

Cyanotech Corp.

Amendment to [Quarterly Report](#) - CYAN Q3-FY26 Quarterly Report for 12/31/2025 originally published through the OTC Disclosure & News Service on 02/17/2026

Explanatory Note:

Repost and Amended Q3FY26 filing for OTCID Alternative Reporting

***This coversheet was automatically generated by OTC Markets Group based on the information provided by the Company. OTC Markets Group has not reviewed the contents of this amendment and disclaims all responsibility for the information contained herein.*

CYANOTECH CORPORATION

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Kailua-Kona, HI 96740
(808) 326-1353
<https://www.cyanotech.com/>
investorrelations@cyanotech.com

Quarterly Report

For the period ending December 31, 2025 (the "Reporting Period")

Outstanding Shares

The number of shares outstanding of our Common Stock was:

7,392,243 as of December 31, 2025 *(Current Reporting Period Date or More Recent Date)*

7,232,217 as of June 13, 2025 *(per FY25 10K filing) (Most Recent Completed Fiscal Year End)*

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 Control⁵ of the company has occurred during this reporting period:

Yes: No:

⁵ "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 and names used by predecessor entities, along with the dates of the name changes.

White Mountain, Inc., a Nevada corporation incorporated March 3, 1980 with 50,000,000 authorized common shares at \$0.001 par value, entered a reverse merger with Altex Technology, Inc. (a Washington corporation) on November 14, 1983, after which the combined company was renamed Cyanotech Corporation. Cyanotech has not undergone any subsequent mergers or reorganizations; its most recent restated articles of incorporation were filed in November 2012, and a 1-for-4 reverse stock split was effectuated November 3, 2006.

Current State and Date of Incorporation or Registration: Nevada, March 3, 1983
Standing in this jurisdiction: (e.g. active, default, inactive): ACTIVE

Prior Incorporation Information for the issuer and any predecessors during the past five years: None

Describe any trading suspension or halt orders issued by the SEC or FINRA concerning the issuer or its predecessors since inception: NONE

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

On February 9, 2026, Cyanotech completed a 400-for-1 reverse stock split immediately followed by a 1-for-400 forward stock split (together, the "Reverse/Forward Stock Split"). Stockholders of record holding fewer than 400 pre-split shares were cashed out rather than receiving shares, reducing the total number of record holders to fewer than 300. Cashed-out stockholders received \$0.47 per pre-split share and thereafter have no further interest in or stockholder rights with respect to the Company. The purpose of the transaction was to allow Cyanotech to terminate registration of its Common Stock under Section 12(g) of the Exchange Act and suspend its SEC reporting obligations — a "going private" transaction.

Address of the issuer's principal executive office:

Cyanotech Corporation
73-4460 Queen Kaahumanu Highway, Suite 102
Kailua-Kona, HI 96740

Address 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: Computershare Trust Company, Inc.
Phone: 866-595-6048
Email: Web.queries@computershare.com
Address: 150 Royall Street Suite 101, Canton, MA 02021

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:	CYAN
Exact title and class of securities outstanding:	Common
CUSIP:	232437301
Par or stated value:	\$0.02
Total shares authorized:	50,000,000 as of date: 12/31/25
Total shares outstanding:	7,392,243 as of date: 12/31/25
Total number of shareholders of record:	515 as of date: 12/31/25

Please provide the above-referenced information for all other publicly quoted or traded securities of the issuer.

Other classes of authorized or outstanding equity securities that do not have a trading symbol:

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 that do not have a trading symbol). 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
Par or stated value:	\$0.01
Total shares authorized:	10,000,000 as of date: 12/31/25
Total shares outstanding:	0 as of date: 12/31/25
Total number of shareholders of record:	0 as of date: 12/31/25

Please provide the above-referenced information for all other classes of authorized or outstanding equity securities.

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.

Common stockholders receive ratable dividends if and when declared by the Board (none ever paid), hold one vote per share with no cumulative voting, and have no preemptive or conversion rights.

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

No preferred stock is currently issued or outstanding; all rights and preferences (including dividend, voting, conversion, liquidation, and redemption terms) will be determined by the Board at the time of any future issuance.

3. Describe any other material rights of common or preferred stockholders.

Upon liquidation, common stockholders receive ratable distribution of remaining assets subordinate to any preferred stock, and the articles of incorporation include anti-takeover provisions such as no cumulative voting, Board-only authority to fill vacancies, and advance notice requirements for stockholder nominations.

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.

None as of December 31, 2025

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 for the two most recently completed fiscal years and any subsequent period.

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)

Example: A company with a fiscal year end of December 31st 2024, 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, 2023 through December 31, 2024 pursuant to the tabular format above.

Any additional material details, including footnotes to the table are below: N/A

B. Convertible Debt

The following is a complete list of the Company's Convertible Debt which includes all promissory notes, convertible notes, convertible debentures, or any other debt instruments convertible into a class of the issuer's equity securities. The table includes all issued or outstanding convertible debt at any time during the last complete fiscal year and any interim period between the last fiscal year end and the date of this Certification.

Check this box to confirm the Company had no Convertible Debt issued or outstanding at any point during this period.

Date of Note Issuance	Principal Amount at Issuance (\$)	Outstanding Balance (\$) (include accrued interest)	Maturity Date	Conversion Terms (e.g., pricing mechanism for determining conversion of instrument to shares)	# Shares Converted to Date	# of Potential Shares to be Issued Upon Conversion ⁶	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g., Loan, Services, etc.)

Total Outstanding Balance:

Total Shares:

Any additional material details, including footnotes to the table are below: N/A

⁶ The total number of shares that can be issued upon full conversion of the Outstanding Balance. The number should not factor any "blockers" or limitations on the percentage of outstanding shares that can be owned by the Noteholder at a particular time. For purposes of this calculation, please use the current market pricing (e.g. most recent closing price, bid, etc.) of the security if conversion is based on a variable market rate.

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. 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")

Cyanotech Corporation, a world leader in microalgae technology for more than 40 years, produces BioAstin® Hawaiian Astaxanthin® and Hawaiian Spirulina Pacifica®. These all-natural, dietary ingredients and supplements leverage our experience and reputation for quality, building nutritional brands which promote health and well-being. The Company's mission is to fulfill the promise of whole health through Hawaiian microalgae. We produce our products in the United States and are sold globally through Cyanotech and our wholly owned subsidiary, Nutrex-Hawaii, Inc.

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

Subsidiary: Nutrex Hawaii, Inc.

C. Describe the issuers' principal products or services.

The Company grows both astaxanthin and spirulina in open ponds in a natural setting on the Kona coast in Hawaii. The products are sold in bulk or packaged form. The packaged products are sold by Nutrex-Hawaii, Inc. under the brand name BioAstin® Hawaiian Astaxanthin® and Hawaiian Spirulina Pacifica®.

5) Issuer's Facilities

The goal of this section is to provide investors 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. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

Our Corporate headquarters is on a 96-acre facility in Kailua-Kona, Hawaii where the Company grows, cultivates, processes and extracts the microalgae. The Company's finished product distribution center is in Rancho Cucamonga, California.

6) All Officers, Directors, and 5% Beneficial Owners of the Company

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer's securities.

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. 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 investors 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 owners.

Individual Name	Position/Company Affiliation	City and State	Number of Shares Owned*	Class of Shares Owned	Percentage of Class of Shares Owned*
Michael A. Davis	Chairman of the Board	Kailua-Kona, HI	1,788,756	Common	24.7%
David L. Vied	Independent Director	Kailua-Kona, HI	181,138	Common	2.5%
David M. Mulder	Independent Director	Kailua-Kona, HI	159,468	Common	2.2%
Matthew K. Custer	President & CEO; Director	Kailua-Kona, HI	154,679	Common	2.1%
Gerald R. Cysewski, Ph.D.	CEO Emeritus & Chief Scientific Officer	Kailua-Kona, HI	145,962	Common	2.0%
Amy B. Nordin	VP Human Resources, Corporate Secretary	Kailua-Kona, HI	58,074	Common	0.8%
Glenn D. Jensen	VP, Operations	Kailua-Kona, HI	43,295	Common	0.6%
Collette N. Kakuk	Chief Strategic & Commercial Officer	Kailua-Kona, HI	21,374	Common	0.3%
Jennifer M. Johansen	VP, Quality, Regulatory & Gov't Affairs	Kailua-Kona, HI	8,881	Common	0.1%
Jennifer A.S. Miyashiro	CFO, VP - Finance & Admin, Treasurer	Kailua-Kona, HI	-	Common	0.0%
Jennifer K. Brand	VP, Sales	Kailua-Kona, HI	-	Common	0.0%
Rudolf Steiner Foundation	> 5% beneficial owner		917,133	Common	12.7%
Ginungagap Foundation	> 5% beneficial owner		424,621	Common	5.9%
Officers, Directors, and 5%+ Beneficial Owners			3,903,381		53.9%

*as of 6/27/25.

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, log in to www.OTCIQ.com to update your company profile.

7) Legal/Disciplinary History

- A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:
1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations); No
 2. Been the subject of 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, financial- or investment-related, insurance or banking activities; NO
 3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated; NO
 4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or NO
 5. Been the subject 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. NO
 6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail. NO
- 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 to 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.

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, update your company profile.

Securities Counsel

Name: Allen Overy Shearman Sterling US LLP
Address 1: 140 New Montgomery
Address 2: San Francisco, CA 94105
Phone: +1 415 796 4160
Email: <https://www.aoshearman.com/en/about-us>

Accountant or Auditor

Name: BPM LLP
Firm: BPM LLP
Address 1: One California Street Suite 2500
Address 2: San Francisco, CA 94111

Phone: +1 (415) 421-5757
Email: <https://www.bpm.com/>

Investor Relations

Name: Jennifer Miyashiro, CFO
Firm:
Address 1:
Address 2:
Phone:
Email: investorrelations@cyanotech.com

All other means of Investor Communication:

X (Twitter):
Discord:
LinkedIn
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.
N/A

9) **Disclosure & Financial Information**

A. This Disclosure Statement was prepared by (name of individual):

Name: Jennifer Miyashiro
Title: CFO, Cyanotech
Relationship to Issuer: CFO, Cyanotech

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

- IFRS
 U.S. GAAP

C. The following financial statements were prepared by (name of individual):

Name: Linda Tanoai
Title: Corporate Controller, Cyanotech
Relationship to Issuer: Corporate Controller, Cyanotech

Describe the qualifications of the person or persons who prepared the financial statements:⁷

Provide the following qualifying financial statements:

- Audit letter, if audited;
- Balance Sheet;
- Statement of Income;
- Statement of Cash Flows;
- Statement of Retained Earnings (Statement of Changes in Stockholders' Equity);
- Financial Notes

Financial Statement Requirements:

⁷ 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.

- Financial statements must be published together with this disclosure statement as one document.
- Financial statements must be “machine readable.” Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

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, Matthew Custer certify that:

1. I have reviewed this Disclosure Statement for Cyanotech Corporation;
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.

04/14/2026

/s/ Matthew Custer, CEO

Principal Financial Officer:

I, Jennifer Miyashiro certify that:

1. I have reviewed this Disclosure Statement for Cyanotech Corporation;
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.

04/14/2026

/s/ Jennifer Miyashiro, CFO

CYANOTECH CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)
(in thousands)

	December 31, 2025	March 31, 2025
ASSETS		
Current assets:		
Cash	\$ 548	\$ 257
Accounts receivable, net of allowance for credit losses for both December 31, 2025 and March 31, 2025	2,247	1,953
Inventories	8,092	7,788
Prepaid expenses and other current assets	479	547
Total current assets	11,366	10,545
Equipment and leasehold improvements, net	8,056	8,927
Operating lease right-of-use assets, net	3,493	3,902
Other assets	125	116
Total assets	\$ 23,040	\$ 23,490
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 2,315	\$ 2,217
Accrued expenses	941	715
Customer deposits	68	110
Operating lease obligations, current portion	586	555
Short term debt - bank	250	760
Line of credit - related party	4,400	3,000
Current maturities of long-term debt	2,713	2,886
Total current liabilities	11,274	10,243
Long-term debt - related party	1,000	1,000
Long-term operating lease obligations	2,922	3,363
Total liabilities	15,196	14,606
Commitments and contingencies		
Stockholders' equity		
Preferred stock of \$0.01 par value, 10,000,000 shares authorized; no shares issued and outstanding	-	-
Common stock of \$0.02 par value, 50,000,000 shares authorized; 7,392,243 shares at December 31, 2025 and 7,199,908 shares at March 31, 2025 issued and outstanding	148	144
Additional paid-in capital	34,955	34,844
Accumulated deficit	(27,259)	(26,104)
Total stockholders' equity	7,844	8,884
Total liabilities and stockholders' equity	\$ 23,040	\$ 23,490

CYANOTECH CORPORATION
Condensed Consolidated Statements of Operations
(Unaudited)
(In thousands)

	Three Months Ended December 31, 2025	Nine Months Ended December 31, 2025
Net sales	\$ 5,877	\$ 18,674
Cost of sales	3,763	12,394
Gross profit	2,115	6,281
	36.0%	33.6%
Operating expenses:		
General and administrative	914	3,197
Sales and marketing	1,212	3,494
Research and development	42	195
Loss on disposal of assets	-	11
Total operating expenses	2,168	6,897
Profit/(Loss) from operations	(53)	(616)
Interest expense, net	(177)	\$ (538)
Gain on extinguishment of debt	-	
Profit/(Loss) before income taxes	(230)	(1,154)
Income tax expense	-	
Net Profit/(Loss)	\$ (230)	\$ (1,154)

CYANOTECH CORPORATION
Condensed Consolidated Statements of Stockholders' Equity/(Deficit)
For the YTD ended DECEMBER 31, 2025
(Unaudited)
(in thousands, except share data)

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
Balances at April 1, 2025	7,199,908	144	34,844	(26,104)	8,884
Issuances of common stock for Directors Stock Grants	150,000	3	39		42
Issuances of common stock to Director in lieu of cash for current year board fees					-
Issuances of common stock to Director in lieu of cash for prior year board fees					-
Issuance of vested shares of restricted stock	66,406	1	(8)		(7)
Shares withheld for tax payments	(24,071)		(3)		(3)
Share-based compensation expense			83		83
Net loss				(1,154)	(1,154)
Balances at December 31, 2025	<u>7,392,243</u>	<u>148</u>	<u>34,955</u>	<u>(27,258)</u>	<u>7,845</u>

CYANOTECH CORPORATION
Condensed Consolidated Statements of Stockholders' Equity/(Deficit)
For the Quarter ended DECEMBER 31, 2025
(Unaudited)
(in thousands, except share data)

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
(in thousands, except per share data)					
Balances at October 1, 2025	7,392,243	148	34,946	(27,028)	8,066
Issuances of common stock for Directors Stock Grants	-	-	-		-
Issuances of common stock to Director in lieu of cash for current year board fees					-
Issuances of common stock to Director in lieu of cash for prior year board fees					-
Issuance of vested shares of restricted stock	-				-
Shares withheld for tax payments	-		-		-
Share-based compensation expense			9		9
Net loss				(230)	(230)
Balances at December 31, 2025	<u>7,392,243</u>	<u>148</u>	<u>34,955</u>	<u>(27,258)</u>	<u>7,845</u>

CYANOTECH CORPORATION
Condensed Statements of Cash Flows For the quarter ended December 31, 2025
(Unaudited)
(In thousands)

	Three Months Ended December 31, 2025	Nine Months Ended December 31, 2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (230)	\$ (1,154)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Net cash used in operating activities	(65)	(285)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net cash used in investing activities	(37)	(123)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net cash provided by financing activities	1	699
Net decrease in cash	(101)	291
Cash at beginning of period	649	257
Cash at end of period	\$ 548	\$ 548

CYANOTECH CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 (Unaudited)

NOTE 1 – ORGANIZATION AND BASIS OF PRESENTATION

Cyanotech Corporation (the "Company"), incorporated in Nevada in 1983, is located in Kailua-Kona, Hawaii and trades on the OTCQB under the symbol "CYAN." The Company produces microalgae-derived natural products for the dietary supplements market, including Hawaiian Spirulina Pacifica® and BioAstin® Hawaiian Astaxanthin®. The unaudited interim financial statements are prepared in accordance with U.S. GAAP for interim reporting and should be read in conjunction with the annual financial statements for the year ended March 31, 2025.

Liquidity and Going Concern

The financial statements have been prepared on a going concern basis. The Company has sustained operating losses and negative cash flows from operations, was not in compliance with two bank debt covenants as of March 31, 2025 and 2024, and the Bank froze advances on its revolving credit in June 2023. These conditions raise substantial doubt about the Company's ability to continue as a going concern.

As of December 31, 2025, cash was \$548,000 and working capital was \$92,000. The Company's primary debt consists of: (i) a bank term loan (2023 Loan) with \$250,000 outstanding, maturing March 31, 2026; (ii) a related-party revolving credit facility (Revolver) with \$4,400,000 outstanding, maturing April 12, 2027; and (iii) a bank term loan (2012 Loan) with \$2,713,000 outstanding, maturing August 2032. The Bank waived covenant violations as of March 31, 2025 on June 4, 2025, but no assurance can be given that future waivers will be obtained. The Company also has a \$1,000,000 related-party note maturing April 12, 2027.

The Company continues to implement cost savings initiatives including production alignment, reduced headcount, and elimination of discretionary expenses. No assurance can be provided that the Company will achieve its operating plan or cash flow projections.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements include Cyanotech Corporation and its wholly owned subsidiary, Nutrex Hawaii, Inc. The Company operates in one business segment. Intercompany balances and transactions are eliminated.

Revenue is recognized upon transfer of control of products to the customer, generally at delivery. Variable consideration (trade promotions, returns, discounts) is estimated based on historical experience. Customer deposits are recorded as contract liabilities until earned.

Inventories are stated at the lower of cost or net realizable value using the first-in, first-out method.

The Company adopted no new accounting standards that had a material effect on the financial statements during the nine months ended December 31, 2025. New standards under evaluation include ASU 2023-09 (income tax disclosures), ASU 2024-03 (expense disaggregation), and ASU 2025-05 (credit losses for accounts receivable); none are expected to have a material impact.

NOTE 3 – INVENTORIES

Inventories were \$8,092,000 and \$7,788,000 as of December 31, 2025 and March 31, 2025, respectively, consisting primarily of finished goods and work in process.

NOTE 4 – EQUIPMENT AND LEASEHOLD IMPROVEMENTS, NET

Equipment and leasehold improvements, net were \$8,056,000 and \$8,927,000 as of December 31, 2025 and March 31, 2025, respectively. Depreciation and amortization expense was \$322,000 and \$1,030,000 for the three and nine months ended December 31, 2025, respectively. No asset impairment existed as of December 31, 2025.

NOTE 5 – LINE OF CREDIT AND LONG-TERM DEBT

Total debt consists of the following (in thousands):

	Dec 31, 2025	Mar 31, 2025
Short-term debt – bank (2023 Loan)	\$250	\$760
Line of credit – related party (Revolver)	\$4,400	\$3,000
Long-term debt (2012 Loan), net of unamort debt issuance costs	\$2,713	\$2,886
Long-term debt – related party (Skywords Note)	\$1,000	\$1,000
Less: current maturities	\$(7,363)	\$(6,646)
Long-term debt – related party, net	\$1,000	\$1,000

2023 Loan: Originally a \$1,480,000 term loan (converted from revolving credit October 2023). Maturity extended to March 31, 2026. Monthly payments of \$40,000 plus interest. Interest rate: WSJ prime + 2% (floor 7.0%); rate was 8.75% at December 31, 2025.

2012 Loan: \$5,500,000 USDA-guaranteed term loan, amortizing through August 2032. Interest at WSJ prime + 1.0% (floor 5.5%); rate was 7.75% at December 31, 2025. Classified as current due to probable covenant violation within twelve months.

Covenant Violations and Waivers: The Company was not in compliance with the debt service coverage ratio and current ratio covenants as of March 31, 2025. The Bank waived these violations on June 4, 2025, but reserves the right to declare a default if future covenants are not met.

In September 2025, the Company financed production equipment of \$51,000 through John Deere Financial at an imputed rate of 8%, payable through October 2030.

Future principal payments under term loans as of December 31, 2025 (in thousands): Remainder of FY2026 – \$3,023; FY2028 – \$1,000; Total – \$4,023.

NOTE 6 – OPERATING LEASES

The Company leases facilities, equipment and land under non-cancelable operating leases expiring through 2037. As of December 31, 2025, the weighted average remaining lease term was 8.2 years and the weighted average discount rate was 7.4%. Total right-of-use assets were \$3,493,000 and total lease liabilities were \$3,507,000 (\$588,000 current, \$2,919,000 non-current). Operating lease cost was \$205,000 and \$613,000 for the three and nine months ended December 31, 2025, respectively.

NOTE 7 – ACCRUED EXPENSES

Accrued expenses were \$941,000 and \$715,000 as of December 31, 2025 and March 31, 2025, respectively.

NOTE 8 – COMMITMENTS AND CONTINGENCIES

There were no significant legal matters outstanding as of December 31, 2025.

NOTE 9 – SHARE-BASED COMPENSATION

The Company has two active equity plans: the 2016 Equity Incentive Plan and the 2024 Independent Director Stock Option and Restricted Stock Grant Plan. As of September 30, 2025, there were 813,381 options and RSUs outstanding and 546,882 shares available for future grant. During the six months ended September 30, 2025, 475,000 options were granted at a weighted average exercise price of \$0.34 and 115,625 RSUs were granted at a weighted average price of \$0.40.

Stock option compensation expense was \$7,000 and \$26,000 for the three and six months ended September 30, 2025 (\$10,000 and \$39,000 in the comparable prior-year periods). RSU compensation expense was \$17,000 and \$47,000 for the three and six months ended September 30, 2025 (\$32,000 and \$51,000 in the prior-year periods).

As of September 30, 2025, unrecognized stock-based compensation was \$90,000 for options and \$23,000 for RSUs, to be recognized over a weighted average period of approximately 2.6 years.

NOTE 10 – INCOME TAXES

The Company recorded no income tax expense for the three and nine months ended December 31, 2025 and 2024 (0% effective rate). The effective rate differs from the 21% statutory rate primarily due to a full valuation allowance maintained against net deferred tax assets. The Tax Reform Act of 2025 (H.R.1, signed July 4, 2025) is not expected to have a material impact on the Company's effective tax rate for fiscal year ended March 31, 2026.

NOTE 11 – NET INCOME (LOSS) PER SHARE

Basic and diluted net income (loss) per share (in thousands except per share):

Period	Net Inc/(Loss)	Shares	Per Share
Q3 FY2026 (3 mos)	\$(230)	7,392	\$(0.03)
Q3 FY2025 (3 mos)	\$(224)	7,156	\$(0.03)
YTD FY2026 (9 mos)	\$(1,154)	7,292	\$(0.16)
YTD FY2025 (9 mos)	\$(2,576)	7,036	\$(0.37)

Diluted shares equal basic shares in loss periods as common share equivalents are anti-dilutive.

NOTE 12 – RELATED PARTY TRANSACTIONS

Skywords Family Foundation, Inc. ("Skywords"), controlled by the Company's Chairman of the Board and largest stockholder, is the lender on two facilities:

Skywords Note: \$1,000,000 outstanding as of December 31, 2025 and March 31, 2025. Interest at WSJ prime + 1% (floor 5%); rate was 8.5% at December 31, 2025. Matures April 12, 2027. Pursuant to a May 2025 amendment, the Company may elect to pay fiscal year 2026 interest in common stock in lieu of cash.

Skywords Revolver: Revolving credit facility, increased to \$4,600,000 in August 2025 and extended to mature April 12, 2027. Balance was \$4,400,000 and \$3,000,000 as of December 31, 2025 and March 31, 2025, respectively. Interest at WSJ prime + 1% (floor 5%); rate was 8.5% at December 31, 2025.