as of June 30, 2022:

Customer relationships	$	4,914
Trade name		922
		5,836
Less accumulated amortization		(713)
Intangible assets, net	$	5,123

Goodwill arising from the Merger was solely attributed to the *vivo*Pharm business. The following is a roll forward of goodwill as of and for the three months ended June 30, 2022:

Beginning balance, January 1, 2022	$	2,164
Purchase price adjustments		-
Impairment charge		(2,164)
Ending balance, June 30, 2022	$	-

Note 4. Inventory

The Company's inventory consists of the following:

		June 30, 2023		December 31, 2022
Finished goods	$	-	$	-
Work in process		-		9
Raw materials		-		44
Total inventory	$	-	$	53

Note 5. Fixed Assets

Presented in the table below are the major classes of fixed assets by category:

		June 30, 2023		December 31, 2022
Equipment	$	1,687	$	2,962
Furniture and fixtures		-		6
Leasehold improvements		187		612
		1,874		3,580
Less accumulated depreciation		(1,478)		(2,474)
	$	396	$	1,106

Depreciation expense from continuing operations recognized during the six months ended June 30, 2023 and 2022 was $152 thousand and $276 thousand, respectively. The Company recorded an asset impairment charge of $170 thousand within research and development expense in the first quarter of 2023 related to equipment that was returned to the leasing company in May 2023.

Note 6. Leases

The Company leases its laboratory, research and administrative office space under various operating leases. In January 2022, the Company recorded a $1.2 million of ROU asset and related liability upon the signing of a new 5-year lease in San Diego, California.

The components of operating and finance lease expenses for the three and six-month periods ended June 30, are as follows:

	Three months ended June, 30		Six months ended June, 30	
	2023	2022	2023	2023
Operating lease costs	$ 110	$ 124	$ 222	$ 222
Finance lease costs:				
Depreciation of ROU assets	62	40	124	80
Interest on lease liabilities	7	7	14	14
Total finance lease cost	69	47	138	94
Variable lease costs	-	-	-	-
Short-term lease costs	-	-	-	-
Total lease cost	$ 179	$ 171	$ 360	$ 316

Amounts reported in the condensed consolidated balance sheets as of June 30, 2023 and December 31, 2022 are as follows:

	2023	2022
Operating leases:		
Operating lease ROU assets, net	$ 421	$ 1,542
Operating lease current liabilities	118	313
Operating lease long-term liabilities	350	1,301
Total operating lease liabilities	468	1,614
Finance leases:		
Equipment	438	744
Accumulated depreciation	(367)	(244)
Finance leases, net	71	500
Current installment obligations under finance leases	64	252
Long-term portion of obligations under finance leases	119	273
Total finance lease liabilities	$ 183	$ 525

Other information related to leases from continuing operations for the six-month periods ended June 30, are as follows:

	2023	2022
Supplemental cash flow information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flow from operating leases	$ 77	$ 122
Financing cash flow from finance leases	121	72
Weighted average remaining lease term:		
Operating leases	4.05 years	4.94 years
Finance leases	2.13 years	2.25 years
Weighted average discount rate:		
Operating leases	9.97%	8.3%
Finance leases	5.35	6.5%

Annual payments of lease liabilities under noncancelable leases from continuing operations as of June 30, 2023 are as follows:

	Operating leases	Finance leases
Remainder of 2023	$ 110	$ 58
2024	136	99
2025	131	38
2026	134	-
2027	80	-
Thereafter	-	-
Total undiscounted lease payments	822	195
Less: Imputed interest	(123)	(12)
Total lease liabilities	$ 468	$ 183

Note 7. Income Taxes

The Company recognizes deferred tax assets and liabilities for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets include, among others, capitalized research and development costs, net operating loss carryforwards and research and development tax credit carryforwards. Deferred tax assets are partially offset by deferred tax liabilities arising from intangibles, fixed assets and lease assets. Realization of net deferred tax assets is dependent upon future earnings, if any, the timing and amount of which are uncertain based on the Company's history of losses. Accordingly, the Company's net deferred tax assets have been fully offset by a valuation allowance. Utilization of net operating loss and credit carryforwards may be subject to substantial annual limitation due to ownership change provisions of Section 382 of the Internal Revenue Code, as amended and similar state provisions. The annual limitation may result in the expiration of net operating losses and credits before utilization. As of both June 30, 2023 and December 31, 2022, the Company's liability for gross unrecognized tax benefits (excluding interest and penalties) totaled $0 thousand and $0, respectively, in continuing operations. The Company had accrued interest and penalties relating to unrecognized tax benefits of $0 and $0 on a gross basis as of June 30, 2023 and December 31, 2022, respectively, in continuing operations. The Company does not currently expect significant changes in the amount of unrecognized tax benefits during the next twelve months.

Note 8. Long-Term Debt

Long-term debt as of June 30, 2023 and December 31, 2022 consists of a $57 thousand Economic Injury Disaster Loan with annual principal payments of approximately $1 thousand per year. This loan bears interest at 3.75% and is repayable in monthly installments starting in June 2023 with a final balance due on June 21, 2050.

Note 9. Stockholders' Equity

Common Stock

Holders of common stock are entitled to one vote per share, to receive dividends if and when declared, and, upon liquidation or dissolution, are entitled to receive all assets available for distribution to stockholders. The holders have no preemptive or other subscription rights and there are no redemption or sinking fund provisions with respect to such shares. Common stock is subordinate to the preferred stock with respect to dividend rights and rights upon liquidation, winding up and dissolution of the Company.

Lincoln Park Capital Fund, LLC Agreement

On March 28, 2022, the Company entered into a purchase agreement, or Purchase Agreement, with Lincoln Park Capital Fund, LLC ("Lincoln Park"), which, subject to the terms and conditions, provides that the Company has the right to sell to Lincoln Park and Lincoln Park was obligated to purchase up to $15.0 million of its common shares. Under the Purchase Agreement, the Company issued a commitment fee of 81,190 common shares as consideration for Lincoln Park entering into the Purchase Agreement.

At The Market Financing

On April 8, 2022, the Company entered into an Equity Distribution Agreement with Canaccord Genuity LLC ("Canaccord"), pursuant to which the Company could issue and sell, from time to time, shares of its common stock having an aggregate offering price of up to $20,000,000, depending on market demand, with Canaccord acting as an agent for sales. As of December 31, 2022, the Company had issued 41,162 shares of common stock under the Sales Agreement with Canaccord. The Company sold 342,067 shares pursuant to this agreement in the first quarter of 2023 realizing net proceeds of $458 thousand.

On March 23, 2023, the Company terminated the arrangements with both Lincoln Park and Canaccord.

Warrants

Common Stock Warrants

The Company issued the Investor Warrant on February 23, 2022. Effective with the Merger, the Investor Warrant was exchanged for a warrant to purchase 28,778 shares of the Company's common stock at an exercise price of $29.5295 per share. In connection with the Merger, the Company assumed 431,537 common stock warrants issued in prior financings of which 426,361 remain outstanding as of June 30, 2023. A summary of all common stock warrants outstanding as of June 30, 2023 is as follows:

Issuance Related to:	Exercise Price	Outstanding Warrants	Expiration Dates
2020 Convertible Note	$ 29.55	28,778	Feb 23, 2026
2021 offerings	$ 17.50	324,828	Feb 10, 2026 - Aug 3, 2026
Advisory fees	$12.10 - 37.95	98,578	Jan 9, 2024 - Oct 28, 2025
Debt	$ 138.00	2,955	Mar 22, 2024
Total		455,139	

Note 10. Fair Value Measurements

In the fourth quarter of 2021, the Company classified the *vivo*Pharm business as discontinuing operations and applied held for sale accounting. The Company valued the *vivo*Pharm business as of December 31, 2021 equally weighting public company revenue multiples as of December 31, 2021 and comparable transaction revenue multiples, which are classified as Level 3 measurements within the fair value hierarchy. The Company updated the valuation of the *vivo*Pharm business during the quarter ending June 30, 2022 based on equally weighting public company revenue multiples and comparable transaction revenue multiples, which resulted in a $4.5 million decrease to the fair value of *vivo*Pharm in the first quarter of 2022. The Company recognized an impairment charge of $4.3 million during the quarter ended June 30, 2022, which decreased *vivo*Pharm's net carrying value, net of estimated disposal costs from $9.2 million as of December 31, 2021 to $4.9 million. During the second quarter of 2022, the Company received two offers for mutually exclusive components of the *vivo*Pharm business and assessed the carrying value of each asset group using the estimated net sales proceeds based on these offers. As a result, the Company recorded a net impairment charge of $1.5 million during the second quarter of 2022. The Company recorded an impairment recovery of $388 thousand during the third quarter of 2022 based upon September 30, 2022 *vivo*Pharm net assets. As described in Note 3, the Company completed the sales of *vivo*Pharm's operating subsidiaries in the fourth quarter of 2022 resulting in a loss upon sales of $106 thousand.

The following tables present changes in fair value of level 3 valued instruments as of and for the three months ended June 30, 2022:

	vivoPharm Business
Balance – January 1, 2022	$ 11,000
Additions	-
Measurement adjustments	(5,150)
Settlement	-
Balance – June 30, 2022	$ 5,850

The Company did not have level 3 valued instruments as of June 30, 2023 and December 31, 2022 or during the three and six-months ended June 30, 2023.

Note 11. Loss Per Share

Basic loss per share is computed by dividing the net loss after tax attributable to common stockholders by the weighted average shares outstanding during the period. Diluted loss per share is computed by including potentially dilutive securities outstanding during the period in the calculation of weighted average shares outstanding. The Company did not have any dilutive securities during the periods presented; therefore, diluted loss per share is equal to basic loss per share.

Presented in the table below is a reconciliation of the numerator and denominator for the basic and diluted loss per share calculations for the three and six months ended June 30, 2023 and 2022:

	Three months ended June 30,		**Six months ended June 30,**	
	2023	**2022**	**2023**	**2022**
Net loss from continuing operations	$ (1,625)	$ (8,050)	$ (5,953)	$ (8,731)
Net loss from discontinuing operations	-	(1,480)	(152)	(6,237)
Net loss	$ (1,625)	$ (5,805)	$ (6,105)	$ (14,968)
Basic and diluted weighted average shares outstanding	6,328	5,882	6,288	5,843
Basic and diluted net loss per share:				
Continuing operations	$ (0.26)	$ (0.74)	$ (0.95)	$ (1.50)
Discontinuing operations		(0.25)	(0.02)	(1.05)
Net loss per shares attributable to common stockholder, basic and diluted	$ (0.26)	$ (0.99)	$ (0.97)	$ (2.55)

The following securities were not included in the computation of diluted shares outstanding for the for the three and six months ended June 30, 2023 and 2022 because the effect would be anti-dilutive:

	Three months ended June 30,		**Six months ended June 30,**	
	2023	**2022**	**2023**	**2022**
Common stock warrants	455,139	455,139	455,139	455,139
Common stock options	181,943	513,714	513,714	513,714
Total	637,082	986,853	972,313	972,313

Note 12. Stock-Based Compensation

The Company has three legacy equity incentive plans: the Cancer Genetics, Inc. 2008 Stock Option Plan (the "2008 Plan") and the Cancer Genetics Inc. 2011 Equity Incentive Plan (the "2011 Plan"), and the StemoniX Inc. 2015 Stock Option Plan (the "2015 Plan", and together with the 2008 Plan, and the 2011 Plan, the "Frozen Stock Option Plans"). The Frozen Stock Option Plans as well as the 2021 Plan (as defined below) are meant to provide additional incentive to officers, employees and consultants to remain in the Company's employment. Options granted are generally exercisable for up to 10 years. Effective with the Merger, the Company is no longer able to issue options from the Frozen Stock Option Plans. The number of common stock options issued under the 2015 plan were adjusted for the Merger exchange ratio resulting in an incremental 38,376 options outstanding.

Effective with the Merger, the Vyant Bio 2021 Equity Incentive Plan (the "2021 Plan") came into effect, pursuant to which the Company's Board of Directors may grant up to 900,000 of equity-based instruments to officers, key employees, and non-employee consultants. Options granted to officers and employees vest 25% one year from the grant date and thereafter equally over the next 36 months. The options granted to Board members vested upon grant. RSU's are granted to members of the Board of Directors and vest one year from the grant date.

As StemoniX was the acquirer for accounting purposes, the pre-Merger vested stock options granted by CGI under the 2008 and 2011 Plans are deemed to have been exchanged for equity awards of the Company. The exchange of StemoniX stock options for options to purchase Company common stock was accounted for as a modification of the StemoniX stock options; however, the modification did not result in any incremental compensation expense as the modification did not increase the fair value of the stock options.

For StemoniX stock options issued prior to the Merger, the expected volatility was estimated based on the average historical volatility of similar entities with publicly traded shares as StemoniX's shares historically were not publicly traded and its shares rarely traded privately. For common stock options granted at the time of the Merger, the Company used Vyant Bio's historical volatility to determine the expected volatility of post-Merger option grants. Subsequently, the Company used a comparable public company group to estimate the anticipated volatility of the Company's stock. The risk-free rate for the expected term of the option is based on the U.S. Treasury yield curve at the date of grant.

The Company uses a simplified method to determine the expected term for the valuation of employee options. This method effectively assumes that exercise occurs over the period from vesting until expiration, and therefore, the expected term is the midpoint between the service period and the contractual term of the award. The simplified method is applicable to options with service conditions. For options granted to nonemployees, the contractual term is used for the valuation of the options.

The grant-date fair value of each option award is estimated on the date of grant using the Black-Scholes-Merton option-pricing model. The assumptions for stock option grants during the six-months ended June 30, 2023 and 2022 are provided in the following table.

	2023	**2022**
Valuation assumptions		
Expected dividend yield	-%	0.0%
Expected volatility	-%	56.3% –69.8%
Expected term (years) – simplified method	-	3.0 – 6.1
Risk-free interest rate	-%	1.74% – 2.13%

Stock option activity during the for the three-month periods ended June 30, 2023 and 2022 is as follows:

	Number of Options	Weighted average exercise price	Weighted average remaining contractual term
Balance as of January 1, 2022	464,021	$ 20.95	7.4
Granted	145,060	5.05	
Exercised	(1,035)	4.80	
Forfeited	(51,153)	21.10	
Expired	(3,568)	286.20	
Balance as of June 30, 2022	553,325	$ 15.09	8.7
Balance as of January 1, 2023	428,301	$ 14.97	7.5
Granted	-	-	
Exercised	-	-	
Forfeited	(144,150)	11.06	
Expired	(102,208)	24.59	
Balance as of June 30, 2023	181,943	$ 11.06	7.08
Exercisable as of June 30, 2023	129,452	$ 14.16	6.6

The weighted average grant-date fair value of options granted during the three-month period ended June 30, 2022 was $2.70. There were no stock options issue in the six months of 2023. The aggregate intrinsic value of options outstanding and options exercisable as of June 30, 2023 was zero. The total intrinsic value of options exercised was $1 thousand for the three-month period ended March 2022. No stock options were exercised in the first six months of 2023.

The Company recognized stock-based compensation in continuing operations related to different instruments for the three and six-month periods ended June 30 as follows:

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Stock options	$ 34	$ 139	$ 76	$ 397
Shares issued for services	14	143	131	163
Net loss	$ 48	$ 282	$ 207	$ 560

As of June 30, 2023, there was $0.2 million of total unrecognized compensation cost related to unvested stock options granted under the Plan. That cost is expected to be recognized over a weighted average period of 1.56 years.

Note 13. Segment Information

The Company reports segment information based on how the Company's chief operating decision maker ("CODM"), regularly reviews operating results, allocates resources and makes decisions regarding business operations. For segment reporting purposes, the Company's business structure is comprised of one operating and reportable segment.

During the three and six months ended June 30, 2023 two and two customers accounted for 100% and 98% of the respective consolidated revenue from continuing operations. During the three and six months ended June 30, 2022, three and six customers accounted for approximately 95% and 78%, respectively, of the consolidated revenue from continuing operations.

During the three and six months ended June 30, 2023 , 28% and 43%, respectively, of the Company's consolidated revenue from continuing operations were earned outside of the U.S. During the three and six months ended June 30, 2022, approximately 47% and 44%, respectively, of the Company's consolidated revenue from continuing operations were earned outside of the U.S.

Customers representing 10% or more of the Company's total revenue from continuing operations for the three and six months ended June 30, 2022 and 2021 are presented in the table below:

	Three months ended June 30		Six months ended June 30	
	2023	2022	2023	2022
Customer A	28%	49%	43%	36%
Customer B	72%	24%	55%	13%
Customer C	n/a	22%	8%	8%
Customer D	n/a	n/a	n/a	15%

Note 14. Related Party Transactions

During the first quarter of 2022, the Company paid a third-party collaboration partner $39 thousand as a reimbursement of third-party costs incurred by the collaborator in connection with the collaboration arrangement. An executive's family member is an employee of this collaborator. The arrangements with this third-party collaborator had arms-length terms.

As disclosed in Note 3, the Company sold RDDT a *vivo*Pharm Company Pty Ltd, *vivo*Pharm Europe Ltd and *vivo*Pharm Pty Ltd to Sabine Brandt as trustee for the Brandt Family Trust. Mrs. Brandt is a former Company employee and is married to a former officer of the Company.

Note 15. Contingencies

We are not currently subject to any material legal proceedings. However, we may from time to time become a party to various legal proceedings arising in the ordinary course of our business.

Note 16. Subsequent Events

Agreement to Sell StemoniX Assets

As disclosed in Note 1, on July 13, 2023 the Company signed an agreement for the sale of substantially all of its StemoniX ("Seller") subsidiary's operating assets to AxoSim, Inc. ("Purchaser"), and the assumption by Purchaser of certain liabilities in connection with those operating assets. The Asset Purchase Agreement between the parties is subject to Company' shareholder approval to close. A shareholder meeting is currently scheduled for September 20, 2023.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Unless the context otherwise requires, all references in this section to the "Company," "we," "us" or "our" refer to Vyant Bio, Inc. and its wholly owned subsidiaries StemoniX, Inc. ("StemoniX"). The following discussion and analysis provides information management believes is useful in understanding the operating results, cash flows and financial condition of Vyant Bio, Inc. The discussion should be read in conjunction with both the unaudited condensed consolidated financial statements and related notes included in this Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines for the quarter ended June 30, 2023 filed with the OTC, and our audited consolidated financial statements and related notes and Management's Discussion and Analysis of Financial Condition and Results of Operations, each included in our Annual Report on Form 10-K for the year ended December 31, 2022. Our independent auditors have not performed any audit or review procedures over the Company's 2023 condensed consolidated interim financial information and, therefore, have not expressed an opinion or any other form of assurance on them. This discussion contains various "Forward-Looking Statements" within the meaning of the Private Securities Litigation Reform Act of 1995. We refer readers to the statement entitled "*Special Note Regarding Forward-Looking Statements*" located elsewhere in this proxy statement.

Overview

Historically, we have been a company that incorporates innovative biotechnology and data science to improve drug discovery for complex neurodevelopmental and neurodegenerative disorders. Our central nervous system ("CNS") drug discovery platform combines human-derived organoid models of brain disease, scaled biology, and machine learning. Our platform is designed to: (i) elucidate disease pathophysiology; (ii) formulate key therapeutic hypotheses; (iii) identify and validate drug targets, cellular assays, and biomarkers to guide candidate molecule selection; and (iv) guide clinical trial patient selection and trial design. Our programs focused on identifying repurposed and novel small molecule clinical candidates for rare CNS genetic disorders including Rett Syndrome ("Rett"), CDKL5 Deficiency Disorders ("CDD") and familial Parkinson's Disease ("PD"). We focused on combining sophisticated data science capabilities with highly functional human cell derived disease models. We also aimed to leverage our ability to identify validated targets and molecular-based biomarkers to screen and test thousands of small molecule compounds in human diseased 3D brain organoids in order to create a unique approach to assimilating biological data that supports decision making iteratively throughout the discovery phase of drug development to identify both novel and repurposed drug candidates. In January 2023, we ceased substantially all preclinical and clinical development activities in furtherance of completing our review of strategic alternatives as further discussed below.

In December 2021, the Company's Board of Directors approved a plan to sell the *vivo*Pharm Pty Ltd ("*vivo*Pharm") business to focus the Company on the development of neurological developmental and degenerative disease therapeutics. In the fourth quarter of 2022, the Company sold substantially all of the operations of *vivo*Pharm in two separate transactions. To complete the disposition of the Company's former *vivo*Pharm business and to resolve certain issues that had arisen with the Buyer, on March 13, 2023, the Company sold *vivo*Pharm to the Buyer for a nominal sum. As part of the sale of *vivo*Pharm to Buyer, the Company provided that *vivo*Pharm had cash of at least $200 thousand and the Company assumed certain specific *vivo*Pharm liabilities, principally liabilities directly associated with the proposed Phase 2 Donepezil clinical trial in Australia (which the Company placed on hold as it evaluated its strategic alternatives) and certain *vivo*Pharm tax liabilities through the transaction's closing. The transaction was consummated effective March 13, 2023.

We have incurred substantial operating losses and have used cash in our operating activities since inception. On January 4, 2023, the Company announced that it had engaged LifeSci Capital as its financial advisor to assist in exploring a range of strategic alternatives focused on enhancing shareholder value. There can be no assurance that this review process will result in any changes to the Company's current business plans or lead to any specific action or transaction. On January 31, 2023 the Company's Board of Directors, approved a plan to preserve the Company's cash to be able to continue to pursue a satisfactory strategic alternative for the purpose of maximizing the value of the Company's business while also having sufficient cash to adequately fund an orderly wind down of the Company's operations (the "Cash Preservation Plan") in the event it is unable to secure a satisfactory strategic alternative. On April 24, 2023 the Company's Board of Directors determined it was appropriate to voluntarily delist its securities from The Nasdaq Capital Market. See further discussion regarding our liquidity and capital resources below.

Cancer Genetics, Inc. Merger

On March 30, 2021, Vyant Bio, formerly known as Cancer Genetics, Inc. ("CGI"), completed its business combination (the "Merger") with StemoniX, Inc., a Minnesota corporation ("StemoniX"), in accordance with the Agreement and Plan of Merger and Reorganization, dated as of August 21, 2020 (the "Initial Merger Agreement") by and among the Company, StemoniX and CGI Acquisition, Inc., a Minnesota corporation and wholly-owned subsidiary of the Company ("Merger Sub"), as amended by Amendment No. 1 thereto made and entered into as of February 8, 2021 (the "First Amendment") and Amendment No. 2 thereto made and entered into as of February 26, 2021 (the "Second Amendment") (the Initial Merger Agreement, as amended by the First Amendment and Second Amendment, the "Merger Agreement"), pursuant to which Merger Sub merged with and into StemoniX, with StemoniX surviving the Merger as a wholly-owned subsidiary of the Company.

The Merger was accounted for as a reverse acquisition with StemoniX being the accounting acquirer of CGI using the acquisition method of accounting. Under acquisition accounting, the assets and liabilities (including executory contracts, commitments and other obligations) of CGI, as of March 30, 2021, the closing date of the Merger, were recorded at their respective fair values and added to those of StemoniX. Any excess of purchase price consideration over the fair values of the identifiable net assets is recorded as goodwill. The total consideration paid by StemoniX in the Merger amounted to $59.9 million, which represents the fair value of CGI's 2,201,437 shares of Common Stock or $50.74 million, 431,537 Common Stock warrants or $9.04 million and 11,181 Common Stock options outstanding on the closing date of the Merger with a fair value of $139 thousand. In addition, at the effective time of the Merger, existing StemoniX shareholders received an additional 160,942 incremental shares in accordance with the conversion ratio set forth in the Merger Agreement. As the Merger was consummated at the close of business on March 30, 2021, the Company's consolidated statement of operations for the year ended December 31, 2021 includes nine months and one day of operations associated with the historical CGI business.

Revenue from Continuing Operations

The Company's primary revenue sources are microOrgan plate product sales and the performance of preclinical drug testing services using our microOrgan technology, referred to as Discovery as a Service, or DaaS. In December 2021, the Company announced its plan to focus its resources on internal drug discovery development programs and wind down substantially all customer revenue generation. The Company expects nominal sales in 2023 because the Company continued to service customers during 2023 in anticipation of a potential transaction to sell substantially all of its Maple Grove, Minnesota facility assets. During the three and six months ended June 30, 2023 two and two customers accounted for 100% and 98% of the respective consolidated revenue from continuing operations. For the years ended December 31, 2022 and 2021, 47% and 21% of revenue from continuing operations, respectively, was generated from customers located outside of the United States. During the years ended December 31, 2022 and 2021, four and three customers accounted for 77% and 47%, respectively, of the consolidated revenue from continuing operations.

Cost of Goods Sold from Continuing Operations

Cost of goods sold include labor and product costs such as labware, plates and reagents required to develop iPSC's into microOrgans as well as overhead, facility and equipment costs at the Company's Maple Grove, Minnesota facility. The Maple Grove facility was designed to accommodate the Company's long-term growth, it has and continues at a fraction of its capacity. The Company converted the Maple Grove facility to a research and development facility in the first half of 2022 to focus its resources on internal drug discovery development programs. Commencing in the second quarter of 2023, the Company ceased all research and development activities and all Maple Grove facility costs are now included in cost of goods sold.

Operating Expenses from Continuing Operations

The Company classifies its operating expenses into three categories: research and development, selling, general and administrative as well as merger related costs. Operating expenses principally consist of personnel costs including non-cash stock-based compensation, outside services, laboratory consumables, rent, overhead, development costs, and marketing program costs, legal and accounting fees.

Research and Development Expenses. Research and development expenses reflect the personnel related expenses, overhead and lab consumable costs to develop its microOrgan technology at its San Diego, California facility as well as development activities undertaken at the Maple Grove, Minnesota facility. The Company closed its San Diego facility in the first quarter of 2023. As part of the of Cash Preservation Plan, the Company ceased all research and development activities in the second quarter of 2023. All Maple Grove facility and personnel expenses have been classified as cost of sales commencing in the second quarter of 2023.

Selling, General and Administrative Expenses. Selling, general and administrative expenses consist principally of personnel-related expenses, professional fees, such as legal, accounting, occupancy costs, insurance and other general expenses. Prior to 2023, these costs also included personnel and related overhead costs for its business development team and related support personnel, travel and entertainment expenses, other selling costs, and trade shows.

Merger Related Costs. Merger related costs are direct professional service and investor banker costs incurred by the Company in connection with the Merger.

Results of Operations

Three and Six Months Ended June 30, 2023 and 2022

The following table sets forth certain information concerning the Company's results from continuing operations for the periods shown (in thousands):

	Three months ended June 30,		Dollar	%	Six months ended June 30,		Dollar	%
	2023	2022	Change	Change	2023	2022	Change	Change
Revenue:								
Service	$ -	$ -	$ -	-%	$ -	$ 94	$ (94)	(100)%
Product	119	165	(46)	(28)%	199	374	(175)	(47)%
Total revenue	119	165	(46)	(28)%	199	468	(269)	(57)%
Operating costs and expenses:								
Cost of goods sold	276	304	(28)	(9)%	418	690	(234)	(56)%
Research and development	-	1,688	(1,688)	(100)%	1,318	3,239	(1,921)	(146)%
Selling, general and administrative	1,509	2,509	(1,000)	(40)%	4,527	5,272	(745)	(14)%
Total operating costs and expenses	1,785	4,501	(2,716)	(60)%	6,263	9,163	(2,900)	(32)%
Loss from operations	(1,666)	(4,336)	(2,670)	(62)%	(6,064)	(8,733)	(2,669)	(31)%
Other (expense) income:								
Other income (expense), net	41	11	30	273%	111	(2)	113	(100)%
Total other (expense) income	41	11	30	273%	111	(2)	113	(100)%
Loss from continuing operations before income taxes	(1,625)	(4,325)	2,700	62%	(5,953)	(8,731)	2,778	32%
Income tax expense (benefit)	-	-	-	-	-	-	-	-
Net loss from continuing operations	$ (1,625)	$(4,325)	$ 2,700	62%	$ (5,953)	$(8,731)	$ 2,778	32%

Operating results: Comparison for the three and six months ended June 30, 2023 and 2022

Except as noted otherwise, substantially all of fluctuations in revenue and expenses in the three and six-month periods ended June 30, 2023 as compared with the same periods in 2022 resulted from the Company's Cash Preservation Plan as it sought to find a buyer of its business. As part of this process, the Company made significant reductions in headcount, facilities, and third-party expenses as part of the Company's Cash Preservation Plan.

Revenue from Continuing Operations

Total revenue decreased 28%, or $46 thousand, to $119 thousand for the three months ended June 30, 2023, as compared with $165 thousand for the three months ended June 30, 2022. Total revenue decreased 57%, or $269 thousand, to $199 thousand for the six months ended June 30, 2022, as compared with $468 thousand for the six months ended June 30, 2022.

Cost of Goods Sold from Continuing Operations

Cost of goods sold aggregated $276 thousand and $304 thousand for the three months ended June 30, 2023 and 2022, respectively, resulting in cost of goods sold gross margin deficits of $157 thousand and $139 thousand. Cost of goods sold – product aggregated $418 thousand and $690 thousand for the six months ended June 30, 2023 and 2022 respectively, resulting in respective cost of goods sold gross margin deficits of $219 thousand and $222 thousand. The gross margin deficits were the result of excess capacity at the Company's Maple Grove facility. As noted above, the Company classified all Maple Grove operations expenses as cost of goods sold in the second quarter of 2023 as the Company ceased research and development activities.

Operating Expenses from Continuing Operations

Research and development expenses decreased by 100%, or $1.7 million to $0 thousand for the three months ended June 30, 2023 from $1.7 million for the three months ended June 30, 2022. Research and development expenses decreased by 87%, or $1.9 million, to $1.3 million for the six months ended June 30, 2023 from $3.2 million for the six months ended June 30, 2022.

Selling, general and administrative expenses decreased by 40%, or $1.0 million, to $1.5 million for the three months ended June 30, 2023, as compared with $2.5 million for the three months ended June 30, 2022. Selling, general and administrative expenses decreased by 14%, or $0.7 million, to $4.5 million for the six months ended June 30, 2023, as compared with $5.3 million for the six months ended June 30, 2022.

Other Expenses, net from Continuing Operations

Total other income reflected interested earned on investments for all periods. The increase in interest income in the 2023 periods was the result of interest rate increases.

Discontinuing Operations

During the fourth quarter of 2022, the Company sold its *vivo*Pharm operating companies and in March 2023, sold the *vivo*Pharm PTY LTD ("PTY"), the holding company of the former operating companies. Therefore, there was no significant activity in 2023 other than administrative and costs to sell PTY in the first quarter of 2023. The Company incurred a loss of $152 thousand in the six months of 2023 related to discontinued operations. In the six-months ended June 30, 2022, the *vivo*Pharm business generated $1.4 million in revenue and incurred a $4.8 million net loss. This net loss includes a goodwill impairment charge of $2.2 million, an impairment charge of $2.1 million for intangible assets arising from the merger, $168 thousand of professional service costs related to accounting for the *vivo*Pharm business and a $298 thousand operating loss. The impairment loss of $4.3 million during the quarter ended June 30, 2022 was the result of changes in market valuations for contract research organizations from December 31, 2021 to June 30, 2022 which impact the Company's valuation of the *vivo*Pharm business which is accounted for as a held for sale asset since the fourth quarter of 2021. Factors such as funding for biotech and pharma companies, higher interest rates and inflation as well as the Ukraine War have all impacted public company stock valuations in 2022 which may result in additional adjustments to the carrying value of the *vivo*Pharm business.

Liquidity and Capital Resources

The Company has financed its operations through CGI cash balances on hand on the Merger date, product and services revenue, the sale of the *vivo*Pharm business and the sale of Common Stock under its at-the-market financing vehicle. Prior to the Merger, the Company's operating activities have been primarily funded with proceeds from the sale of convertible notes and preferred stock securities.

The Company's Board of Directors (the "Board"), after an assessment of the status of the Company's efforts to seek strategic alternatives and the Company's then current cash position, approved a plan on January 31, 2023 to preserve the Company's cash to be able to continue to pursue a satisfactory strategic alternative for the purpose of maximizing the value of the Company's business while also having sufficient cash to adequately fund an orderly wind down of the Company's operations (the "Cash Preservation Plan") in the event it is unable to secure a satisfactory strategic alternative. As part of the Cash Preservation Plan, the Company implemented a reduction in force, resulting in the retention of a core group of employees required for one or more potential strategic transactions and/or to execute an orderly wind down of the Company if required. The Company incurred approximately $1.4 million for retention, severance and other employee termination-related costs in the first and second quarters of 2023. The Company has put on hold its pending efforts with respect to its current preclinical and clinical programs.

The Company has suffered recurring losses and negative cash flows from operations since inception, has an accumulated deficit, and is expected to generate minimal revenue from continuing operations as we have substantially ceased the Maple Grove facility's revenue producing operations to support internal drug discovery programs. The Company is projecting insufficient liquidity to meet its obligations as they become due over the next twelve months. The Company had cash and cash equivalents of $2.8 million as of June 30, 2023, an accumulated deficit of $107.6 million, cash outflows from continuing operations of $6.9 million for the six-months ended June 30, 2023 and $12.8 million for the year then ended December 31, 2022, as well as a net loss from continuing operations of $6.1 million for the six months ended June 30, 2023 and $15.8 million for the year ended December 31, 2022. These conditions and events raise substantial doubt about the Company's ability to continue as a going concern.

The Company's forecast of the period of time through which its current financial resources will be adequate to support its operations and its expected operating expenses are forward-looking statements and involve risks and uncertainties. In 2023, the Company has undertaken the following actions:

- On January 4, 2023, the Company announced that it had engaged LifeSci Capital as its financial advisor to assist in exploring a range of strategic alternatives focused on enhancing shareholder value. There can be no assurance that this review process will result in any changes to the Company's current business plans or lead to any specific action or transaction.

- The Company's Board of Directors (the "Board") approved a plan on January 31, 2023 to preserve the Company's cash to be able to continue to pursue a satisfactory strategic alternative for the purpose of maximizing the value of the Company's business while also having sufficient cash to adequately fund an orderly wind down of the Company's operations (the "Cash Preservation Plan") in the event it is unable to secure a satisfactory strategic alternative. As part of the Cash Preservation Plan, the Company implemented a reduction in force which included the Company's former President and Chief Executive Officer, and Chief Scientific Officer.

- On March 7, 2023, the Company sold its equipment in its San Diego laboratory to a third party in exchange of $200,000 in consideration.

- On March 9, 2023, the Company terminated its January 2022, San Diego office and laboratory lease agreement. The effective date of the termination is June 30, 2023. The landlord retained approximately $45 thousand as an early termination fee. This lease termination resulted in a $1.2 million reduction in future operating lease payments.

- On March 24, 2023 the Company terminated its (a) Equity Distribution Agreement, dated April 8, 2022, by and between the Company and Canaccord Genuity LLC, regarding the issue and sale, from time to time, of shares of the Company's Common Stock for an aggregate offering price of up to $20,000,000, and (b) Purchase Agreement, dated March 28, 2022, by and between the Company and Lincoln Park Capital Fund, LLC, regarding the issue and sale, from time to time, of shares of the Company's Common Stock for an aggregate offering price of up to $15,000,000.

- On March 24, 2023, the Company filed post-effective amendments to certain of its registration statements previously filed with the SEC, including post-effective amendments to each of: (i) Registration Statement Nos. 333-249513, 333-252628, 333-239497, and 333-218229 on Form S-3; (ii) Registration Statement Nos. 333-191520, 333-191521, 333-196198, 333-205903, 333-256225 and 333-214599 on Form S-8; and (ii) Registration Statement No. 333-215284 and 333-264595 on Form S-1 (such post-effective amendments, collectively the "Post-Effective Amendments" and such registration statements, collectively the "Registration Statements"). In accordance with undertakings made by the Company in each of the Registration Statements to remove from registration, by means of a post-effective amendment, any and all securities of the Company that were registered for issuance that remain unsold at the termination of the offerings, the Company removed from registration any and all securities of the Company registered but unsold under each of the Registration Statements. As a result of this deregistration, no securities remain registered for sale pursuant to the Registration Statements.

- On April 24, 2023 the Company's Board of Directors determined it was appropriate to voluntarily delist its securities from The Nasdaq Capital Market ("Nasdaq"). On May 4, the Company filed a Form 25 with the Securities and Exchange Commission (the "SEC"), and the delisting became effective on May 15, 2023. Following the delisting of the Company's securities from Nasdaq, the Company filed a Form 15 with the SEC to suspend its reporting obligations under the Securities Exchange Act of 1934, as amended. The Company expects that the deregistration of such securities will become effective 90 days after the filing of the Form 25 with the SEC. The documents filed with the SEC will be available on the Company's website. The Board made the decision to pursue this strategy following its review and careful consideration of a number of factors, including, but not limited to, the expected reduction in operating expenses by eliminating SEC reporting costs, which would allow the Company to focus more resources on its continued pursuit and exploration of satisfactory strategic alternative transactions and/or execution of an orderly wind down of the Company, if necessary. The Board determined that deregistration is in the overall best interests of the Company and its stockholders. Following delisting of the Company's Common Stock from Nasdaq, the Common Stock has been quoted on the Pink Open Market operated by OTC Markets Group Inc. (the "OTC") under the symbol "VYNT" starting on May 15, 2023. The Company intends to continue to provide information to its stockholders and to take other actions within its control to enable its Common Stock to be quoted on the OTC Pink Open Market in the Pink Current Information market tier. There is no guarantee, however, that a broker will continue to make a market in the Common Stock and that trading of the Common Stock will continue on an OTC market or otherwise. Going forward, Vyant Bio may, from time to time, when it deems appropriate, provide limited information regarding its financial status and business activities, or issue press releases for select events or developments.

- On May 9, 2023, the Company and the Andrew D. C. LaFrence, the Company's President, Chief Executive Officer and Chief Financial Officer, entered into a Consulting Agreement providing that effective as of June 1, 2023 (or such later date as may be agreement to by the Company and Mr. LaFrence), Mr. LaFrence would continue to serve as the Company's President, Chief Executive Officer and Chief Financial Officer as a part time consultant rather than a full time employee. His employment agreement, which is filed as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 2021, would be deemed terminated as of that date by the Company without cause for purposes of determining severance thereunder. The Consulting Agreement is a further step in the Company's efforts to conserve cash consistent with its Cash Preservation Plan.

- On May 11, 2023 pursuant to the Company's Cash Preservation Plan, the Company returned one piece of equipment to its leasing Company for the final lease payment of $181 thousand.

As a result of the above activities to be undertaken in the first half of 2023, the Company accrued $1.2 million of severance expense in the first quarter of 2023 of which substantially all was paid by the end of the second quarter of 2023.

- On July 13, 2023 the Company signed an agreement (the "Asset Purchase Agreement") the sale of substantially all of its StemoniX ("Seller") subsidiary's operating assets to AxoSim, Inc. ("Purchaser"), and the assumption by Purchaser of certain liabilities in connection with those operating assets. The Asset Purchase Agreement between the parties is subject to Company' shareholder approval to close. A shareholder meeting is currently planned for September 20, 2023. Pursuant to the asset purchase agreement:

    - StemoniX entered into the Exclusive Distributor Agreement with Purchaser on the date of the Asset Purchase Agreement. Pursuant to the Exclusive Distributor Agreement, Purchaser is StemoniX's exclusive distributor of the microBrain products worldwide, as well as any ancillary services offered in connection therewith; the agreement terminates upon the closing of the Sale.

    - The total consideration for the purchase and sale of Seller's assets is $2,250,000 plus the assumption of certain liabilities, described in the first bullet above, principally real estate lease and equipment lease liabilities estimated to be an aggregate of approximately $1,100,000 at September 30, 2023.

- At Closing, the Seller shall be paid $1,100,000 and the following portions of the purchase price will be held back in an escrow account: (i) $175,000 to secure the Delivered Plates Escrow Amount (as defined below), (ii) $637,000 to secure the Post-Closing Revenue Escrow Amount (as defined below), and (iii) $338,000 to cover potential indemnification claims asserted in the first year following the Closing (the "Indemnification Escrow Amount" and, together with the Delivered Plates Escrow Amount and the Post-Closing Revenue Escrow Amount, the "Escrow Amount").

- Until the Closing, Seller is prohibited from, directly or indirectly, engaging in any solicitation or similar activities, as set forth in the Asset Purchase Agreement (the "No-Shop"). During the No-Shop, Seller may, under certain limited circumstances, consider unsolicited, alternative transaction proposals from third parties that are Superior Proposals. The Company must give Purchaser an opportunity to revise its proposal so that any other alternative transaction proposals are no longer Superior Proposals.

- Contemporaneously with the Closing of the Sale, Purchaser shall assume the lease of the Company's facility in Maple Grove, Minnesota and a certain equipment lease. Each party shall pay the Maple Grove landlord $25,000 ($50,000 in total) to consent to the assignment, and Purchaser shall reimburse the Company $25,000 one year after the Closing.

- Pursuant to the Asset Purchase Agreement, Purchaser and Ping Yeh, one of our directors and the co-founder of StemoniX, shall enter into a Consulting Agreement, pursuant to which Mr. Yeh shall provide ongoing consulting services to Purchaser in connection with the Business for an hourly fee.

- For a period of three years commencing on the Closing, both Seller and Ping Yeh (and their Affiliates) are prohibited from owning, managing, operating, controlling or participating in the management, ownership or control of any business that is substantially similar to the Business (as defined below), or that otherwise competes with the Business within the United States, France, Japan, Singapore, Switzerland, Germany, or the United Kingdom.

- As a condition to Closing, Purchaser shall deliver offers of employment to the four current employees of StemoniX.

- If Seller terminates the Asset Purchase Agreement for an Adverse Recommendation Change following a Superior Proposal, Seller shall pay Purchaser a Break Fee in an amount equal to (i) $85,000, plus (ii) Purchaser's fees, costs and expenses incurred in connection with the evaluation, negotiation and attempted consummation of the transaction, up to a maximum aggregate amount of $140,000.

The Company's plans to adopt the liquidation accounting upon the shareholder approval of the sale of assets to AxoSim and the winddown of the Company's business, which is expected to occur prior to the end of calendar 2023. Under the liquidation basis of accounting, all of the Company's assets are stated at their estimated net realizable value. All liabilities of the Company are stated at contractual amounts and estimated liabilities are stated at their estimated settlement amounts, including estimated costs associated with completing a liquidation plan. These estimates are periodically reviewed and adjusted as appropriate. The valuation of assets at their net realizable value and liabilities at their anticipated settlement amounts will represent estimates, based on then present facts and circumstances of the net realizable value of the assets and the costs associated with carrying out the liquidation plan. The actual values and costs associated with carrying out a liquidation may materially differ due to the length of time necessary to complete the liquidation activities and other factors.

The Company significantly reduced its operating expenses in the first six months of 2023, as it evaluated strategic partners to acquire its assets, including our public company as a reverse merger candidate. As of July 31, 2023 the Company has four fulltime employees. As the Company seeks to close the AxoSim transaction, there are no assurances that we will be able to raise cash from this transaction to complete an orderly winddown of the Company's operations or, if sufficient funds are not available, bankruptcy. The Company's ability to complete the AxoSim transaction, approval and execute a an orderly winddown of its business have not yet been finalized and are not within the Company's control, and therefore cannot be deemed probable. As a result, the Company has concluded that management's plans do not alleviate substantial doubt about the Company's ability to continue as a going concern.

The Company expects to continue to incur operating losses in the future, unless and until the Company's drug discovery efforts or other revenue from collaborators are able to demonstrate a level of success that would lead to licensing potential. In addition, the Company will continue to incur the costs of being public, including legal and audit fees and director's and officer's liability insurance. These losses have had, and will continue to have, an adverse effect on the Company's working capital, total assets and stockholders' equity. Because of the numerous risks and uncertainties associated with drug discovery and development efforts and costs associated with being a public company, the Company is unable to predict when it will become profitable, and it may never become profitable. Even if the Company does achieve profitability, it may not be able to sustain or increase profitability on a quarterly or annual basis. The Company's inability to achieve and then maintain profitability would negatively affect its business, financial condition, results of operations and cash flows.

The Company's forecast of the period of time through which its current financial resources will be adequate to support its operations and its expected operating expenses are forward-looking statements and involve risks and uncertainties. Actual results could vary materially and negatively as a result of a number of factors, including:

- the Company's ability to consummate any strategic transaction, whether by acquisition, sale of any part of its business, or otherwise, and effectively operate its business during any such transaction process;
- the time needed to consummate a strategic transaction with AxoSim;
- the Company's ability to execute on its current business plans while exploring strategic alternatives;
- the Company's need for significant additional capital and the Company's ability to satisfy its capital needs;
- the Company's potential product liability or intellectual property infringement claims;
- the Company's ability to maintain or protect the validity of its patents and other intellectual property;
- the Company's dependency on third-party manufacturers to supply it with instruments and specialized supplies;
- the Company's ability to adapt its business for future developments in light of the global outbreak of COVID-19, which continues to rapidly evolve;
- the Company's dependency on the intellectual property licensed to the Company or possessed by third parties; and
- the Company's ability to retain key talent.

Cash Flows from Continuing Operations

Net cash flow from operating, investing and financing activities from continuing operations for the periods below were as follows (in thousands):

	Six months ended June 30,	
	2023	**2022**
Net cash used in operating activities	$ (6,883)	$ (7,550)
Net cash provided by (used in) investing activities	190	(361)
Net cash (used in) provided by financing activities	116	(318)
Net decrease in cash and cash equivalents from continuing operations	$ (6,577)	$ (8,229)

The Company had cash and cash equivalents of $2.8 million as of June 30, 2023.

Cash Used in Operating Activities

Net cash used in operating activities from continuing operations was $6.9 million for the six months ending June 30, 2023, consisting of a net loss of $6.0 million, decreased for net non-cash adjustments of $930 thousand and increased for cash used in operating assets and liabilities items of $1.9 million primarily related to payments of insurance, accounts payable and accrued expenses. Net cash used in operating activities from continuing operations was $7.5 million for the six months ending June 30, 2022, consisting of a net loss of $8.7 million, decreased for net non-cash adjustments of $1.0 million and additional cash used in operating assets and liabilities items of $174 thousand.

Net cash used in operating activities from continuing operations was $7.5 million for the six months ending June 30, 2022, consisting of a net loss of $8.7 million, decreased for net non-cash adjustments of $1.0 million and additional cash used in operating assets and liabilities items of $174 thousand.

Cash Used in Investing Activities

Net cash provided by investing activities from continuing operations was $190 thousand for the six months ended June 30, 2023, primarily related to the sale of equipment at the Company's former San Diego facility. Net cash used in investing activities from continuing operations was $361 thousand for the six months ending June 30, 2022, related to investments in equipment.

Cash Used in Financing Activities

Net cash provided by financing activities from continuing operations for the six months ended June 30, 2023 was $116 thousand, primarily related proceeds from issuance of stock of $458 thousand offset by payments on equipment leases of $342 thousand. Net cash used in financing activities from continuing operations for the six months ended June 30, 2022 was $318 thousand, primarily related to issuance costs related to the Lincoln Park Capital Fund LLC agreement.

Cash Flows from Discontinuing Operations

During the fourth quarter of 2022, the Company sold its *vivo*Pharm operating companies and in March 2023, sold *vivo*Pharm PTY LTD ("PTY"), the holding company of the former operating companies. During the first six month of 2023, the Company used $535 thousand of cash in operating activities of discontinuing operations related to net loss and reductions in accounts payable and accruals related to *vivo*Pharm sale transactions costs and payment of contractual severance obligations to former *vivo*Pharm employees which were accrued as of December 31, 2022.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 under Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include statements with respect to our beliefs, plans, objectives, goals, expectations, anticipations, assumptions, estimates, intentions and future performance, and involve known and unknown risks, uncertainties and other factors, which may be beyond our control, and which may cause our actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. All statements other than statements of historical fact are statements that could be forward-looking statements. You can identify these forward-looking statements through our use of words such as "may," "can," "anticipate," "assume," "should," "indicate," "would," "believe," "contemplate," "expect," "seek," "estimate," "continue," "plan," "point to," "project," "predict," "could," "intend," "target," "potential" and other similar words and expressions of the future.

There are a number of important factors that could cause the actual results to differ materially from those expressed in any forward-looking statement made by us. These factors include, but are not limited to:

- our ability to consummate the sale of our assets to AxoSim and to realize the purchase price to be paid per the asset purchase agreement

- our ability to consummate any other strategic transaction if we cannot consummate the AxoSim transaction, whether by acquisition, sale of any part of our business, or otherwise, and effectively operate our business during any such transaction process;

- substantial doubt about our ability to continue as a going concern;

- our cash position;

- our ability to finance operations;

- the ability to maintain the listing of our securities on OTC, and the potential liquidity and trading of our securities;

- our ability to retain key talent; and

- our ability to deter cyberattacks on our business.

The foregoing does not represent an exhaustive list of matters that may be covered by the forward-looking statements contained herein or risk factors that we are faced with that may cause our actual results to differ from those anticipate in our forward-looking statements. Please see "Risk Factors" for additional risks which could adversely impact our business and financial performance.

All forward-looking statements are expressly qualified in their entirety by this cautionary notice. You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date of this report or the date of the document incorporated by reference into this report. We have no obligation, and expressly disclaim any obligation, to update, revise or correct any of the forward-looking statements, whether as a result of new information, future events or otherwise. We have expressed our expectations, beliefs and projections in good faith and we believe they have a reasonable basis. However, we cannot assure you that our expectations, beliefs or projections will result or be achieved or accomplished.