

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Form 10-K

(Mark One)

ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM \_\_\_\_\_ TO \_\_\_\_\_

COMMISSION FILE NUMBER 000-54697

**THE CORETEC GROUP INC.**

(Name of small business issuer in its charter)

Oklahoma  
(State or other jurisdiction of  
incorporation or organization)

73-1479206  
(I.R.S. Employer  
Identification No.)

333 Jackson Plaza, Ste 460, Ann Arbor, MI 48103  
(Address of principal executive offices) (Zip Code)

Issuer's telephone Number: (866) 916-0833

Securities registered under Section 12(b) of the Act: None.

Securities registered under Section 12(g) of the Act: None.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  
Yes  No

Indicate by check if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act.  
Yes  No

Indicate by check mark whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or such shorter period that the registrant was required to submit such files).  
Yes  No

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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

Yes  No

The aggregate market value of the voting and non-voting common equity held by non-affiliates, computed by reference to the average bid and asked price of such common equity as of June 30, 2023 was \$1,623,021.

As of March 21, 2024, the issuer had 301,368,572 outstanding shares of Common Stock.

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## **PART I**

This Annual Report on Form 10-K includes the accounts of The Coretec Group Inc., an Oklahoma corporation, together with its wholly owned subsidiary, Coretec Industries LLC, a North Dakota limited liability corporation (collectively referred to herein as “the Group” or “Coretec”). References in this Form 10-K to “we”, “our”, “us” or the “Company” refer to The Coretec Group Inc. and its consolidated subsidiary unless context dictates otherwise.

### **FORWARD LOOKING STATEMENTS**

Certain statements in this Form 10-K, including information incorporated by reference, are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, as amended. Forward-looking statements reflect current views about future events and financial performance based on certain assumptions. They include opinions, forecasts, intentions, plans, goals, projections, guidance, expectations, beliefs or other statements that are not statements of historical fact. Words such as “will,” “may,” “should,” “could,” “would,” “expects,” “plans,” “believes,” “anticipates,” “intends,” “estimates,” “approximates,” “predicts,” “forecasts,” “potential,” “continue,” or “projects,” or the negative or other variation of such words, and similar expressions may identify a statement as a forward-looking statement. Any statements that refer to projections of our future financial performance, our anticipated growth and trends in our businesses, our goals, strategies, focus and plans, and other characterizations of future events or circumstances, including statements expressing general optimism about future operating results and the development of our products, are forward-looking statements.

Although forward-looking statements in this Form 10-K reflect the good faith judgment of our management, such statements can only be based on facts and factors currently known by us. Consequently, forward-looking statements are inherently subject to risks and uncertainties and actual results and outcomes may differ materially from the results and outcomes discussed in or anticipated by the forward-looking statements. Factors that could cause or contribute to such differences in results and outcomes include, without limitation, those specifically addressed under the heading “Risk Factors” below, as well as those discussed elsewhere in this Form 10-K. Readers are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this Form 10-K. We file reports with the Securities and Exchange Commission (“SEC”). The public can read and copy any materials we file with the SEC at the SEC’s Public Reference Room at 100 F Street, NE, Washington, DC 20549. You can obtain additional information about the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an Internet site ([www.sec.gov](http://www.sec.gov)) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, including us.

We undertake no obligation to revise or update any forward-looking statements in order to reflect any event or circumstance that may arise after the date of this Form 10-K. Readers are urged to carefully review and consider the various disclosures made throughout the entirety of this Form 10-K, which attempt to advise interested parties of the risks and factors that may affect our businesses, financial condition, results of operations and prospects.

## ITEM 1. BUSINESS

### Organizational History

On June 22, 2017, the Group filed an Amended Certificate of Incorporation with the Secretary of State of the State of Oklahoma to change its name from “3DIcon Corporation” to “The Coretec Group Inc.,” which became effective on June 29, 2017.

The Group, formerly known as 3DIcon Corporation, was incorporated on August 11, 1995, under the laws of the State of Oklahoma. Prior to September 30, 2016, the Group’s primary activity had been the raising of capital in order to pursue its goal of becoming a significant participant in the development, commercialization and marketing of next generation 3D display technologies.

On September 30, 2016, Coretec Industries LLC became a wholly owned subsidiary of the Group, and the Group issued an aggregate 15,870 shares of the Group’s Series B Convertible Preferred Stock; those shares were subsequently converted into 30,374,363 shares of common stock.

### Overview of the Company.

**Coretec’s Technology.** The Coretec Group owns intellectual property and patents related to the production and application of engineered silicon to enable new technologies and to improve the lifespan and performance of a variety of materials in a range of industries. The Company is exploring opportunities to use its silicon discoveries and developments to improve the performance of lithium-ion batteries, solid-state LED lights and semiconductors, among other technologies. It is also exploring ways to use its intellectual property to develop optical plastics to advance development of its CSpace 3D imaging chamber.

**Endurion.** The Company is developing a lithium-ion battery with a silicon-based anode under the name Endurion. The battery industry acknowledges silicon as the next frontier in increasing battery life and utility. To date, battery developers have experienced expansion and contraction problems with silicon anodes including continual formation and degradation of solid-electrolyte-interphase (SEI) material as lithium-ions are absorbed and discharged. During this process, silicon particles can break down, immediately reducing the charging capacity of the anodes. Additionally, the continual formation of SEI material consumes lithium-ions that are then unavailable for charging and can cause negative effects on cycle life. The Company’s battery development program, Endurion, addresses this problem by using silicon-based nanoparticles to mitigate the swelling and pulverization issues that are common in early iterations of silicon anodes. Additionally, Endurion nanoparticles are being engineered with an inherent SEI layer that will allow better conduction of lithium-ions across the SEI layer, thus leading to better cycle life. Using a bottom-up wet chemistry approach, Endurion is being designed to increase energy density in batteries and allow for greater endurance, enhanced performance, and larger capacity in burgeoning applications such as electric vehicles, military technologies, mobile devices, and space exploration.

**Cyclohexasilane (CHS).** Coretec’s underlying technology is focused on the production of a high-value liquid silicon precursor, cyclohexasilane (“CHS”). A key advantage of CHS is that it remains in liquid form at room temperature and does not convert to a gas until heated above 450°F. CHS is superior to other silicon precursors in many ways compared to materials commonly used for manufacturing silicon-based semiconductors and solar cells (monosilane or trichlorosilane), which have much lower boiling points that require more prescriptive handling that results in higher shipping and handling costs. Using CHS offers several potential technical advantages of using CHS versus common silicon precursors. The Company anticipates that CHS will first be used as an alternative to monosilane or trichlorosilane when adding silicon to lithium-ion batteries or when used in manufacturing silicon-based semiconductors.

The Company also envisions long-term potential in several emerging markets where there are opportunities to convert CHS into nanoparticles and nanowires, for such purposes as:

- Energy storage
- Solid-state LED lighting
- Light sensing spectrometers
- Printable electronics
- Building-integrated photovoltaic (BIPV) solar energy

**Enhancement of CSpace.** The Company's CSpace segment is developing technologies to produce 360-degree volumetric, high-resolution images in a 3D image chamber. The Company is applying its technical expertise and intellectual property in silicon-based materials to advance commercialization prospects for its CSpace technology.

A key challenge in the evolution of CSpace is the development of the material used for the image chamber. The Company is exploring and testing a variety of glass alternatives with a focus primarily in optimizing the weight and cost of a glass medium.

**Near-Term Revenue Opportunities.** Opportunities for near-term revenue continue to be explored in battery and microelectronic markets. Interest in the use of silicon in Li-ion batteries continues to increase driven by the growing demand for electrical vehicles, the growth of mobile electronics, and energy storage systems for backup power in commercial wind and solar systems. Discussions are ongoing with end-users of Li-ion battery anode materials that are seeking next generation materials to further increase performance while improving lifetime, charging time, safety and reliability.

We believe these users will be well positioned to benefit from Endurion. While we believe Endurion will provide near term revenue, we also continue to explore revenue opportunities with CHS in microelectronics and especially those early adopter markets where advanced microelectronics are being developed in lower volumes and with less price sensitivity.

## **Endurion Business**

The global demand for an improved battery is increasing exponentially. The lithium-ion battery market size is expected to grow from \$45 billion in 2022 to \$135 billion by 2031; with a compounded annual growth rate of 13% over that time period. The Company's plan is to develop a Li-ion battery with a silicon-based anode. Research has shown that silicon has a 10X increased capacity of energy storage. So, even incremental amounts of silicon in the traditional graphite matrix could contribute substantially to overall increased anode capacity. The Coretec Group's unique functionalized silicon nanoparticle anode material with an engineered SEI layer allows greater ability to access the unique material properties of silicon potentially leading to increased energy density, faster charging, and enhanced cycle life.

### *Endurion Business Model*

Coretec's business model for Endurion is to use its expertise in engineering silicon to create modified silicon nanoparticles for the Endurion battery. The Company uses its personnel, laboratory, and physical assets to research and develop Endurion. In addition, the Company will utilize the resources of outside vendors for products and services including outside testing providers, chemical material suppliers, and battery manufacturers.

### *Potential Applications for Endurion Revenue*

- Electric vehicles
- Consumer electronics
- Stationery and utility-scale energy storage for green energy development – wind and solar
- Military vehicles, drones, and weapon systems as well as wearable power for soldiers

### *Endurion Competition*

The global lithium-ion battery market size was valued at USD \$45 billion in 2022 and a number of multi-billion dollar companies such as Panasonic and Samsung manufacture Li-ion batteries. Lithium silicon batteries are a subclass of the total Li-ion battery market. The global adoption of electric vehicles is driving the growth in battery innovation. A number of private and public companies are attempting to improve lithium-ion batteries by using silicon in the battery anode. To date, a proven solution for a silicon based anode has yet to be commercialized on a large scale.

The Company's wet chemistry approach is innovative and ground breaking. The Endurion technology will produce an anode for lithium-ion batteries with an artificial SEI layer on silicon nanoparticles. The competitive advantage of Endurion is realizing the immense benefits of silicon in lithium-ion batteries and achieving:

- Greater energy density
- Faster charging
- Improved cycle life

## Cyclohexasilane Business

The Company's business model is to identify and commercialize disruptive technologies requiring silicon that serve advanced technology markets. Sources of disruptive technology are often licensed technology created by major universities, institutes, national laboratories and other research centers. Where technology does not already exist, the Company intends to sponsor and jointly develop research with its customers, as well continue its research in the Company's lab.

Coretec is developing, testing, and providing new and/or improved technologies and resulting product solutions for energy-related industries including, but not limited to energy storage, renewable energy, energy conservation, and distributed energy industries. Many of these technologies and resulting product solutions can also be applied to the broader markets of anti-counterfeit packaging, medical devices, electronics, photonics, and displays. The initial technologies and product solutions are based on new innovations in:

- Cyclohexasilane (Si<sub>6</sub>H<sub>12</sub>)
- Silicon quantum dots (Si QDs)
- "Stacked" polysilane ((R<sub>2</sub>Si)<sub>n</sub>)
- Doped alloy variants of the various silicon innovations
- Future, high-refractive-index siloxane polymers (HRISP)

Early adoption of these technologies and resulting product solutions is anticipated in markets for energy storage (lithium-ion batteries), solid-state lighting (LEDs), solar energy and printable electronics.

Coretec's management leverages years of expertise and experience in equipment and services for the energy storage industry, procuring and managing investments and financial services, and in R&D and commercialization of material and chemical technologies.

### *CHS Business Model*

Coretec's business model includes monitoring the ever-growing catalogue of new technologies and valuable IP for licensing opportunities that could lead to incremental improvements and/or additional features in resulting products or lead to next generation products for use by energy-related industries and is created and held within universities and other parties that may lack financial resources and/or interest to further develop and commercialize them.

Additionally, where needs exist, but new technologies and resulting products are not currently available, the Company aims to conduct research-and-development ("R&D") activities through sponsored projects performed at major universities, institutes, national laboratories and other research centers. Coretec will leverage existing, world-class expertise, experience, and laboratory facilities in these non-profit entities for R&D, testing, and proof-of-concept studies up to and including studies at the device level that may be required to create commercialization opportunities.

Following these proof-of-concept studies, commercialization opportunities (e.g., manufacturing, marketing, sales) created for its technologies and intellectual property (IP) will include, but are not limited to:

- Joint ventures or other business collaborations with Coretec's joint development partners who can manufacture, market and sell new or improved products (based upon Coretec's technologies and IP) into existing or new supply chains
- Manufacturing, marketing and selling its own products
- Creating exit strategies such as:
  - o The sale of one or more technologies and related IP to the private sector
  - o The licensing of and/or sublicensing of one or more technologies and related IP to the private sector
  - o Other business transactions, such as mergers, acquisitions and spinoffs

## *CHS Research & Development*

Coretec's priorities for R&D and commercialization are customer- and market-driven and guided by the needs and specifications of the energy-related industries served. Identified customer- and market-driven opportunities include:

- Novel silicon-based materials that facilitate “greener” more eco-friendly energy production, including:
  - Lower-cost, longer-life, higher-capacity battery energy storage systems, such as lithium-ion batteries (LiBs), for use in transportation and distributed power-generation systems
  - More aesthetically appealing, lower cost building-integrated photovoltaics (BIPV)
  - Flexible and/or printable electronics for use in monitoring the condition of distributed or remote assets, e.g., wind power and embedded, wireless sensors to detect corrosion and other changes in pipelines.
- Novel silicon-based materials that facilitate “greener” more energy efficient products, such as the encapsulation of high-brightness LEDs to improve light extraction, and solar cells to improve full-spectrum light collection
- Novel silicon-based materials that facilitate more efficient and eco-friendly exploration and monitoring of distributed energy industries, including imaging materials for visualizing oil and gas exploration and distribution data using volumetric 3D displays
- Novel silicon-based materials that prevent illegal imitation or reproduction of a product or service used within energy-related industries, including trusted-supply products (anti-counterfeit packaging) for supply chain assurance, currency, identity documents, lottery tickets, etc.

## *Future CHS Revenue*

In the future, the Company anticipates revenue from one or more business transactions, such as:

- The sale of Coretec novel silicon-based materials that improve or otherwise enhance the performance of such products as lithium-ion batteries, electronics, solar cells, and displays and/or other optical-based devices
- A share of the revenue from the sale of jointly developed product(s) and/or from one or more joint ventures with strategic partners
- The sale or licensing of technologies and associated intellectual property to joint development partners or other companies

## *CHS Competition*

Based on market research and competitive analysis, the Company believes its CHS technology is unique and provides an advantage in that should allow for 1) high-yield, low-cost production using readily available raw materials, 2) storage, transport and use as a liquid at room temperature 3) processing of the liquid into fibers, particles, and films that, when heated, form silicon, and 4) the creation of doped silicon by doping CHS at an atomic level. Competing silanes provided by numerous manufacturers exist as a gas at room temperature, making them explosive. This results in greater costs for storage, handling, transportation and use. The closest competitor to Coretec's CHS is cyclopentasilane which exists as a gas at room temperature. Cyclopentasilane has proven costly and difficult to manufacture. Other competitors exist for specific applications. For example, graphene and carbon nanotubes are potential competitors in printable electronics. However, they are only now emerging and require a purification process that is proving costly.

Coretec's business and commercialization model is based in part upon establishing joint development partnerships with companies that are commercially successful and financially sound as well as deeply embedded in the supply chains for the aforementioned energy-related products. For example, Coretec is developing a strategic partnership with a domestic supplier of silicon-based materials that will facilitate further development and scale-up of cyclohexasilane (Si<sub>6</sub>H<sub>12</sub>) plus chemical derivatives and other materials based on CHS. This strategic partnership will enable Coretec to supply large quantities of these novel silicon materials to those companies interested in producing prototype batteries, electronics, and photovoltaic/solar cells for testing and commercial evaluation. Coretec will continue to seek other such strategic partnerships within the private sector.



## **Volumetric 3D Display Business**

The Company owns the rights to a patented volumetric 3D display technology that was developed by and with the University of Oklahoma (the “University”) under a Sponsored Research Agreement (“SRA”). The development to date has resulted in multiple technologies and two working laboratory prototypes (Lab Proto 1 and Lab Proto 2). Under the SRA, the Company has obtained the exclusive worldwide marketing rights to these 3D display technologies. On December 28, 2010, the United States Patent and Trademark Office (“USPTO”) approved the patent called “Light Surface Display for Rendering a Three-Dimensional Image,” and issued the United States Patent No. 7,858,913. On August 21, 2012, the USPTO approved a continuation patent called “3D Volumetric Display” and issued the US Patent No. 8,247,755. These patents describe the foundation of what is called CSpace® technology (“CSpace”).

### *Overview of Volumetric 3D Display Technology*

CSpace is a patented glasses-free 3D static volumetric display technology that is being designed to produce high-resolution, full-color, true 3D images from 3D datasets generated by imaging systems or transformed from raw datasets (e.g., cyber data) that can benefit from visualization in 3D. Coretec’s CSpace will deliver 800 million voxels in a full color desktop format having a 360-degree viewing angle. The creation of high resolution images in a glass chamber reduces eye and cognitive fatigue that can degrade user comfort, endurance and reliability during decision making.

### *Commercialization Strategy and Target Applications*

The Company plans to commercialize the CSpace volumetric 3D technology through customer-funded research-and-development contracts and technology licensing agreements for such high-value applications as air-traffic control, design visualization, and medical imaging. The Company plans to develop products for contract engineering and with joint development customers. At this time the Company does not have any commercialized products and does not plan to develop its own products based on the CSpace technology due to the high-value, low-volume nature of the best-fit initial applications for this technology. These applications include but are not limited to the following:

- Healthcare (diagnostics, surgical planning, training, telemedicine, bio surveillance)
- Cybersecurity data visualization
- Military (operational planning, training, modeling and simulation, battlespace awareness, damage assessment, autonomous piloting)
- Physical security (passenger, luggage & cargo screening)
- Mining, oil & gas exploration
- Meteorological and oceanographic data visualization

### *CSpace Competition*

Based on market research, we have concluded that the CSpace volumetric technology is unique and advantaged versus other 3D technologies in that it can deliver both 1) a true 360-degree viewing experience for multiple simultaneous users, and 2) high image quality, high reliability and large image size. Rear projection 3D displays such as those from Zecotek, Setred, and EuroLCDs (formerly LC Tech LightSpace) do not provide a 360-degree viewing experience and are typically limited to one or two users. Early proof-of-concept work done on infrared active phosphor displays by 3D Display Laboratories proved to not be scalable due to limited phosphor persistence and vector scanning limitations. While holographic and light-field displays show promise, they do not deliver a true 360-degree viewing experience and cost-effective multiple user systems do not appear feasible due to current and expected pixel density, data bandwidth and compute power limitations.

### *History of 3D Technology Research and Development at the University of Oklahoma*

Beginning in 2007 the University, under an SRA with the Company, undertook the development of high potential 3D display technologies. It is anticipated that Coretec’s technology will play a key role in the continued development of an image space material for CSpace.

## Intellectual Property

### *Pending Applications*

- “Method of Preparing CYCLOSILANE” – applications filed in the United States and internationally, September 27, 2021
- “Method for Fabricating Silicon Quantum Dots” PCT application filed, August 30, 2022
- “Surface-Functionalized Silicon Quantum Dots”, application filed in the United States, December 2, 2022.
- “Cyclohexasilane for Electrodes”, application filed in the United States, August 22, 2023
- “SI Anode”, provisional application filed in the United States, May 1, 2023

### *Granted*

- “Ultra High-Resolution Volumetric Three-Dimensional Display” - 9,423,682, August 23, 2016
- “Holoform 3D Projection Display” – 9,477,087, October 25, 2016

### *Licensed*

- The following patents are exclusively licensed to the Company from the University of Oklahoma:

#### United States Patents Granted

- “3D Volumetric Display” - 8,247,755, August 21, 2012
- “3DLight Surface Display” - 8,075,139, December 13, 2011
- “Light Surface Display for Rendering a Three-Dimensional Image” - 7,858,913, December 28, 2010
- “Computer System with Digital Micromirror Device” – 8,487,865, July 16, 2014


#### International Patents Granted-Japan

- “Light Surface Display for Rendering a Three-Dimensional Image” - Japanese Patent Number 5,594,718, August 11, 2014

### *Pending Trademark Applications*

- “ENDURION” – application filed in the United States June 3, 2022.

### *Registered Trademarks*

-  –3,702,837 – Registered October 27, 2009
- “CSPACE” – 3,548,298 – Registered December 16, 2008

## Recent Developments

On January 12, 2023, Douglas Freitag resigned as a member of the Board of Directors of The Company. Mr. Freitag will continue to support and advise the Company in the capacity of senior consultant. Mr. Freitag’s resignation was not as a result of any disagreements with the Company’s board of directors or management, but to allow him for sufficient time to commit to his primary business.

On February 22, 2023, the Company issued a press release that provided preliminary results from the project with the University of Adelaide’s Institute for Photonics and Advanced Sensing (IPAS). The research and development showed promising results using tellurite glass. The Company intends on continuing to work with the University of Adelaide for further development of tellurite glass.

On May 1, 2023, the Company filed a provisional patent application as part of the Company’s Endurion battery program focused on the development of EV batteries that charge faster and last longer than the current industry standard. The Company’s scientists have developed three distinct and novel methodologies for minimizing pulverization and increasing rate capability by creating an artificial SEI layer around the silicon nanoparticle. Data supports the claims outlined in the patent filing and indicate that Endurion batteries utilizing this proprietary SEI layer are capable of extending the life of silicon-based anodes and enable improved silicon loadings in lithium-ion batteries for more energy density.

On May 9, 2023 an investor provided notice of cash exercise for pre-funded warrants with a price per share of \$0.0001. The warrant exercise results in an issuance of 12,500,000 common shares for cash consideration of \$1,250.

On May 12, 2023, the Company countersigned a second letter of variation (the Second Variation) to the credit agreement entered into, on October 4, 2019, with DAF. Pursuant to the Second Variation, the Lender agreed to extend the repayment days for each advance made by Lender under the credit agreement by an additional four months. The first principal payment will be due on July 15, 2024 with all other terms and conditions of the credit facility remaining unchanged.

On June 5, 2023, the Company issued 705,882 common shares to a Matthew Hoffman, the Company's CFO for accounts payable owed from services provided to the Company as consultant. This issuance satisfied consulting fees of \$6,000. The shares were issued from the 2018 Equity Incentive Plan.

On July 5, 2023, the Company issued 928,160 common shares to a consultant of the Company to satisfy consulting fees of \$6,126. The shares were issued from the 2018 and 2021 Equity Incentive Plans.

On October 27, 2023, the Board of Directors of the Company approved The Coretec Group, Inc. 2023 Equity Incentive Plan (the "Plan"), which covers the potential issuance of 57,000,000 shares of common stock, from which various awards may be granted, including but not limited to: (a) Incentive Stock Options, (b) Non-qualified Stock Options, (c) Stock Appreciation Rights, (d) Restricted Awards, (e) Performance Share Awards, and (f) Performance Cash Awards.

On October 27, 2023, the Company granted five-year options to members of the Company's management, employees and consultants, as incentive compensation. The Company granted the following options: (i) 5,000,000 options to Matthew Kappers, (ii) 5,000,000 options to Matthew L. Hoffman, (iii) 3,000,000 options to Victor F. Keen, (iv) 3,000,000 options to Simon Calton, (v) 1,000,000 options to Ron Dombrowski, and (vi) an aggregate of 7,000,000 options to employees and consultants of the Company. All of the options have an exercise price equal to \$ 0.0235 and are deemed fully vested and immediately exercisable.

On February 12, 2024 an investor provided notice of cashless exercise for pre-funded warrants with a price per share of \$0.0001. The warrant exercise results in an issuance of 14,861,316 common shares.

On March 1, 2024, The Coretec Group, Inc. (the "Company") entered into a Share Exchange Agreement (the "Share Exchange Agreement") with Core Optics, LLC, a Virginia limited liability company ("Core Optics"), Core Optics Co., Ltd., a Republic of Korea corporation ("Operating Subsidiary") and Core SS LLC, a Virginia limited liability company (the "Member"), which Member holds all outstanding membership interests in Core Optics. Pursuant to the Share Exchange Agreement, the closing of which remains subject to the satisfaction of various closing conditions, the Member agreed to sell all of its membership interests in Core Optics to the Company in exchange for the Company's issuance of (i) Ten Million (10,000,000) shares of Series C Convertible Preferred Stock, par value \$0.0002 per share, of the Company (the "Series C Preferred Stock"); and (ii) Seven-Hundred-Five Million Five-Hundred-Sixty-One Thousand Seventy-Six (705,561,076) shares of the Company's common stock, par value \$0.0002 ("Common Stock"), for the Membership Interests so transferred by the Member (the "Exchange"). Upon consummation of the Exchange, Core Optics will be a wholly-owned-direct subsidiary of the Company, Operating Subsidiary will be a wholly-owned-indirect subsidiary of the Company, the combined company will continue to operate under the name The Coretec Group, Inc., the Company's Common Stock will continue to trade under the ticker symbol "CRTG", and the Member is expected to beneficially own approximately 80% of the Company's Common Stock on a fully-diluted basis.

Each share of the Series C Preferred Stock is expected to be convertible into One Hundred Fifty (150) shares of Common Stock and has a stated value of \$3.00. The Preferred Stock is not expected to: require the payment of any dividends; include any operational covenants; or require the Company to redeem the Series C Preferred Stock. Each holder of Series C Preferred Stock is expected to be entitled to cast the number of votes equal to the number of shares of Company Common Stock into which the Series C Preferred Stock held by such holder are convertible. In addition, it is expected that all outstanding Series C Preferred Stock will be automatically converted after a mandatory conversion event, which will be set forth in a certificate of designation that the Company would file with the Secretary of the State of Oklahoma at or before the closing of the Exchange.

Consummation of the Exchange is subject to customary conditions, including without limitation, (i) the delivery to the Company by the Member or its designees, if any, of a representation letter attesting to its status as an "accredited investor;" (ii) the delivery to the Company by the Member or its designees, if any, a lock up agreement in the form attached to the Share Exchange Agreement; (iii) the delivery by the Company of lock up agreements, in the form attached to the Share Exchange Agreement, from certain members of the Company's management; (iv) the delivery to the Company of the required consolidated financial statements, as specified under the Share Exchange Agreement; (v) delivery by the Company to Core Optics of an applicable notice or approval from the OTC Markets that Company's Common Stock will continue to be quoted on the OTCQB after the Closing; and (vi) delivery by the Company and Core Optics of all required consents to consummate all transactions contemplated by the Share Exchange Agreement.

The Share Exchange Agreement contains certain termination rights for the Company, Core Optics, and the Member.

The foregoing description of the Share Exchange Agreement is not complete and is qualified in its entirety by reference to the Share Exchange Agreement, which is filed as Exhibit 10.16 hereto and is incorporated herein by reference.

On March 7, 2024 a contractor provided notice of cashless exercise for stock option grants with a price per share of \$0.0235. The option exercise results in an issuance of 1,500,000 common shares.

## **Employees**

We have built an experienced team of professionals to realize our company goals:

- Matthew Kappers, Chief Executive Officer
- Matthew Hoffman, Chief Financial Officer and Chief Operating Officer
- Ramez Elgammal, PhD, Chief Technology Officer
- Michelle Tokarz, PhD, VP of Partnerships & Innovation
- Lindsay McCarthy, Director of Operations
- Nathaneal Downes, Research Scientist
- Navpreet Singh, Battery Technician

None of our employees are covered by a collective bargaining agreement. We consider relations with our employees to be good.

## ITEM 1A. RISK FACTORS

### Risks Relating to Our Businesses

***We have a limited operating history, as well as a history of operating losses.***

We have a limited operating history. We cannot assure you that we can achieve revenue or sustain revenue growth or profitability in the future. We have a cumulative net loss of \$18,652,952 for the period from inception (June 2, 2015) to December 31, 2023. Our operations are subject to the risks and competition inherent in the establishment of a business enterprise. Unanticipated problems, expenses, and delays are frequently encountered in establishing a new business and marketing and developing products. These include, but are not limited to, competition, the need to develop customers and market expertise, market conditions, sales, marketing and governmental regulation. Our failure to meet any of these conditions would have a materially adverse effect upon us and may force us to reduce or curtail our operations. Revenues and profits, if any, will depend upon various factors. We may not achieve our business objectives and the failure to achieve such goals would have an adverse impact on our business.

***We may be unable to successfully integrate and develop the vertical synergies anticipated by or complete all obligations under the Share Exchange Agreement.***

We may not realize all of the anticipated benefits from the May 31, 2016 Share Exchange Agreement, such as increased earnings, cost savings and revenue enhancements, for various reasons, including difficulties integrating operations and personnel, higher than expected acquisition and operating costs, unknown liabilities, inaccurate reserve estimates and fluctuations in markets. If these benefits do not meet the expectations of financial or industry analysts, the market price of our shares may decline.

Our research and development efforts with respect to new technologies may not result in customer or market acceptance. Some or all of those technologies may not successfully make the transition from the research and development stage to cost-effective production as a result of technology problems, competitive cost issues, yield problems, and other factors. Even if we successfully complete a research and development effort with respect to a particular technology, our customers may decide not to introduce or may terminate products utilizing the technology for a variety of reasons, including difficulties with other suppliers of components for the products, superior technologies developed by our competitors and unfavorable comparisons of our solutions with these technologies, price considerations and lack of anticipated or actual market demand for the products.

Our business could be harmed if we are unable to develop and utilize new technologies that address the needs of our customers, or our competitors or customers develop and utilize new technologies more effectively or more quickly than we can. Any investments made to enhance or develop new technologies that are not successful could have an adverse effect on our net revenue and operating results.

***Fluctuations in direct or indirect raw material costs could have an adverse impact on our business.***

The availability and prices of raw material inputs may be influenced by supply and demand, changes in world politics, unstable governments in exporting nations, the COVID-19 pandemic and inflation. The prices of our direct and indirect raw materials have been, and we expect them to continue to be, volatile. If the cost of direct or indirect raw materials increases significantly and we are unable to offset the increased costs with higher selling prices, our profitability will decline. Additionally, we may not be able to obtain lower prices from our suppliers should our sale prices decrease. Increases in prices for our products could also hurt our ability to remain both competitive and profitable in the markets in which we compete.

Future raw material prices may be impacted by new laws or regulations, suppliers' allocations to other purchasers, changes in our supplier manufacturing processes as some of our products are byproducts of these processes, interruptions in production by suppliers, natural disasters, volatility in the price of crude oil and related petrochemical products and changes in exchange rates.

***We operate in industries that are subject to significant fluctuation in supply and demand and ultimately pricing that affects our revenue and profitability.***

Many of the markets we intend to serve, such as the LED lighting industry and the Electric Vehicle battery market, are in the relatively early stages of adoption and are characterized by constant and rapid technological change, rapid product obsolescence and price erosion, evolving standards, short product life cycles and fluctuations in product supply and demand. These types of LED industries have experienced significant fluctuations, often in connection with, or in anticipation of, product cycles and changes in general economic conditions. As the markets for our products mature, additional fluctuations may result from variability and consolidations within the industry's customer base. These fluctuations have been characterized by lower product demand, production overcapacity, higher inventory levels and increased pricing pressure. These fluctuations have also been characterized by higher demand for key components and equipment expected to be used in, or in the manufacture of, our products resulting in longer lead times, supply delays and production disruptions.

***We operate in a highly competitive industry.***

The silane chemical and battery markets are global, capital intensive and highly competitive. Our competitors may have greater financial resources, as well as other strategic advantages, to maintain, improve and possibly expand their facilities, and as a result, they may be better positioned to adapt to changes in the industry or the global economy. The advantages that our competitors have over us could have a material adverse effect on our business. In addition, new entrants may increase competition in our industry, which could have a material adverse effect on our business. An increase in the use of substitutes for certain of our products also could have a material adverse effect on our financial condition and operations.

***Environmental, health and safety regulation—Compliance with extensive environmental, health and safety laws could require material expenditures or changes in our operations.***

Our operations are subject to extensive environmental, health and safety laws and regulations at national, international and local levels in numerous jurisdictions. In addition, our production facilities require operating permits that are subject to renewal and, in some circumstances, revocation. The nature of the chemicals industry exposes us to risks of liability under these laws and regulations due to the production, storage, transportation, disposal and sale of chemicals and materials that can cause contamination or personal injury if released into the environment.

***A reduction or disruption in our supplies, or an incorrect forecast, could negatively impact our business.***

Our production capacity could be affected by manufacturing problems. Difficulties in the production process could reduce yields or interrupt production, and, as a result of such problems, we may not be able to deliver products on time or in a cost-effective, competitive manner. As the complexity of both our products and our fabrication processes has become more advanced, manufacturing tolerances have been reduced and requirements for precision have become more demanding. In the past, we have experienced delays in delivery and product quality. Our failure to adequately manage our capacity or maintain product quality could have a negative impact on net sales and harm our customer relationships.

Furthermore, we may suffer disruptions in our manufacturing operations, either due to production difficulties such as those described above or as a result of external factors beyond our control. We manufacture combustible materials in our manufacturing process and are therefore subject to the risk of explosions and fires, which can cause major disruptions to our operations. If operations at a manufacturing facility are interrupted, we may not be able to shift production to other facilities on a timely basis or at all. In addition, certain of our products are only capable of being produced at a single manufacturing facility due to unique manufacturing requirements and to the extent that any of these facilities fail to produce these products, this risk will be increased. Even if a transfer is possible, transitioning production of a particular material can take between three to six months to accomplish, and in the interim period we would likely suffer extensive or total supply disruption and incur substantial costs. Such an event could have a material negative impact on our business, financial condition and results of operations.

Our ability to meet customer demands also depends on our ability to obtain timely and adequate delivery of materials, parts and components from our suppliers. From time to time, suppliers may extend lead times, limit the amounts supplied to us or increase prices due to capacity constraints or other factors. Supply disruptions may also occur due to shortages in critical resources, such as lithium aluminum hydride, other specialized chemicals or energy or other general supplier disruptions. A reduction or interruption in supplies or a significant increase in the price of one or more supplies could have a material negative impact on our business, financial condition and results of operations.

***If we do not keep pace with technological innovations, our future products may not remain competitive and our operating results may suffer.***

We operate in rapidly changing highly competitive markets. Technological advances, the introduction of new products and new design techniques could adversely affect our business unless we are able to adapt to changing conditions. Technological advances could render our solutions less competitive or obsolete, and we may not be able to respond effectively to the technological requirements of evolving markets. Therefore, we will be required to expend substantial funds for and commit significant resources to enhancing and developing new technology which may include purchasing advanced design tools and test equipment, hiring additional highly qualified engineering and other technical personnel, and continuing and expanding research and development activities on existing and potential human interface solutions.

***We may not be able to achieve the target specifications for the second and third generation CSpace laboratory prototypes.***

The process of developing new highly technical products and solutions is inherently complex and uncertain. It requires accurate anticipation of customers' changing needs and emerging technological trends. We must make long-term investments and commit significant resources before knowing whether these investments will eventually result in products that achieve customer acceptance and generate the revenues required to provide desired returns. If we fail to achieve and meet our target specifications in the development of the second and third generation CSpace laboratory prototypes, we could lose market position and customers to our competitors and that could have a material adverse effect on our results of operations and financial condition.

***We may not be able to secure funding necessary to develop our CSpace technology.***

An important part of our business strategy related to CSpace is the development of a new polymer medium. If we are unable to secure research and development funding or customer funded development contracts to support polymer advancement, we will likely not be able to develop our CSpace technology. Without a new polymer medium for CSpace we will not be able to successfully implement our business strategy for our volumetric 3D Display products, which could cause harm to our competitive position and financial condition.

***We may not be able to successfully license the Coretec technology to customers.***

We believe that a significant portion of our expected future revenues will be generated through licensing our technology to third parties in the lithium-ion battery market, silane market, and 3D display market. However, there is no guarantee we will be able to successfully license our technology to such companies or to other third parties. If we fail to successfully license our technology, it could negatively impact our revenue stream and financial condition.

***We may not be able to compete successfully in the markets applicable to our technology platforms.***

Although the lithium-ion battery, volumetric 3D display, and silicon products technology that we are attempting to develop is new, and although at present we are aware of only a limited number of companies that have publicly disclosed their attempts to develop similar technology, we anticipate a number of companies are or will attempt to develop technologies/products that compete or will compete with our technologies. Further, even if we are the first to market with a technology of this type, and even if the technology is protected by patents or otherwise, because of the vast market and communications potential of such a product, we anticipate the market will be flooded by a variety of competitors (including traditional display companies and silicon companies), many of which will offer a range of products in areas other than those in which we compete, which may make such competitors more attractive to prospective customers. In addition, many if not all of our competitors and potential competitors will initially be larger and have greater financial resources than we do. Some of the companies with which we may now be in competition, or with which we may compete in the future, have or may have more extensive research, marketing and manufacturing capabilities and significantly greater technical and personnel resources than we do, and may be better positioned to continue to improve their technology in order to compete in an evolving industry. Further, technology in this industry may evolve rapidly once an initially successful product is introduced, making timely product innovations and use of new technologies essential to our success in the marketplace. The introduction by our competitors of products with improved technologies or features may render any product we initially market obsolete and unmarketable. If we or our partners are not able to deliver to market products that respond to industry changes in a timely manner, or if our products do not perform well, our business and financial condition will be adversely affected.

***The technologies being developed may not gain market acceptance.***

The products that we are currently developing utilize new technologies. As with any new technologies, in order for us to be successful, these technologies must gain market acceptance. Since the technologies that we anticipate introducing to the marketplace will exploit or encroach upon markets that presently utilize or are serviced by products from competing technologies, meaningful commercial markets may not develop for our technologies.

In addition, the development efforts of the our technology platforms are subject to unanticipated delays, expenses or technical or other problems, as well as the possible insufficiency of funding to complete development. Our success will depend upon the ultimate products and technologies meeting acceptable cost and performance criteria, and upon their timely introduction into the marketplace. The proposed products and technologies may never be successfully developed, and even if developed, they may not satisfactorily perform the functions for which they are designed. Additionally, these may not meet applicable price or performance objectives. Unanticipated technical or other problems may occur which would result in increased costs or material delays in their development or commercialization.

***If we are unable to successfully retain existing management and recruit qualified personnel having experience in our business, we may not be able to continue our operations.***

Our success depends to a significant extent upon the continued services of our Board of Directors, management officers and other technical advisors. Our success also depends on our ability to attract and retain key executive officers and team members. At this time, we have a full business team covering all functional areas. If we are unable to successfully retain existing management and recruit qualified personnel having experience in our business, we may not be able to continue our operations.

***There is substantial doubt about our ability to continue as a going concern. If we do not continue as a going concern, investors will lose their entire investment.***

As of this report, the Company has insufficient revenue and capital commitments to fund the development of its planned products, pay current operating expenses and debt commitments beyond a year following the issuance of these consolidated financial statements. These conditions, among others, raise substantial doubt about the Company's ability to continue as a going concern for a year following the issuance of these consolidated financial statements. Our auditors have expressed substantial doubt about our ability to continue as a going concern. These concerns arise from the fact that we have insufficient revenues to fund development and operating expenses. If we are unable to continue as a going concern, you could lose your entire investment in us.

***We will need significant additional capital, which we may be unable to obtain.***

Our capital requirements in connection with our development activities and commercial operations have been and will continue to be significant. As the date of this filing, we do not expect to require additional funding through December 2024 to continue research, development and testing of our technologies, to obtain intellectual property protection relating to our technologies when appropriate, and to improve and market our technologies. However, there can be no assurances that we will not need additional funding in the future or that our current cash position will be sufficient to fund any future plans to accelerate our commercialization efforts. In the event additional funding is necessary, there can be no assurance that financing will be available in amounts or on terms acceptable to us, if at all.

***The Company is exposed to information systems and cybersecurity risks.***

The Company's information systems (including those of any of its counterparties) may be vulnerable to the increasing threat of continually evolving cybersecurity risks. Unauthorized parties may attempt to gain access to these systems or information through fraud or other means of deception. The Company's operations depend, in part, on how well it and its counterparties protect networks, equipment, information technology systems and software against damage from threats. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations. There can be no assurance that the Company or its counterparties will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cybersecurity and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain an area of attention.

#### **Risks Related to Our Intellectual Property**

***If we fail to establish, maintain and enforce intellectual property rights with respect to our technology and/or licensed technology, our financial condition, results of operations and business could be negatively impacted.***

Our ability to establish, maintain and enforce intellectual property rights with respect to our technology will be a significant factor in determining our future financial and operating performance. We seek to protect our intellectual property rights by relying on a combination of patent, trade secret and copyright laws. We also use confidentiality and other provisions in our agreements that restrict access to and disclosure of its confidential know-how and trade secrets.

Outside the patents and pending patent applications directly granted to us, we seek to protect our technology as trade secrets and technical know-how. However, trade secrets and technical know-how are difficult to maintain and do not provide the same legal protections provided by patents. In particular, only patents will allow us to prohibit others from using independently developed technologies that are similar. If competitors develop knowledge substantially equivalent or superior to our trade secrets and technical know-how or gain access to our knowledge through other means such as observation of our technology that embodies trade secrets at customer sites that we do not control, the value of our trade secrets and technical know-how would be diminished.

While we strive to maintain systems and procedures to protect the confidentiality and security of our trade secrets and technical know-how, these systems and procedures may fail to provide an adequate degree of protection. For example, although we generally enter into agreements with our employees, consultants, advisors, and strategic partners restricting the disclosure and use of trade secrets, technical know-how and confidential information, we cannot provide any assurance that these agreements will be sufficient to prevent unauthorized use or disclosure. In addition, some of the technology deployed at customer sites in the future, which we do not control, may be readily observable by third parties who are not under contractual obligations of non-disclosure, which may limit or compromise our ability to continue to protect such technology as a trade secret.



While we are not currently aware of any infringement or other violation of our intellectual property rights, monitoring and policing unauthorized use and disclosure of intellectual property is difficult. If we learned that a third party was in fact infringing or otherwise violating our intellectual property, we may need to enforce our intellectual property rights through litigation. Litigation relating to our intellectual property may not prove successful and might result in substantial costs and diversion of resources and management attention.

If our technology is licensed to customers at some point in the future, the strength of the intellectual property under which we would grant licenses can be a critical determinant of the value of such potential licenses. If we are unable to secure, protect and enforce our intellectual property now and in the future, it may become more difficult for us to attract such customers. Any such development could have a material adverse effect on our business, prospects, financial condition and results of operations.

***We may face claims that we are violating the intellectual property rights of others.***

Although we are not aware of any potential violations of others' intellectual property rights, we may face claims, including from direct competitors, other companies, scientists or research universities, asserting that our technology or the commercial use of such technology infringes or otherwise violates the intellectual property rights of others. We cannot be certain that our technologies and processes do not violate the intellectual property rights of others. If we are successful in developing technologies that allow us to earn revenues and our market profile grows, we could become increasingly subject to such claims.

We may also face infringement claims from the employees, consultants, agents and outside organizations we have engaged to develop our technology. While we have sought to protect ourselves against such claims through contractual means, we cannot provide any assurance that such contractual provisions are adequate, and any of these parties might claim full or partial ownership of the intellectual property in the technology that they were engaged to develop.

If we were found to be infringing or otherwise violating the intellectual property rights of others, we could face significant costs to implement work-around methods, and we cannot provide any assurance that any such work-around would be available or technically equivalent to our potential technology. In such cases, we might need to license a third party's intellectual property, although any required license might not be available on acceptable terms, or at all. If we are unable to work around such infringement or obtain a license on acceptable terms, we might face substantial monetary judgments against us or an injunction against continuing to use or license such technology, which might cause us to cease operations.

In addition, even if we are not infringing or otherwise violating the intellectual property rights of others, we could nonetheless incur substantial costs in defending ourselves in suits brought against us for alleged infringement. Also, if we are to enter into a license agreement in the future and it provides that we will defend and indemnify our customer licensees for claims against them relating to any alleged infringement of the intellectual property rights of third parties in connection with such customer licensees' use of such technologies, we may incur substantial costs defending and indemnifying any customer licensees to the extent they are subject to these types of claims. Such suits, even if without merit, would likely require our management team to dedicate substantial time to addressing the issues presented. Any party bringing claims might have greater resources than we do, which could potentially lead to us settling claims against which we might otherwise prevail on the merits.

Any claims brought against us or any customer licensees alleging that we have violated the intellectual property of others could have negative consequences for our financial condition, results of operations and business, each of which could be materially adversely affected as a result.

***At this time, we do not own all of the intellectual property in Volumetric Liquid Crystal Display or Light Surface Display for Rendering Three-Dimensional Images, and, apart from the SRA with the University and the exclusive worldwide marketing rights thereto, we have no contracts or agreements pending to acquire the intellectual property. Also, at this time, we do not own all of the intellectual property in silicon precursor uses or poly-silanes or silicon anodes and quantum dots inventions apart from the patents we have filed, which have claims which may or may not be granted, we have no contracts or agreements pending to acquire additional intellectual property in this arena.***

Although we have obtained exclusive worldwide marketing rights to "Light Surface Display for Rendering Three-Dimensional Images", technology vital to our business and growth strategy, we do not own all of the intellectual property in this technologies. Although our exclusive worldwide marketing rights to this technology stands alone and are independent of the SRA, outside of our SRA with the University, we have no pending agreements to obtain or purchase ownership over all intellectual property in this technology. Should the University lose their rights in such technologies or we are otherwise unable to utilize the rights obtained in such agreements it would be difficult to successfully implement our business strategy going forward and our stock value would likely decrease.

In addition, we have filed pending patent applications in the cyclohexasilane (CHS) space, silicon anode and quantum dot spaces, and although we anticipate filing additional provisional patents as we develop our technologies, these patents have claims within that may or may not be granted and any such change to these patent applications would make it difficult to successfully implement our business strategy going forward and our stock value would likely decrease.

**Risks Relating to Our Current Financing Arrangements:**

*There are a large number of shares underlying our convertible debt and warrants that may be available for future sale and the sale of these shares may depress the market price of our common stock.*

As of March 21, 2024, we had 301,368,572 shares of common stock issued and outstanding and convertible debt outstanding that may be converted into an estimated 45,155,537 shares of common stock and outstanding pre-funded warrants to purchase 13,779,000 shares of common stock at an exercise price of \$0.0001. We also have outstanding warrants issued to purchase 2,814,000 shares of common stock at an exercise price of \$0.052, outstanding warrants issued to purchase 82,500,000 shares of common stock at an exercise price of \$0.08, and outstanding warrants issued to purchase 6,000,000 shares of common stock at an exercise price of \$0.010. The sale of the shares underlying the convertible debt and warrants may adversely affect the market price of our common stock.

As of March 21, 2024, we have 1,198,631,428 unissued authorized shares available.

*The issuance of shares upon conversion of outstanding Series A Convertible Preferred Stock, the convertible debt or the exercise of outstanding warrants may cause immediate and substantial dilution to our existing stockholders.*

The issuance of shares upon conversion of our outstanding Series A Convertible Preferred Stock, convertible debt and exercise of warrants would result in substantial dilution to the interests of other stockholders since the selling stockholders may ultimately convert and sell the full amount issuable on conversion.

**Risks Relating to Our Common Stock:**

*The price of our common stock is volatile and fluctuations in our operating results and announcements and developments concerning our business affect our stock price, which may cause investment losses for our stockholders.*

The market for our common stock is highly volatile and the trading price of our stock on the OTCQB Marketplace is subject to wide fluctuations in response to, among other things, operating results, the number of stockholders desiring to sell their shares, changes in general economic conditions and the financial markets, the execution of new contracts and the completion of existing agreements and other developments affecting us. In addition, statements or changes in opinions, ratings, or earnings estimates made by brokerage firms or industry analysts relating to our market or relating to us could result in an immediate and adverse effect on the market price of our common stock. The highly volatile nature of our stock price may cause investment losses for our shareholders. In the past, securities class action litigation has often been brought against companies following periods of volatility in the market price of their securities. If securities class action litigation is brought against us, such litigation could result in substantial costs while diverting management's attention and resources.

*Our common stock is subject to the "Penny Stock" rules of the SEC and the trading market in our securities is limited, which makes transactions in our stock cumbersome and may reduce the value of an investment in our stock.*

The Securities and Exchange Commission has adopted Rule 15g-9 which establishes the definition of a "penny stock," for the purposes relevant to us, as any equity security that has a market price of less than \$5.00 per share or with an exercise price of less than \$5.00 per share, subject to certain exceptions. For any transaction involving a penny stock, unless exempt, the rules require:

- That a broker or dealer approve a person's account for transactions in penny stocks; and
- The broker or dealer receives from the investor a written agreement to the transaction, setting forth the identity and quantity of the penny stock to be purchased.

In order to approve a person's account for transactions in penny stocks, the broker or dealer must:

- Obtain financial information and investment experience objectives of the person; and
- Make a reasonable determination that the transactions in penny stocks are suitable for that person and the person has sufficient knowledge and experience in financial matters to be capable of evaluating the risks of transactions in penny stocks.

The broker or dealer must also deliver, prior to any transaction in a penny stock, a disclosure schedule prescribed by the Commission relating to the penny stock market, which, in highlight form:

- Sets forth the basis on which the broker or dealer made the suitability determination; and
- That the broker or dealer received a signed, written agreement from the investor prior to the transaction.

Generally, brokers may be less willing to execute transactions in securities subject to the "penny stock" rules. This may make it more difficult for investors to dispose of our common stock and cause a decline in the market value of our stock.

Disclosure also has to be made about the risks of investing in penny stocks in both public offerings and in secondary trading and about the commissions payable to both the broker-dealer and the registered representative, current quotations for the securities and the rights and remedies available to an investor in cases of fraud in penny stock transactions. Finally, monthly statements have to be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stocks.

***Financial Industry Regulatory Authority, Inc. ("FINRA") sales practice requirements may limit a shareholder's ability to buy and sell our common stock.***

In addition to the "penny stock" rules described above, FINRA has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low-priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low-priced securities will not be suitable for at least some customers. FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit your ability to buy and sell our stock and have an adverse effect on the market for our shares.

***Our stock is thinly traded, so you may be unable to sell your shares at or near the quoted bid prices if you need to sell a significant number of your shares.***

The shares of our common stock are thinly traded on the OTCQB Marketplace, meaning that the number of persons interested in purchasing our common stock at or near bid prices at any given time may be relatively small or non-existent. As a consequence, there may be periods of several days or more when trading activity in our shares is minimal or non-existent, as compared to a seasoned issuer which has a large and steady volume of trading activity that will generally support continuous sales without an adverse effect on share price. We cannot give you any assurance that a broader or more active public trading market for our common stock will develop or be sustained, or that current trading levels will be sustained. Due to these conditions, we can give you no assurance that you will be able to sell your shares at or near bid prices or at all if you need money or otherwise desire to liquidate your shares.

***Shares eligible for future sale may adversely affect the market.***

From time to time, certain of our stockholders may be eligible to sell all or some of their shares of common stock by means of ordinary brokerage transactions in the open market pursuant to Rule 144 promulgated under the Securities Act, subject to certain limitations. In general, pursuant to amended Rule 144, non-affiliate stockholders may sell freely after six months subject only to the current public information requirement. Affiliates may sell after six months subject to the Rule 144 volume, manner of sale (for equity securities), and current public information and notice requirements. Any substantial sales of our common stock pursuant to Rule 144 may have a material adverse effect on the market price of our common stock.

***We could issue additional common stock, which might dilute the book value of our common stock.***

Our Board of Directors has authority, without action or vote of our shareholders, to issue all or a part of our authorized but unissued shares. Such stock issuances could be made at a price that reflects a discount or a premium from the then-current trading price of our common stock. In addition, in order to raise capital, we may need to issue securities that are convertible into or exchangeable for a significant amount of our common stock. These issuances would dilute the percentage ownership interest, which would have the effect of reducing your influence on matters on which our shareholders vote and might dilute the book value of our common stock. You may incur additional dilution if holders of stock options, whether currently outstanding or subsequently granted, exercise their options, or if warrant holders exercise their warrants to purchase shares of our common stock.

***Our common stock could be further diluted as a result of the issuance of convertible securities, warrants or options.***

In the past, we have issued convertible securities (such as convertible debentures and notes), warrants and options in order to raise money or as compensation for services and incentive compensation for our employees and directors. We have shares of common stock reserved for issuance upon the exercise of certain of these securities and may increase the shares reserved for these purposes in the future. Our issuance of these convertible securities, options and warrants could affect the rights of our stockholders, could reduce the market price of our common stock or could result in adjustments to exercise prices of outstanding warrants (resulting in these securities becoming exercisable for, as the case may be, a greater number of shares of our common stock), or could obligate us to issue additional shares of common stock to certain of our stockholders.

***We do not intend to pay dividends.***

We do not anticipate paying cash dividends on our common stock in the foreseeable future. We may not have sufficient funds to legally pay dividends. Even if funds are legally available to pay dividends, we may nevertheless decide in our sole discretion not to pay dividends. The declaration, payment and amount of any future dividends will be made at the discretion of our board of directors, and will depend upon, among other things, the results of our operations, cash flows and financial condition, operating and capital requirements, and other factors our board of directors may consider relevant. There is no assurance that we will pay any dividends in the future, and, if dividends are paid, there is no assurance with respect to the amount of any such dividend.

***If we fail to maintain effective internal controls over financial reporting, the price of our common stock may be adversely affected.***

Our internal control over financial reporting may have weaknesses and conditions that could require correction or remediation, the disclosure of which may have an adverse impact on the price of our common stock. We are required to establish and maintain appropriate internal controls over financial reporting. Failure to establish those controls, or any failure of those controls once established, could adversely affect our public disclosures regarding our business, prospects, financial condition or results of operations. In addition, management's assessment of internal controls over financial reporting may identify weaknesses and conditions that need to be addressed in our internal controls over financial reporting or other matters that may raise concerns for investors. Any actual or perceived weaknesses and conditions that need to be addressed in our internal control over financial reporting or disclosure of management's assessment of our internal controls over financial reporting may have an adverse impact on the price of our common stock.

**ITEM 1B. UNRESOLVED STAFF COMMENTS**

Not applicable.

**ITEM 1C. CYBERSECURITY**

***Risk Management and Strategy***

The Company recognizes the critical importance of developing, implementing, and maintaining robust cybersecurity measures to safeguard our information systems and protect the confidentiality, integrity, and availability of our data.

***Managing Material Risks & Integrated Overall Risk Management***

The Company has strategically integrated cybersecurity risk management into our broader risk management framework to promote a company-wide culture of cybersecurity risk management. This integration ensures that cybersecurity considerations are an integral part of our decision-making processes at every level. Our management team works closely with our IT department to continuously evaluate and address cybersecurity risks in alignment with our business objectives and operational needs.

***Oversee Third-party Risk***

Because we are aware of the risks associated with third-party service providers, the Company implements stringent processes to oversee and manage these risks. We conduct thorough security assessments of all third-party providers before engagement and maintain ongoing monitoring to ensure compliance with our cybersecurity standards. The monitoring includes annual assessments of the SOC reports of our providers and implementing complementary controls. This approach is designed to mitigate risks related to data breaches or other security incidents originating from third-parties.

***Risks from Cybersecurity Threats***

We have not encountered cybersecurity challenges that have materially impaired our operations or financial standing.

## **ITEM 2. PROPERTIES**

The Company is headquartered in Ann Arbor, Michigan where it is leasing office space and a wet laboratory, under gross lease terms. The office lease and wet laboratory leases were separate contracts.

The annual rent obligation for the wet laboratory was \$12,600 payable in equal monthly installments for the calendar years of 2022 and 2023. On December 15, 2023, the Company entered into a short renewal period for January 1, 2024 through April 30, 2024 under the same monthly financial terms. On May 1, 2022 the Company entered into an annual lease for dedicated office space. The annual office rent obligation was \$42,000 payable in equal monthly installments. The company renewed this lease for the period of May 1, 2023 through April 30, 2024 under the same financial terms.

On February 1, 2024 the Company entered into an annual lease for a suite to house both wet laboratory space and administrative offices on the same business campus. The annual office rent obligation is \$54,000 payable in equal monthly installments, under gross lease terms. The prior office lease also terminated on February 1, 2024 and the prior wet laboratory lease terminated on February 29, 2024.

Rent expense for the wet lab and office operating leases was \$54,600 and \$41,175 for the years ended December 31, 2023 and 2022, respectively.

## **ITEM 3. LEGAL PROCEEDINGS**

We are not a party to any pending legal proceeding, nor is our property the subject of a pending legal proceeding, that is not in the ordinary course of business or otherwise material to the financial condition of our business. None of our directors, officers or affiliates are involved in a proceeding adverse to our business or have a material interest adverse to our business.

## **ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

## PART II

### ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock is quoted on the OTCQB market under the symbol "CRTG". The Company upgraded the marketplace to OTCQB on October 29, 2020.

The sales prices on the OTCQB represent inter-dealer quotations without retail markup, markdown, or commission and may not necessarily represent actual transactions.

#### Holders

As of the date of this filing, we had approximately 4,300 active holders of our common stock. The number of active holders of record was determined from the records of our transfer agent and does not include beneficial owners of common stock whose shares are held in the names of various security brokers, dealers, and registered clearing agencies. Our transfer agent is Continental Stock Transfer & Trust Company, One State Street Plaza, 30th Floor, New York, NY 10004.

#### Dividend Policy

We have not declared any dividends to date. We have no present intention of paying any cash dividends on our common stock in the foreseeable future, as we intend to use earnings, if any, to generate growth. The payment of dividends, if any, in the future, rests within the discretion of our Board of Directors and will depend, among other things, upon our earnings, capital requirements and our financial condition, as well as other relevant factors. There are no restrictions in our Certificate of Incorporation or By-laws that restrict us from declaring dividends.

#### Equity Compensation Plan Information

The Company has three equity compensation plans, the 2018 Equity Incentive Plan, referred to herein as the "2018 EIP", the 2021 Equity Incentive Plan, referred to herein as the "2021 EIP", and the 2023 Equity Incentive Plan, referred to herein as the "2023 EIP."

The following table sets forth the information indicated with respect to our compensation plans under which our common stock is authorized for issuance. The following table is as of March 21, 2024.

<b>Plan category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans not approved by security holders:			
2018 EIP	1,500,000	\$ 0.027	-
2021 EIP	61,950,000	\$ 0.076	-
2023 EIP	21,000,000	\$ 0.024	33,596,776

## Recent Sales of Unregistered Securities

On October 27, 2023, the Company granted five-year options to members of the Company's management, employees and consultants, as incentive compensation. The Company granted the following options: (i) 5,000,000 options to Matthew Kappers, (ii) 5,000,000 options to Matthew L. Hoffman, (iii) 3,000,000 options to Victor F. Keen, (iv) 3,000,000 options to Simon Calton, (v) 1,000,000 options to Ron Dombrowski, and (vi) an aggregate of 7,000,000 options to employees and consultants of the Company. All of the options have an exercise price equal to \$ 0.0235 and are deemed fully vested and immediately exercisable.

On February 12, 2024 an investor provided notice of cashless exercise for pre-funded warrants with a price per share of \$0.0001. The warrant exercise results in an issuance of 14,861,316 common shares.

On March 7, 2024 a contractor provided notice of cashless exercise for stock option grants with a price per share of \$0.0235. The option exercise results in an issuance of 1,500,000 common shares.

## ITEM 6. [RESERVED]

Not applicable.

## ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion and analysis should be read together with our consolidated financial statements and the related notes appearing elsewhere in this Form 10-K. This discussion contains forward-looking statements reflecting our current expectations that involve risks and uncertainties. See "Forward-Looking Statements" for a discussion of the uncertainties, risks and assumptions associated with these statements. Actual results and the timing of events could differ materially from those discussed in our forward-looking statements as a result of many factors, including those set forth under "Risk Factors" and elsewhere in this Form 10-K.*

### Plan of Operation

#### Background:

On June 22, 2017, the Group filed an Amended Certificate of Incorporation with the Secretary of State of the State of Oklahoma to change its name from "3DIcon Corporation" to "The Coretec Group Inc.," which became effective on June 29, 2017. The Group, formerly known as 3DIcon Corporation, was incorporated on August 11, 1995, under the laws of the State of Oklahoma. Prior to September 30, 2016, the Group's primary activity had been the raising of capital in order to pursue its goal of becoming a significant participant in the development, commercialization and marketing of next generation 3D display technologies. On September 30, 2016, Coretec Industries LLC became a wholly owned subsidiary of the Group, and the Group issued an aggregate 15,870 shares of the Group's Series B Convertible Preferred Stock; those shares were subsequently converted into 30,374,363 shares of common stock.

All descriptions of technology, business model, near term revenue opportunities, and recent developments required by this Item are attached hereto in Item I, Business Overview and are hereby incorporated by reference.

### RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2023 COMPARED TO THE YEAR ENDED DECEMBER 31, 2022

#### Revenue

We did not have any revenues for the years ended December 31, 2023 and 2022.

#### Research and Development Expenses

The research and development expenses were \$512,952 for the year ended December 31, 2023, as compared to \$535,837 for the year ended December 31, 2022.

The approximate \$23,000 decrease for the year ended December 31, 2023, as compared with the year ended December 31, 2022, was a result of approximately \$126,000 decrease in sponsored research and approximate decrease of \$23,000 for CHS materials. These decreased expenses were offset by increases of approximately \$58,000 for materials, supplies, and resources for laboratory expenses, approximately \$44,000 for labor related costs, and approximately \$24,000 in aggregate for various expenses.

#### General and Administrative Expenses

Our general and administrative expenses were \$1,791,910 for the year ended December 31, 2023, as compared to \$2,132,996 for the year ended December 31, 2022.

The approximately \$341,000 net decrease was a result of a decrease in stock option expense of approximately \$204,000, a decrease of approximately \$143,000 in finance and administrative consulting expenses, a decrease of approximately \$77,000 in marketing consulting expenses, a decrease in professional fees for audit and legal costs of approximately \$111,000, a decrease of approximately \$47,000 in news releases, and a decrease in approximately \$30,000 in recruiting expenses. These expense reductions were offset by increases of approximately \$166,000 in labor related expenses, approximately \$51,000 in public relation consulting, approximately \$43,000 in insurance expenses, and approximately \$11,000 in rent expense.

#### Interest Expense

Interest expense was \$217,564 for the year ended December 31, 2023, as compared to \$202,751 for the year ended December 31, 2022. The approximately \$15,000 net increase was the result of interest charges and amortization costs pursuant to the DAF promissory note terms and conditions.



## Other Income

Other income was \$214,787 for the year ended December 31, 2023, as compared to \$8,260 for the year ended December 31, 2022. The approximate increase of \$207,000 was primarily a result of the gain on derecognition of accounts payable of approximately \$196,000 due to the running of the applicable statute of limitations resulting in the obligations unenforceable and considered extinguished. Additionally, increases in interest rates on cash deposits provided the remaining increase of approximately \$12,000.

## Financial Condition, Liquidity and Capital Resources

Management remains focused on controlling cash expenses. We recognize our responsibility for advancing our technology and plan our expenses accordingly. We intend to leverage stock-for-services wherever possible. The 2024 fiscal year operating budget consists of the following expenses:

- Research and development related expenses for Endurion battery development
- Equipment and related infrastructure for battery fabrication and testing
- Intellectual property patent filing via engagement of legal counsel and Chief Technical Officer
- Continued use of public relations consulting firm, marketing outreach to bolster the Company's message and digital platform
- General and administrative expenses: Chief Executive and Chief Financial officer expenses, salaries, insurance, investor related expenses, rent, travel, website, etc.
- Professional fees for accounting and audit; legal services for securities and financing

As of December 31, 2023, we had cash of \$523,988 and a positive net working capital of \$9,299.

During the year ended December 31, 2023, we used \$1,818,976 of cash for operating activities, a decrease of \$29,916 or 2% compared to the year ended December 31, 2022. The decrease in the use of cash for operating activities was a net result of a decrease in the loss from operations of \$555,685, an increase in depreciation and amortization of \$9,106, a decrease in the options issued for services of \$197,695, a decrease in gain on derecognition of accounts payable of \$195,901, a decrease in gain on sales of equipment of \$195, a decrease in the change in prepaid expenses of \$37,768, a decrease in the change in deposits of \$11,793, and a decrease in the change in accounts payable of \$91,523.

During the year ended December 31, 2023, we used \$48,612 of cash for investing activities, a net decrease of \$31,653 or 39% compared to the year ended December 31, 2022. The net decrease in the use of cash for investing activities was a result of \$27,403 reduction in cash used for equipment purchases and an increase in \$4,250 of cash for sale of equipment.

During the year ended December 31, 2023, there was \$35,228 of cash provided by financing activities, a decrease of \$196,950 or 85% compared to the cash provided of \$232,178 for the year ended December 31, 2022. The decrease was a result of \$82,782 in increased payments on notes payable, a decrease of \$114,388 in net proceeds of debt and warrants issued, and an increase in \$220 of proceeds from exercised warrants compared to the year ended December 31, 2022.

Raising additional funds for future activities could be achieved through a potential reverse merger arrangement or an additional financing partnership. Our ability to fund the future operations of the Company is highly dependent on the underlying stock price of the Company.

## **Off Balance Sheet Arrangements**

The Company does not engage in any off-balance sheet arrangements that are reasonably likely to have a current or future effect on our consolidated financial condition, revenues, and results of operations, liquidity or capital expenditures.

## **Significant Accounting Policies**

See Notes to Consolidated Financial Statements included in Part II, Item 8 and is hereby incorporated by reference.

## **Recently Issued Accounting Pronouncements**

None.

## **ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Not applicable.

## **ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

All financial information required by this Item is attached hereto at the end of this report beginning after page 41 and is hereby incorporated by reference.

## **ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

None.

## **ITEM 9A. CONTROLS AND PROCEDURES**

### **Management's Report on Internal Control over Financial Reporting**

*Limitations on Effectiveness of Controls.* In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

*Evaluation of Disclosure Controls and Procedures.* Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934) and for the assessment of the effectiveness of internal control over financial reporting. Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2023. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control — Integrated Framework (2013). The term “disclosure controls and procedures,” as defined in Rule 13a-15 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Based on our evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2023, our disclosure controls and procedures were not effective at a reasonable assurance level as we do not have sufficient resources in our accounting function, which restricts the Company’s ability to gather, analyze and properly review information related to financial reporting in a timely manner. In addition, due to our size and nature, segregation of all conflicting duties may not always be possible and may not be economically feasible. However, to the extent possible, management will engage financial consultants and perform additional analysis and other procedures to help address this material weakness. Until remediation actions are fully implemented and the operational effectiveness of related internal controls are validated through testing, the material weaknesses described above will continue to exist.

Notwithstanding the assessment that our internal control over financial reporting was not effective and that there is a material weakness as identified herein, we believe that our consolidated financial statements contained in this Annual Report fairly present our consolidated financial position, results of operations and cash flows for the periods covered thereby in all material respects.

*Changes in Internal Control Over Financial Reporting.* There has been no change in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) of the Exchange Act that occurred during the quarter ended December 31, 2023 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## **ITEM 9B. OTHER INFORMATION**

### **Rule 10b5-1 Trading Arrangement**

During the three months ended December 31, 2023, no director or officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

## **ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS**

Not applicable.

## PART III

### ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

#### EXECUTIVE OFFICERS, DIRECTORS AND KEY EMPLOYEES

The following table sets forth the names and ages of the members of our Board of Directors and our executive officers and the positions held by each. There are no family relationships among any of our Directors and Executive Officers.

<u>Name</u>	<u>Age</u>	<u>Position</u>
<u>Victor Keen</u>	<u>82</u>	<u>Director, Co-Chairman</u>
<u>Simon Calton</u>	<u>43</u>	<u>Director, Co-Chairman</u>
<u>Ronald Dombrowski</u>	<u>59</u>	<u>Director</u>
<u>Matthew Kappers</u>	<u>59</u>	<u>Chief Executive Officer and Director</u>
<u>Matthew Hoffman</u>	<u>47</u>	<u>Chief Financial Officer and Chief Operating Officer</u>

#### **Victor Keen – Director, Co-Chairman**

Mr. Keen is a significant shareholder in The Coretec Group. He has been a member of the Board since November 2007, and served as CEO from 2013 to 2016. Mr. Keen is a graduate of Harvard Law School and Trinity College. He is currently of-counsel at Duane Morris LLP, an international law firm with over 20 offices worldwide, where until 2011 he was the Chair of its Tax Practice Group. Mr. Keen has been an active investor in a number of private companies, both start-up and later stage, including Lending Tree; Circle Lending, Inc., now part of Richard Branson’s Virgin Group; Bantam Pharmaceutical LLC, a biotechnology company, co-founded in 2015 by Mr. Keen, focusing on the discovery and development of innovative cancer therapies; and Retirement Clearinghouse LLC, a company involved in the matching of individual IRA/pension accounts with appropriate managers. In addition, he is an investor and former board member in publicly traded Research Frontiers, Inc., inventor, and licensor of “smart glass” technology. Mr. Keen also owns and co-manages a four-state commercial real estate portfolio.

#### **Simon Calton – Director, Co-Chairman**

Simon Calton has a wealth of experience in financing and company structuring. Since 2008, Mr. Calton has structured both regulated and private placement Products in the British Virgin Islands, Cayman Islands, United States, and the United Kingdom. In 2012, he co-founded Carlton James Group, which specializes in funding and developing companies in a multitude of industries across the globe.

In addition, Mr. Calton sits on the board of several different companies across a range of industries including Technology & Fintech, Arts, Media, Real Estate, Development, wealth management companies, and consultancy firms, whilst also writing and providing commentary for publication globally including South China Morning Post, Bloomberg, Forbes, and Reuters.

#### **Ron Dombrowski – Director**

Ron Dombrowski has served as a member of The Coretec Group’s Board of Directors since August 2015. Mr. Dombrowski has over 25 years of executive global sales and operations experience, growing and scaling both startups and Fortune 500 technology companies. He is a graduate of the Southern Illinois University with degrees in Electrical Engineering and Management.

#### **Matthew Kappers – Chief Executive Officer and Director**

Prior to joining as CEO, Mr. Kappers was a consultant for The Coretec Group since 2018. Mr. Kappers has extensive transactional and operational experience working with both startups and publicly traded companies. Matthew also serves as a Managing Director at Concordia Financial Group, an investment bank and consulting firm since 2011. He has experience in operations, mergers and acquisitions, and strategic planning. Mr. Kappers earned a B.A. degree from Vanderbilt University and a M.B.A. degree from Miami University.

#### **Matthew Hoffman – Chief Financial Officer & Chief Operating Officer**

As CFO, Matt manages organizational growth, financial reporting, modeling, and system development. Matt has worked with early-stage, high growth businesses for the past 15 years in financial and operational capacities.

Matt's start-up experiences produced 30-40% annual growth through acquisition, first as the Controller at Adaptive Materials (AMI), a portable power development and manufacturing company, acquired by Ultra Electronics. Then as CFO of MI Bioresearch (MI Bio), a CRO for pre-clinical drug discovery, which was acquired by Covance (LabCorp). Prior to working for startups, Matt began his professional career in public accounting at Weidmayer, Schneider, Raham & Bennett. Matt holds a Bachelor of Business Administration degree from Western Michigan University, a license as a Certified Public Accountant in the State of Michigan, and a Secret level (inactive) DoD clearance.

#### **Audit Committee**

On February 25, 2008, the Board of Directors created an Audit Committee comprised of Mr. Victor Keen. We continue to evaluate the composition of our Audit Committee.

#### **Compensation Committee**

On February 25, 2008, the Board of Directors created a Compensation Committee comprised of Mr. Victor Keen. We continue to evaluate the composition of our Compensation Committee.

#### **Nomination and Corporate Governance Committee**

On February 25, 2008, the Board of Directors created Nominations and Corporate Governance Committee comprising of Mr. Victor Keen. We continue to evaluate the composition of our Nominations and Corporate Governance Committee.

#### **Director or Officer Involvement in Certain Legal Proceedings**

Our directors and executive officers were not involved in any legal proceedings as described in Item 401(f) of Regulation S-K in the past ten years.

#### **Board Leadership Structure and Role in Risk Oversight**

Although we have not adopted a formal policy on whether the Chairman and Chief Executive Officer positions should be separate or combined, in the past we determined that it was in the best interests of the Company and its shareholders to keep these two roles separate.

Our Board of Directors receives and reviews periodic reports from management, auditors, legal counsel, and others, as considered appropriate regarding our Company's assessment of risks. Our Board of Directors focuses on the most significant risks facing our Company and our Company's general risk management strategy and ensures that risks undertaken by us are consistent with the Board's appetite for risk. While the Board oversees our Company's risk management, management is responsible for day-to-day risk management processes. We believe this division of responsibilities is the most effective approach for addressing the risks facing our Company and that our board leadership structure and role in risk oversight is effective.

#### *Involvement in Certain Legal Proceedings*

To our knowledge, our directors and executive officers have not been involved in any of the following events during the past ten years:

1. any bankruptcy petition filed by or against such person or any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
2. any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);
3. being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him from or otherwise limiting his involvement in any type of business, securities or banking activities or to be associated with any person practicing in banking or securities activities;
4. being found by a court of competent jurisdiction in a civil action, the SEC or the Commodity Futures Trading Commission to have violated a Federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated;
5. being subject of, or a party to, any Federal or state judicial or administrative order, judgment decree, or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of any Federal or state securities or commodities law or regulation, any law or regulation respecting financial institutions or insurance companies, or any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or
6. being subject of or party to any sanction or order, not subsequently reversed, suspended, or vacated, of any self-regulatory organization, any registered entity or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

## **Code of Ethics**

We have not adopted a Code of Ethics and Business Conduct for Officers, Directors and Employees that applies to all of our officers, directors and employees.

## **Employment Agreements**

On June 21, 2021, the Company announced the appointment of Matthew J. Kappers as Chief Executive Officer. The agreement between Mr. Kappers and the Company stated that Mr. Kappers will operate in the CEO role as an independent contractor for the period of June 15, 2021 through December 15, 2021. Mr. Kappers will be compensated at a monthly rate of \$12,500 and received an option grant to purchase 5,000,000 shares of common stock. The options were fully vested pursuant to the Board of Directors consent, effective September 30, 2021. Since December 2021, the Company and Mr. Kappers have been operating under the agreement on a month-to-month basis. The Company recognized \$150,000 of expense as CEO for the year ended December 31, 2023 and \$154,200 of expense as CEO for the year ended December 31, 2022.

The Company entered into a one-year consulting agreement with Matthew Hoffman, doing business as Integrate Growth, LLC, effective May 18, 2020 and expiring May 19, 2021. Under the terms of the agreement, Hoffman had the position of Director of Finance. On June 30, 2020 Ron Robinson, Chief Financial Officer and Judith Keating, Corporate Secretary both retired from the Company. As part of the management transition plan Hoffman was elevated to Chief Financial Officer and Corporate Secretary on June 30, 2020. On June 23, 2021, the Company renewed the CFO and Corporate Secretary contract with Matthew L. Hoffman under similar terms of the initial contract through May 31, 2022. Mr. Hoffman and the Company operated on a month-to-month basis from June 1, 2022 through October 17, 2022. On October 18, 2022 the Company announced the appointment as COO, where the Company entered into an employment agreement with Mr. Hoffman. Pursuant to the Employment Agreement, Mr. Hoffman will receive an annual base salary of \$200,000. Mr. Hoffman will also be eligible for an annual incentive bonus, with a target payout of twenty percent (20%) of his then-current base salary, beginning with the Company's 2023 fiscal year, upon meeting objectives set by the board of directors. The Employment Agreement further provides that upon execution of the Employment Agreement, the Company will grant to Mr. Hoffman options to purchase 5,000,000 fully vested shares of the Company's common stock. The Company recognized \$200,000 of salary expense for the year ended December 31, 2023 and \$103,950 of expense respectively, under the terms of the agreement of the consulting agreement and \$50,000 of employee wage expense during the year ended December 31, 2022.

## Director Compensation

Our directors have not received monetary compensation for their service on the Board of Directors. Directors may receive compensation for their services and reimbursement for their expenses as shall be determined from time to time by resolution of the Board.

Except as below, none of the following parties has, since our date of incorporation, had any material interest, direct or indirect, in any transaction with us or in any presently proposed transaction that has or will materially affect us:

- Any of our directors or officers;
- Any person proposed as a nominee for election as a director;
- Any person who beneficially owns, directly or indirectly, shares carrying more than 10% of the voting rights attached to our outstanding shares of common stock;
- Any member of the immediate family of any of the foregoing persons.

## Risk Management

The Company does not believe risks arising from its compensation policies and practices for its employees are reasonably likely to have a material adverse effect on the Company.

## Director Independence

Because the Company's Common Stock is not currently listed on a national securities exchange, the Company has used the definition of "independence" of The NASDAQ Stock Market to make this determination. NASDAQ Listing Rule 5605(a)(2) provides that an "independent director" is a person other than an officer or employee of the company or any other individual having a relationship which, in the opinion of the company's board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The NASDAQ listing rules provide that a director cannot be considered independent if:

- the director is, or at any time during the past three years was, an employee of the company;
- the director or a family member of the director accepted any compensation from the company in excess of \$120,000 during any period of 12 consecutive months within the three years preceding the independence determination (subject to certain exclusions, including, among other things, compensation for board or board committee service);
- a family member of the director is, or at any time during the past three years was, an executive officer of the company;
- the director or a family member of the director is a partner in, controlling stockholder of, or an executive officer of an entity to which the company made, or from which the company received, payments in the current or any of the past three fiscal years that exceed 5% of the recipient's consolidated gross revenue for that year or \$200,000, whichever is greater (subject to certain exclusions);
- the director or a family member of the director is employed as an executive officer of an entity where, at any time during the past three years, any of the executive officers of the company served on the compensation committee of such other entity; or
- the director or a family member of the director is a current partner of the company's outside auditor, or at any time during the past three years was a partner or employee of the company's outside auditor, and who worked on the company's audit.

Based on this review of the Company's Board of Directors, only Ronald Dombrowski of the members is considered to be independent under the listing standards of the Rules of NASDAQ.

## ITEM 11. EXECUTIVE COMPENSATION

The following tables set forth all compensation earned in respect of our executive officers and directors for our last three completed fiscal years.

### SUMMARY COMPENSATION TABLES

The following information is furnished for the years ended December 31, 2023 and 2022 for our executive officers.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Non-Qualified Deferred Compensation (\$)	Earning All Other Compensation (\$)	Total (\$)
Matthew Kappers* CEO & Director	2023	\$ 150,000	\$ -	\$ -	\$ 117,500	\$ -	\$ -	\$ -	\$ 267,500
	2022	\$ 154,000	\$ -	\$ -	\$ 196,000	\$ -	\$ -	\$ -	\$ 350,000
Matthew Hoffman** CFO & COO	2023	\$ 200,000	\$ -	\$ -	\$ 117,500	\$ -	\$ -	\$ 6,000	\$ 323,500
	2022	\$ 153,050	\$ -	\$ -	\$ 140,000	\$ -	\$ -	\$ -	\$ 293,050

\*Matthew Kappers was appointed as CEO in June of 2021

\*\*Matthew Hoffman was appointed CFO in June of 2020 and COO in October 2022

The following information is furnished for the years ended December 31, 2023 and 2022 for our directors.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Non-Qualified Deferred Compensation (\$)	Earning All Other Compensation (\$)	Total (\$)
Victor Keen Co-Chairman	2023	\$ -	\$ -	\$ -	\$ 70,500	\$ -	\$ -	\$ -	\$ 70,500
	2022	\$ -	\$ -	\$ -	\$ 84,000	\$ -	\$ -	\$ -	\$ 84,000
Simon Calton Co-Chairman	2023	\$ -	\$ -	\$ -	\$ 70,500	\$ -	\$ -	\$ -	\$ 70,500
	2022	\$ -	\$ -	\$ -	\$ 84,000	\$ -	\$ -	\$ -	\$ 84,000
Ron Dombrowski Director	2023	\$ -	\$ -	\$ -	\$ 23,500	\$ -	\$ -	\$ -	\$ 23,500
	2022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



## OUTSTANDING EQUITY AWARDS AT FISCAL YEAR END

The following table sets forth with respect to grants of options to purchase our common stock to the executive officers as of December 31, 2023:

Name	Number of Securities	Number of Securities Underlying	Equity Incentive Plan Awards:		Option Exercise Price \$	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested #	Market Value of Shares or Units of Stock That have not vested \$	Equity Incentive Plan Awards: Number of Unearned Shares or Other Rights That Have Not Vested #	Equity Incentive Plan Awards Market or Payout Value of Unearned Shares or Other Rights That have not Vested \$
			Number of Securities	Underlying Securities						
Victor Keen, former CEO	11,000,000	-	-	-	\$0.024 to \$0.105	2026 - 2028	-	-	-	-
Michael A. Kraft, former CEO	14,208,160	-	-	-	\$0.041 to \$0.240	2024 - 2027	-	-	-	-
Matthew L. Hoffman, CFO	14,000,000	-	-	-	\$0.024 to \$0.105	2025 - 2028	-	-	-	-
Matthew J. Kappers, CEO	21,000,000	-	-	-	\$0.024 to \$0.105	2024 - 2028	-	-	-	-

## ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

### SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table provides information about shares of common stock beneficially owned as of March 21, 2024 by:

- each director;
- each officer named in the summary compensation table;
- each person owning of record or known by us, based on information provided to us by the persons named below, to own beneficially at least 5% of our common stock; and
- all directors and executive officers as a group.

On February 12, 2024 an investor provided notice of cashless exercise for pre-funded warrants with a price per share of \$0.0001. The warrant exercise results in an issuance of 14,861,316 common shares.

Name of Beneficial Owner		Common Stock Beneficial Ownership	Percent of Class (1)	Series A Preferred Beneficial Ownership	Percent of Class (2)
<b>Named Executive Officers and Directors:</b>					
Victor Keen	(2)	110,698,311	36.9%	265,000	76.8%
Simon Calton	(3)	26,707,834	8.9%	-	-
Ronald Dombrowski	(4)	7,644,920	2.5%	-	-
Matthew Kappers	(5)	22,205,117	7.4%	-	-
Matthew Hoffman	(6)	14,705,882	4.9%	-	-
Current directors and executive officers as a group		181,962,064	60.7%	265,000	76.8%
<b>Recent former directors and executive officers</b>					
Douglas Freitag	(7)	2,561,922	0.9%	-	-
Michael Kraft	(8)	14,208,160	4.7%	-	-
Current and former directors and executive officers as a group		198,732,146	66.3%	265,000	76.8%
<b>Other 5% Stockholders:</b>					
Carlton James Ltd	(9)	24,259,528	8.1%	-	-
Diversified Alpha Fund	(10)	see note	9.99%	-	-
Armistice Capital Master Fund Ltd	(11)	see note	9.99%	-	-

(1) Percentage ownership is determined based on shares owned together with securities exercisable or convertible into shares of common stock within 60 days of the date of this report, for each stockholder. Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. Furthermore, the percentages set forth in this column are based on the 299,868,572 issued and outstanding shares of common stock on March 21, 2024.

(2) Represents 96,048,679 shares owned by Mr. Keen and (i) 3,561,299 shares, representing his pecuniary interest in shares held by Carlton James Ltd., (ii) 11,000,000 shares issuable upon exercise of the options held by Mr. Keen, and (iii) 88,333 shares issuable upon the conversion of 265,000 shares of Series A preferred stock held by Mr. Keen. Victor Keen is a Co-Chairman of the Company's Board of Directors.

- (3) Represents 5,771,131 shares owned by Mr. Calton and (i) 9,936,703 shares, representing his pecuniary interest in shares held by Carlton James Ltd. Simon Calton is the Co-Chairman of the Company's Board of Directors and (ii) 11,000,000 shares issuable upon exercise of the options held by Mr. Calton.
- (4) Represents 3,644,920 shares owned by Mr. Dombrowski and 4,000,000 shares issuable upon exercise of the options held by Mr. Dombrowski. Ronald Dombrowski is a Director on the Company's Board of Directors.
- (5) Represents 1,205,117 shares owned by Mr. Kappers and 21,000,000 shares issuable upon exercise of the options held by Mr. Kappers. Matthew Kappers is the Company's CEO and Director on the Company's Board of Directors.
- (6) Represents 705,882 shares owned by Mr. Hoffman and 14,000,000 shares issuable upon exercise of options held by Mr. Hoffman. Matthew Hoffman is the Company's Chief Financial Officer and Chief Operating Officer.
- (7) Represents 561,922 shares owned by Mr. Freitag and 2,000,000 shares issuable upon exercise of the options held by Mr. Freitag. During January 2023, Douglas Freitag resigned as Director from the Company's Board of Directors.
- (8) Represents 14,208,160 shares issuable upon exercise of vested options held by Mr. Kraft. During October 2022, Michael A. Kraft resigned his position as the Company's President.
- (9) Shares held by Carlton James Ltd., are controlled by Simon Calton, the Co-Chairman of the Company's Board of Directors.
- (10) The shares are directly held by Diversified Alpha Fund (DAF). The number of shares excludes the 45,155,537 shares issuable upon conversions, which conversions are subject to a 9.99% ownership limitation, of outstanding balances under a Credit Agreement and related Promissory Note entered into by the Company and DAF. Accordingly, DAF's actual beneficial ownership and the maximum aggregate number of shares that DAF may not result in DAF's ownership exceeding 9.99%. DAF is managed and controlled by Mollitium Investment Management.
- (11) The shares are directly held by Armistice Capital Master Fund Ltd., a Cayman Islands exempted company (the "Master Fund"), and may be deemed to be indirectly beneficially owned by: (i) Armistice Capital, LLC ("Armistice Capital"), as the investment manager of the Master Fund; and (ii) Steven Boyd, as the Managing Member of Armistice Capital. The number of shares excludes 96,279,000 shares of common stock issuable upon exercise of the pre-funded warrants and the warrants, both of which are subject to certain beneficial ownership limitations. Armistice Capital and Steven Boyd disclaim beneficial ownership of the securities except to the extent of their respective pecuniary interests therein. The business address for the Master Fund is c/o Armistice Capital, LLC, 510 Madison Avenue 7th Floor, New York 10022. The maximum aggregate number of shares that the Master Fund may hold is equal to that number of shares that would not result in the Master Fund's ownership exceeding 9.99%.
- (12) Calculated on the basis of 345,000 issued and outstanding shares of Series A Convertible Preferred Stock as of March 21, 2024.

## ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

### Related Party Transactions

See Item 10. Employment Agreements

### Director Independence

As discussed above, only Ronald Dombrowski of the members is considered to be an independent director within the meaning of NASDAQ Rule 5605(a)(2).

## ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

### Audit Fees

The aggregate fees billed by our principal accountants for the audit of our annual financial statements, review of financial statements included in the quarterly reports and other fees that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for the fiscal years ended December 31, 2023 and 2022 were \$84,000 and \$147,900, respectively.

### Audit-Related Fees

The aggregate fees billed by our principal accountant for assurance and advisory services that were related to the performance of the audit or review of our financial statements for the fiscal years ended December 31, 2023 and 2022 were \$0 and \$0, respectively.

### Tax Fees

The aggregate fees billed for professional services rendered by our principal accountant for tax compliance, tax advice and tax planning for the fiscal years December 31, 2023 and 2022 were \$3,500 and \$3,100, respectively.

### All Other Fees

The aggregate fees billed for products and services provided by our principal accountant for the fiscal years ended December 31, 2023 and 2022 were \$0 and \$0, respectively.

### Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Auditors

The Audit Committee's policy is to pre-approve all audit and permissible non-audit services provided by the independent auditors. These services may include audit services, audit-related services, tax services and other services. Pre-approval is generally provided for up to one year and any pre-approval is detailed as to the particular service or category of services and is generally subject to a specific budget. The independent auditors and management are required to periodically report to our Board of Directors regarding the extent of services provided by the independent auditors in accordance with this pre-approval, and the fees for the services performed to date. The Board of Directors may also pre-approve particular services on a case-by-case basis.

## PART IV

### ITEM 15. EXHIBIT AND FINANCIAL STATEMENT SCHEDULES

- 3.1 [Certificate of Incorporation \(incorporated by reference to Form SB-2 as filed on December 15, 2006 \(File No. 333-139420\) and subsequently withdrawn on February 5, 2007\)](#)
- 3.2 [Bylaws \(incorporated by reference to Form SB-2 as filed on December 15, 2006 \(File No. 333-139420\) and subsequently withdrawn on February 5, 2007\)](#)
- 3.3 [Amended Certificate of Incorporation \(incorporated by reference to Form SB-2 as filed on December 15, 2006 \(File No. 333-139420\) and subsequently withdrawn on February 5, 2007\)](#)
- 3.4 [Amended Certificate of Incorporation \(incorporated by reference to Form SB-2 as filed on December 15, 2006 \(File No. 333-139420\) and subsequently withdrawn on February 5, 2007\)](#)
- 3.5 [Amended Certificate of Incorporation \(incorporated by reference to Form SB-2 as filed on December 15, 2006 \(File No. 333-139420\) and subsequently withdrawn on February 5, 2007\)](#)
- 3.6 [Amended Certificate of Incorporation \(incorporated by reference to Current Report on Form 8-K as filed on December 23, 2010 \(File No. 333-143761\)\)](#)
- 3.7 [Amended Certificate of Incorporation \(Incorporated by reference to Current Report on Form 8-K as filed on May 2, 2012 \(File No. 333-143761\)\)](#)
- 3.8 [Amendment to the Bylaws as of April 4, 2013 \(incorporated by reference to Current Report on Form 8-K as filed on April 5, 2013 \(File No. 000-54697\)\)](#)
- 3.9 [Certificate of Designation of Preferences, Rights and Limitation of Series A Convertible Preferred Stock \(incorporated by reference to Current Report on Form 8-K as filed on December 13, 2013 \(File No. 000-54697\)\)](#)
- 4.1 [Description of Securities \(incorporated by reference to Annual Report on Form 10-K as filed on March 12, 2021 \(File No. 000-54697\)\)](#)
- 4.2 [The Coretec Group, Inc. 2021 Equity Incentive Plan \(incorporated by reference to Current Report on Form 8-K as filed on October 1, 2021 \(File No. 000-54697\)\)](#)
- 4.3 [The Coretec Group, Inc. 2023 Equity Incentive Plan \(incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K as filed on October 31, 2023\)](#)

- 10.1 [Credit Agreement dated as of October 4, 2019 \(incorporated by reference to Current Report on Form 8-K as filed on October 15, 2019 \(File No. 000-54697\)\)](#)
- 10.2 [Promissory Note dated as of October 4, 2019 \(incorporated by reference to Current Report on Form 8-K as filed on October 15, 2019 \(File No. 000-54697\)\)](#)
- 10.3 [Warrant dated as of October 4, 2019 \(incorporated by reference to Current Report on Form 8-K as filed on October 15, 2019 \(File No. 000-54697\)\)](#)
- 10.4 [Consulting Agreement dated May 18, 2020, by and between the Company and Matthew Hoffman \(incorporated by reference to Annual Report on Form 10-K as filed on March 12, 2021 \(File No. 000-54697\)\)](#)
- 10.5 [Engagement Letter dated February 26, 2021 \(incorporated by reference to Current Report on Form 8-K as filed on March 3, 2021 \(File No. 000-54697\)\)](#)
- 10.6 [Form of Securities Purchase Agreement \(incorporated by reference to Current Report on Form 8-K as filed on March 3, 2021 \(File No. 000-54697\)\)](#)
- 10.7 [Form of Warrant \(incorporated by reference to Current Report on Form 8-K as filed on March 3, 2021 \(File No. 000-54697\)\)](#)
- 10.8 [Form of Registration Rights Agreement \(incorporated by reference to Current Report on Form 8-K as filed on March 3, 2021 \(File No. 000-54697\)\)](#)
- 10.9 [Form of Placement Agent Warrant \(incorporated by reference to Current Report on Form 8-K as filed on March 3, 2021 \(File No. 000-54697\)\)](#)
- 10.10 [Form of Pre-funded Warrant \(incorporated by reference to Current Report on Form 8-K as filed on March 3, 2021 \(File No. 000-54697\)\)](#)
- 10.11 [Press Release issued March 2, 2021 \(incorporated by reference to Current Report on Form 8-K as filed on March 3, 2021 \(File No. 000-54697\)\)](#)
- 10.12 [Form of Option Agreement \(incorporated by reference to Current Report on Form 8-K as filed on April 13, 2021 \(File No. 000-54697\)\)](#)
- 10.13 [Employment Agreement dated as of June 15, 2021, by and between the Company and Mr. Kappers. \(incorporated by reference to Current Report on Form 8-K as filed on June 21, 2021 \(File No. 000-54697\)\)](#)

- 10.14 [Modification dated as of November 16, 2021 \(incorporated by reference to Current Report on Form 8-K as filed on November 22, 2021 \(File No. 000-54697\)\)](#)
- 10.15 [Employment Agreement dated October 14, 2022](#)
- 10.16 [Form of Option Agreement for the 2023 Equity Incentive Plan \(incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K as filed on October 31, 2023\)](#)
- 10.17 [Share Exchange Agreement dated as of March 1, 2024 \(incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K as filed on March 6, 2024](#)
- 21.1 [Subsidiaries \(incorporated by reference to Annual Report on Form 10-K as filed on March 12, 2021 \(File No. 000-54697\)\)](#)
- 31.1\* [Certification by Chief Executive Officer, required by Rule 13a-14\(a\) or Rule 15d-14\(a\) of the Exchange Act](#)
- 31.2\* [Certification by Chief Financial Officer, required by Rule 13a-14\(a\) or Rule 15d-14\(a\) of the Exchange Act](#)
- 32.1\*\* [Certification by Chief Executive Officer, required by Rule 13a-14\(b\) or Rule 15d-14\(b\) of the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code](#)
- 32.2\*\* [Certification by Chief Financial Officer, required by Rule 13a-14\(b\) or Rule 15d-14\(b\) of the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code](#)

101.INS Inline XBRL Instance

101.SCHInline XBRL Taxonomy Extension Schema

101.CALInline XBRL Taxonomy Extension Calculation

101.DEFInline XBRL Taxonomy Extension Definition

101.LABInline XBRL Taxonomy Extension Labels

101.PRE Inline XBRL Taxonomy Extension Presentation

104 Cover Page Interactive Data File (embedded within the Inline XBRL and contained in Exhibit 101)

\* Filed herewith

\*\* Furnished herewith

**ITEM 16. FORM 10-K SUMMARY**

Not applicable

**SIGNATURES**

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**THE CORETEC GROUP INC.**

Date: March 21, 2024

*/s/ Matthew J. Kappers*

\_\_\_\_\_  
Name: Matthew J. Kappers  
Title: Chief Executive Officer  
(Principal Executive Officer)

*/s/ Matthew L. Hoffman*

\_\_\_\_\_  
Name: Matthew L. Hoffman  
Title: Chief Financial Officer  
(Principal Financial Officer)

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<i>SIGNATURE</i>	<i>TITLE</i>	<i>DATE</i>
<i>By: /s/ Victor F. Keen</i> _____ Victor F. Keen	Director	March 21, 2024
<i>By: /s/ Simon Calton</i> _____ Simon Calton	Director	March 21, 2024
<i>By: /s/ Ronald Dombrowski</i> _____ Ronald Dombrowski	Director	March 21, 2024



The Coretec Group, Inc.  
December 31, 2023 and 2022

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of  
The Coretec Group Inc.

### **Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of The Coretec Group, Inc. and its subsidiary (the Company) as of December 31, 2023 and 2022, the related consolidated statements of operations, stockholders' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

### **The Company's Ability to Continue as a Going Concern**

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has insufficient revenue and capital commitments to fund the development of its planned products, pay current operating expenses and debt commitments beyond a year following the issuance of these financial statements. This raises substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters also are described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

### **Basis for Opinion**

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

## Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements, and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

### *Patent Impairment Assessment*

As described further in Note 1 to the financial statements, the Company reviews patents for potential impairment whenever events or changes in circumstances indicate that the carrying amount of the asset or asset group may not be recoverable. In performing the review for impairment, management makes significant estimates and assumptions related to the use of the patents and forecasts of future undiscounted cash flows. The net balance of the patents was approximately \$818,000 as of December 31, 2023.

Given the significant assumptions made by management regarding the Company's discretionary strategic decisions to use the patent technology in the future and the uncertainty of the outcome of the use of the technology, performing audit procedures required a high degree of auditor judgment and was impacted by the nature of audit evidence regarding the matter.

Our audit procedures related to the patent impairment assessment included the following, among others:

- We compared the remaining useful life of the patents to the Company's underlying register and to the remaining legal life under patent law.
- To identify any potential unidentified impairment triggers, we made specific inquiries to management regarding the Company's plans for the use of the technology and considered if any audit evidence obtained in other areas supported or contradicted the assertions made by management.
- We evaluated the reasonableness of significant assumptions used in management's assessment of whether impairment indicators exist.

/s/ HOGANTAYLOR LLP

We have served as the Company's auditor since 2016.

Tulsa, Oklahoma  
March 21, 2024

**THE CORETEC GROUP INC.**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
Current assets:		
Cash	\$ 523,988	\$ 2,356,348
Prepaid expenses	132,680	114,201
Total current assets	<u>656,668</u>	<u>2,470,549</u>
Property and equipment, net	<u>109,766</u>	<u>73,462</u>
Other assets:		
Intangibles, net	824,345	906,975
Goodwill	166,000	166,000
Deposits-other	4,550	4,550
Total other assets	<u>994,895</u>	<u>1,077,525</u>
Total Assets	<u>\$ 1,761,329</u>	<u>\$ 3,621,536</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 75,918	\$ 316,992
Notes payable, current portion	571,451	61,398
Total current liabilities	<u>647,369</u>	<u>378,390</u>
Long term debt, net	<u>1,003,816</u>	<u>1,414,826</u>
Total Liabilities	<u>1,651,185</u>	<u>1,793,216</u>
Stockholders' equity:		
Preferred stock, Series A convertible, \$0.0002 par value, 500,000 shares authorized; 345,000 shares issued and outstanding at December 31, 2023 and 2022, respectively	69	69
Common stock \$0.0002 par value, 1,500,000,000 shares authorized; 284,104,032 and 268,871,202 shares issued and outstanding at December 31, 2023 and 2022, respectively	56,819	53,772
Additional paid-in capital	18,706,208	18,119,792
Accumulated deficit	<u>(18,652,952)</u>	<u>(16,345,313)</u>
Total Stockholders' Equity	<u>110,144</u>	<u>1,828,320</u>
Total Liabilities and Stockholders' Equity	<u>\$ 1,761,329</u>	<u>\$ 3,621,536</u>

See notes to consolidated financial statements

THE CORETEC GROUP INC.

CONSOLIDATED STATEMENTS OF OPERATIONS  
YEARS ENDED DECEMBER 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>Income:</b>		
Revenue	\$ -	\$ -
<b>Expenses:</b>		
Research and development	512,952	535,837
General and administrative	1,791,910	2,132,996
Interest	217,564	202,751
Total expenses	<u>2,522,426</u>	<u>2,871,584</u>
Other income	214,787	8,260
Net loss	<u>(2,307,639)</u>	<u>(2,863,324)</u>
Loss per share:		
Basic and diluted	<u>\$ (0.008)</u>	<u>\$ (0.011)</u>
Weighted average shares outstanding, basic and diluted	<u>277,732,088</u>	<u>258,337,996</u>

See notes to consolidated financial statements

THE CORETEC GROUP INC.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY  
YEARS ENDED DECEMBER 31, 2023 and 2022

	Series A Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total
	Shares	Par Value	Shares	Par Value			
<b>Balance December 31, 2021</b>	345,000	\$ 69	254,055,581	\$ 50,809	\$ 17,295,262	\$ (13,481,989)	\$ 3,864,151
Common stock issued for liabilities	-	-	3,615,621	723	59,943	-	60,666
Exchange of stock options for common stock	-	-	900,000	180	(180)	-	-
Warrants issued	-	-	-	-	4,102	-	4,102
Warrants exercised	-	-	10,300,000	2,060	(1,030)	-	1,030
Options issued for compensation and services	-	-	-	-	761,695	-	761,695
Net loss for the period	-	-	-	-	-	(2,863,324)	(2,863,324)
<b>Balance December 31, 2022</b>	345,000	\$ 69	268,871,202	\$ 53,772	\$ 18,119,792	\$ (16,345,313)	\$ 1,828,320
Options issued for compensation and services	-	-	-	-	564,000	-	564,000
Common stock issued for liabilities	-	-	2,732,830	547	23,666	-	24,213
Warrants exercised	-	-	12,500,000	2,500	(1,250)	-	1,250
Net loss for the period	-	-	-	-	-	(2,307,639)	(2,307,639)
<b>Balance December 31, 2023</b>	345,000	\$ 69	284,104,032	\$ 56,819	\$ 18,706,208	\$ (18,652,952)	\$ 110,144

See notes to consolidated financial statements

THE CORETEC GROUP INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2023 and 2022

	2023	2022
<b>Cash Flows from Operating Activities</b>		
Net loss	\$ (2,307,639)	\$ (2,863,324)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	12,503	6,803
Amortization - intangibles	82,630	82,629
Amortization - debt discount	65,065	61,660
Options issued for compensation and services	564,000	761,695
Gain on derecognition of accounts payable	(195,901)	-
Gain on sale of equipment	(195)	-
Change in:		
Prepaid expenses	(18,479)	19,289
Deposits	-	11,793
Accounts payable and accrued liabilities	(20,960)	70,563
Net cash used in operating activities	<u>(1,818,976)</u>	<u>(1,848,892)</u>
<b>Cash Flows from Investing Activities</b>		
Purchases of equipment	(52,862)	(80,265)
Sale of equipment	4,250	-
Net cash used in investing activities	<u>(48,612)</u>	<u>(80,265)</u>
<b>Cash Flows from Financing Activities</b>		
Payments on notes payable	(122,828)	(40,046)
Proceeds from debt and warrants issued	156,806	271,194
Proceeds from exercised warrants	1,250	1,030
Net cash provided by financing activities	<u>35,228</u>	<u>232,178</u>
Net change in cash	(1,832,360)	(1,696,979)
Cash, beginning of period	2,356,348	4,053,327
Cash, end of period	<u>\$ 523,988</u>	<u>\$ 2,356,348</u>
<b>Supplemental Disclosure of Cash flow Information</b>		
Cash paid during the period for interest	\$ 183,767	\$ 132,873
<b>Non-Cash Financing Activities</b>		
Stock options exchanged for common stock	\$ -	\$ 180
Common stock issued to satisfy liabilities	\$ 24,213	\$ 60,666

See notes to consolidated financial statements

## THE CORETEC GROUP INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### Note 1 – Business and Summary of Significant Accounting Policies

##### *Nature of Business*

The Coretec Group Inc. (the “Group”) (formerly 3DIcon Corporation) (“3DIcon”) was incorporated on August 11, 1995, under the laws of the State of Oklahoma as First Keating Corporation. The articles of incorporation were amended August 1, 2003 to change the name to 3DIcon Corporation. During 2001, First Keating Corporation began to focus on the development of 360-degree holographic technology. From January 1, 2001, 3DIcon’s primary activity has been the raising of capital in order to pursue its goal of becoming a significant participant in the development, commercialization and marketing of next generation 3D display technologies.

Coretec Industries, LLC (“Coretec”), is a wholly owned subsidiary of the Group (collectively the “Company”). The Company is currently developing, testing, and providing new and/or improved technologies, products, and service solutions for energy-related industries including, but not limited to oil/gas, renewable energy, and distributed energy industries. Many of these technologies and products also have application for medical, electronic, photonic, display, and lighting markets among others. Early adoption of these technologies and products is anticipated in markets for energy storage (Li-ion batteries), renewable energy (BIPV), and electronics (Asset Monitoring).

##### *Reverse Acquisition*

On May 31, 2016, the Group entered into a Share Exchange Agreement (the “Share Exchange Agreement”) with Coretec and four Coretec members (the “Members”), which Members held all outstanding membership interests in Coretec. On September 30, 2016 (the “Closing Date”), the Group closed the transaction contemplated by the Share Exchange Agreement. Pursuant to the Share Exchange Agreement, the Members agreed to sell all their membership interests in Coretec to the Group in exchange for the Group’s issuance of an aggregate 4,760,872 shares of the Group’s Series B Convertible Preferred Stock to the Members (the “Exchange”). Coretec became a wholly owned subsidiary of the Group and the former Members beneficially owned approximately 65% of the Group’s common stock on a fully diluted basis on the Closing Date. Upon the closing of the Share Exchange Agreement, two of the Group’s Directors resigned and three new Directors associated with Coretec were nominated and elected, giving control of the board of directors to former Coretec Members.

##### *Basis of Presentation*

Under accounting principles generally accepted in the United States of America (“U.S. GAAP”), the acquisition is treated as a “reverse acquisition” under the purchase method of accounting. The consolidated statements of operations herein reflect the historical results of Coretec prior to the completion of the reverse acquisition since it was determined to be the accounting acquirer, and do not include the historical results of operations for 3DIcon prior to the completion of the acquisition. 3DIcon’s assets and liabilities were consolidated with the assets and liabilities of Coretec as of the September 30, 2016 consummation of the acquisition.

##### *Principles of Consolidation*

The consolidated financial statements include the accounts of the Group and its wholly owned subsidiary, Coretec. Intercompany transactions and balances have been eliminated in consolidation.

##### *Use of Estimates*

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and the disclosure of contingent assets and liabilities. Actual results could differ from the estimates and assumptions used.



### *Intangibles*

Intangible assets consist of purchased patents and capitalized website costs. Intangible assets are recorded at the fair value as of the date of acquisition, and intangible assets with finite lives are amortized on a straight-line basis over their estimated useful lives.

### *Goodwill*

Goodwill was acquired with the reverse acquisition. The Company evaluates the carrying value of goodwill on an annual basis and if events occur or circumstances change that would more likely than not reduce the fair value of goodwill below its carrying amount. When assessing whether goodwill is impaired, management considers first a qualitative approach to evaluate whether it is more likely than not the fair value of the goodwill is below its carrying amount; if so, management considers a quantitative approach by analyzing changes in performance and market-based metrics as compared to those used at the time of the initial acquisition. For the periods presented, no impairment charges were recognized.

### *Property and Equipment*

Property and equipment are recorded at cost. Depreciation is recorded over the estimated useful lives using the straight-line method. Maintenance and repairs are expensed as incurred; major improvements and betterments are capitalized.

Estimated useful lives of property and equipment are as follows for the major classes of assets:

Asset Description	Estimated Lives (years)
Furniture and fixtures	7
Laboratory equipment	7

### *Impairment of Long-Lived Assets*

Long-lived assets, such as intangibles, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset or asset group be tested for possible impairment, the Company first compares undiscounted cash flows expected to be generated by that asset or asset group to its carrying value. If the carrying value of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values and third-party independent appraisals, as considered necessary.

### *Fair Value of Financial Instruments*

The following methods and assumptions were used to estimate the fair value of each class of financial instrument held by the Company:

*Current assets and current liabilities* - The carrying value approximates fair value due to the short maturity of these items.

*Notes payable* - The fair value of the Company's notes payable has been estimated by the Company based upon the liability's characteristics, including interest rates, embedded instruments and conversion discounts. The carrying value approximates fair value after taking into consideration the liability's characteristics.

### *Basic and Diluted Loss Per Common Share*

Basic loss per common share is computed by dividing net loss by the weighted average number of vested common shares outstanding during the period. Diluted earnings per share reflects the potential dilution that could occur if securities or other instruments to issue common stock were exercised or converted into common stock. The following securities are excluded from the calculation of weighted average dilutive common shares because their inclusion would have been anti-dilutive:

	<b>December 31,</b>	
	<b>2023</b>	<b>2022</b>
Options	101,158,160	77,158,160
Warrants	120,014,000	132,514,000
Series A convertible preferred stock	115,000	115,000
Convertible debt	45,155,537	45,155,537
<b>Total potentially dilutive shares</b>	<b>266,442,697</b>	<b>254,942,697</b>

### *Research and Development*

Research and development costs are expensed as incurred.

### *Income Taxes*

The Company accounts for income taxes under an asset and liability approach that requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in the Company's consolidated financial statements or tax returns. In estimating future tax consequences, the Company generally considers all expected future events other than enactments of changes in tax laws or rates. The effect on deferred tax assets and liabilities of a change in tax rates will be recognized as income or expense in the period that includes the enactment date. A valuation allowance is established when necessary to reduce deferred tax assets to the amount expected to be realized.

The Company's tax benefits are fully offset by a valuation allowance due to the uncertainty that the deferred tax assets would be realized. Management considers the likelihood of changes by taxing authorities in its filed income tax returns and recognizes a liability for or discloses potential changes that management believes are more likely than not to occur upon examination by tax authorities. Management has not identified any uncertain tax positions in filed income tax returns that require recognition or disclosure in the accompanying consolidated financial statements.

## Note 2 – Uncertainties and New Share Exchange Agreement

As of this report, the Company has insufficient revenue and capital commitments to fund the development of its planned products, pay current operating expenses and debt commitments beyond a year following the issuance of these consolidated financial statements. These conditions, among others, raise substantial doubt about the Company's ability to continue as a going concern for a year following the issuance of these consolidated financial statements.

On March 1, 2024, the Company entered into a Share Exchange Agreement with Core Optics, LLC, a Virginia limited liability company ("Core Optics"), Core Optics Co., Ltd., a Republic of Korea corporation ("Operating Subsidiary") and Core SS LLC, a Virginia limited liability company (the "Member"), which Member holds all outstanding membership interests in Core Optics. Pursuant to the Share Exchange Agreement, the closing of which remains subject to the satisfaction of various closing conditions, the Member agreed to sell all of its membership interests in Core Optics to the Company in exchange for the Company's issuance of (i) 10,000,000 shares of Series C Convertible Preferred Stock, par value \$0.0002 per share, of the Company; and (ii) 705,561,076 shares of the Company's common stock, for the Membership Interests so transferred by the Member (the "Exchange"). Upon consummation of the Exchange, Core Optics will be a wholly-owned-direct subsidiary of the Company, Operating Subsidiary will be a wholly-owned-indirect subsidiary of the Company, the combined company will continue to operate under the name The Coretec Group, Inc., the Company's common stock will continue to trade under the ticker symbol "CRTG", and the Member is expected to beneficially own approximately 80% of the Company's common stock on a fully-diluted basis.

Each share of the Series C Preferred Stock is expected to be convertible into 150 shares of common stock and has a stated value of \$3.00. The Preferred Stock is not expected to: require the payment of any dividends; include any operational covenants; or require the Company to redeem the Series C Preferred Stock. Each holder of Series C Preferred Stock is expected to be entitled to cast the number of votes equal to the number of shares of Company common stock into which the Series C Preferred Stock held by such holder are convertible. In addition, it is expected that all outstanding Series C Preferred Stock will be automatically converted after a mandatory conversion event, which will be set forth in a certificate of designation that the Company would file with the Secretary of the State of Oklahoma at or before the closing of the Exchange.

Consummation of the Exchange is subject to customary conditions, including without limitation, (i) the delivery to the Company by the Member or its designees, if any, of a representation letter attesting to its status as an "accredited investor;" (ii) the delivery to the Company by the Member or its designees, if any, a lock up agreement in the form attached to the Share Exchange Agreement; (iii) the delivery by the Company of lock up agreements, in the form attached to the Share Exchange Agreement, from certain members of the Company's management; (iv) the delivery to the Company of the required consolidated financial statements, as specified under the Share Exchange Agreement; (v) delivery by the Company to Core Optics of an applicable notice or approval from the OTC Markets that Company's Common Stock will continue to be quoted on the OTCQB after the Closing; and (vi) delivery by the Company and Core Optics of all required consents to consummate all transactions contemplated by the Share Exchange Agreement.

The Share Exchange Agreement contains certain termination rights for the Company, Core Optics, and the Member.

The ability of the Company to continue as a going concern depends on the successful completion of the Company's referenced share exchange agreement with Core Optics, LLC and the ability of the Company, post-merger, to fund the combined entities activities and development of its planned products.

In the event, that the referenced share exchange agreement does not close, then the Company intends to continue to raise additional capital through other debt and equity financings. There is no assurance that these funds will be sufficient to enable the Company to fully complete its development activities or attain profitable operations. If the Company is unable to obtain such additional financing on a timely basis or, notwithstanding any request the Company may make, the Company's debt holders do not agree to convert their notes into equity or extend the maturity dates of their notes, the Company may have to curtail its development, marketing and promotional activities, which would have a material adverse effect on the Company's business, financial condition and results of operations, and ultimately the Company could be forced to discontinue its operations and liquidate.

The accompanying consolidated financial statements have been prepared in conformity with U.S. GAAP, which contemplates the continuation of the Company as a going concern and the realization of assets and satisfaction of liabilities in the normal course of business. The carrying amounts of assets and liabilities presented in the consolidated financial statements do not necessarily purport to represent realizable or settlement values. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

### Note 3 – Property, Plant and Equipment

The following table sets forth the tangible assets:

	December 31, 2023	December 31, 2022
Laboratory equipment	\$ 127,191	\$ 80,265
Accumulated depreciation	(17,425)	(6,803)
Net property, plant and equipment	<u>\$ 109,766</u>	<u>\$ 73,462</u>

The Company's laboratory equipment primarily consists of assets utilized for synthesis, battery manufacturing, testing and analysis.

#### Note 4 – Intangibles

The following table sets forth the intangible assets:

	December 31, 2023	December 31, 2022
Patents	\$ 1,400,000	\$ 1,400,000
Website development costs	12,007	12,007
Accumulated amortization	(587,662)	(505,032)
Net intangible assets	<u>\$ 824,345</u>	<u>\$ 906,975</u>

The patents were acquired with the September 30, 2016 reverse acquisition. Amortization expense for the next five fiscal years and thereafter is expected to be approximately \$80,000 annually through the year ended December 31, 2034.

#### Note 5 – Debt

Notes payable and long-term debt consists of the following:

	December 31, 2023	December 31, 2022
<i>Notes payable:</i>		
5.26% Insurance premium finance agreement paid in June 2023	\$ -	\$ 61,398
8.29% Insurance premium finance agreement due June 2024	95,376	-
Current portion of long term debt	476,075	-
<b>Notes payable - current</b>	<u>\$ 571,451</u>	<u>\$ 61,398</u>
 <i>Long term debt:</i>		
10% promissory note, principal payments start July 2024	\$ 1,485,617	\$ 1,485,617
<i>Less:</i>		
Current portion of long term debt	(476,075)	-
Warrants issued	(1,688)	(51,755)
Debt issuance costs	(4,038)	(19,036)
<b>Total long term debt</b>	<u>\$ 1,003,816</u>	<u>\$ 1,414,826</u>

##### *5.26% Insurance premium finance agreement, due June 2023*

The Company entered into an insurance financing agreement in August 2022 totaling \$101,444. The monthly payments under the agreement were due in ten installments of \$10,391 each. The debt was fully paid under the terms of the agreement.

##### *8.29% Insurance premium finance agreement, due June 2024*

The Company entered into an insurance financing agreement in August 2023 totaling \$156,806. The monthly payments under the agreement are due in ten installments of \$16,283. The Company has made payments on the note of \$65,131 as of December 31, 2023.

##### *10% Promissory note, principal payments start July 2024*

On October 4, 2019, the Company entered into a Credit Agreement and related Promissory Note with Diversified Alpha Fund of Navigator Global Fund Manager Platform SPC (“DAF”), the Lender. DAF is a segregated portfolio fund of Navigator Global Fund Manager Platform SPC. DAF is managed and controlled by Mollitium Investment Management (Mollitium). Mollitium utilizes Diversified Global Investment Advisors Ltd. (“DGIA”) to act in an advisory role. DGIA maintains an Investment Committee to support the services to Mollitium. Simon Calton serves as part of this five-member investment committee and in accordance with the investment committee’s guidelines, Mr. Calton does not participate in matters or voting that pertain to the Company due to his conflict of interest. Investment advice provided by DGIA to Mollitium are recommendations only and the final decision on actions are the responsibility of Mollitium. Carlton James Global Management, Ltd (CJGM) serves as a distributor of investments by introducing funds available to the market of which DAF is included in CJGM’s group of funds. Compensation to CJGM occurs when investments are made into funds that they introduce. CJGM is part of the Carlton James Group of which Mr. Calton is CEO.

The 10% Promissory Note, in a principal amount of \$2,500,000, is due on the 15th day of the 4th anniversary of each advance with the first capital payment due on July 15, 2024. The Promissory Note has attached warrants to subscribe for and purchase 3,000,000 shares of common stock at an exercise price of \$0.052 per share. Under the terms of the Credit Agreement, DAF will fund the Promissory Note in sixteen (16) tranches in amounts of \$125,000 and \$175,000 per month beginning in October 2019. The funding of the Promissory Note is at the discretion of DAF and may differ from the planned schedule. As of December 31, 2023, DAF has advanced \$2,345,000 with no definitive date or commitment to advance the remaining \$155,000. Interest is accrued monthly and paid in advance for the first six months and thereafter interest only payments shall be paid quarterly.

On November 16, 2021, the Company countersigned a letter of variation (the Variation) to the credit agreement entered into, on October 4, 2019, with DAF. Pursuant to the Variation, the Lender agreed to extend the repayment days for each advance made by Lender under the credit agreement until the fourth anniversary of such advance. DAF has also communicated to the Company that interest only payments are due on a quarterly basis, commencing in January of 2022.

On May 12, 2023, the Company countersigned a second letter of variation (the Second Variation) to the credit agreement entered into on October 4, 2019, with DAF. Pursuant to the Second Variation, the Lender agreed to extend the repayment days for each advance made by Lender under the credit agreement by an additional four months. The first principal payment will be due on July 15, 2024 with all other terms and conditions of the credit facility remaining unchanged.

Under the terms of the Credit Agreement, DAF has the right to elect to convert all or part of the Promissory Note at a price equal to seventy percent (70%) of the average closing price of the Company's common stock as reported on the over-the-counter quotation system on the OTC Markets during the fifteen (15) calendar days prior to the loan closing date of October 4, 2019, which calculates to \$0.0329 per share.

Under the terms of the Credit Agreement, warrants to subscribe for and purchase 3,000,000 shares of common stock at an exercise price of \$0.052 per share were issued to DAF. The estimated value of the warrants granted monthly, with each advance, is calculated using the Black-Scholes option pricing model. The resulting estimated value of the warrant is used to proportionally allocate the fair value of the debt advance and the fair value of the warrants.

There were no advanced gross proceeds to the Company during the year ended December 31, 2023 compared with \$175,000 for the year ended December 31, 2022.

There were no warrants issued under the Credit Agreement during the year ended December 31, 2023 compared with 210,000 warrants issued during the year ended December 31, 2022.

The allocated cost of the warrants issued during the years ended December 31, 2023 and 2022, was \$0 and \$4,102, respectively, and is being amortized over the life of the debt. Total amortization of the allocated warrant costs, including previously issued warrants, was \$47,717 and \$46,275 during the years ended December 31, 2023 and 2022, respectively. See Note 6 for more information on the warrants.

Additionally, under the terms of the Credit Agreement, the Company agreed to pay a commitment fee of 3% of each advance and reimburse DAF for certain expenses in connection with the preparation, interpretation, performance and enforcement of the Credit Agreement. Those costs amounted to \$0 and \$5,250 during the years ended December 31, 2023 and 2022, respectively, and are being amortized over the life of the debt with \$17,348 and \$15,385 amortized during the years ended December 31, 2023 and 2022, respectively.

Interest payments were made to DAF from invoiced amounts totaling for \$179,889 and \$131,357 during the years ended December 31, 2023 and 2022, respectively.

The following table sets forth the principal payment schedule by year:

Year	Principal payments due
2024	476,075
2025	870,000
2026	139,542
	<u>\$ 1,485,617</u>

#### Note 6 – Equity Incentive Plans

In January 2018, the Company's 2018 Equity Incentive Plan (the "2018 EIP") was established. The total number of shares of stock which may be purchased or granted directly by options, stock awards or restricted stock purchase offers, or purchased indirectly through exercise of options granted under the 2018 EIP shall not exceed fifteen million (15,000,000) shares. The shares are included in a registration statement filed January 2018. There were 0 shares available for issuance under the 2018 EIP as of December 31, 2023.

On September 30, 2021, the Board of Directors approved The Coretec Group, Inc. 2021 Equity Incentive Plan ("2021 EIP") which covers the potential issuance of 62,000,000 shares of common stock, from which various awards may be granted, including but not limited to: (a) Incentive Stock Options, (b) Non-qualified Stock Options, (c) Stock Appreciation Rights, (d) Restricted Awards, (e) Performance Share Awards, and (f) Performance Cash Awards. There were 0 shares available for issuance under the 2021 EIP as of December 31, 2023.

On October 27, 2023, the Board of Directors approved The Coretec Group, Inc. 2023 Equity Incentive Plan (the "2023 Plan"), which covers the potential issuance of 57,000,000 shares of common stock, from which various awards may be granted, including but not limited to: (a) Incentive Stock Options, (b) Non-qualified Stock Options, (c) Stock Appreciation Rights, (d) Restricted Awards, (e) Performance Share Awards, and (f) Performance Cash Awards. There were 33,000,000 shares available for issuance under the 2023 EIP as of December 31, 2023.

## Note 7 – Common Stock, Preferred Stock, Warrants and Options

### *Common Stock*

On October 22, 2020, the Board of Directors consented to satisfying accrued liabilities of vendors by issuing common stock from the 2018 Equity Incentive Plan from August 26, 2020 through September 1, 2021. The number of shares issued to satisfy a liability was determined by the average closing price for the fifteen (15) days prior to conversion at a discount rate of 50% to that fifteen (15) day average. On November 10, 2021, the Board of Directors consented to continue this practice through September 1, 2022. As part of this written consent, the Board of Directors included the use of both the 2018 and 2021 Equity Incentive Plans. On October 14, 2022 the Board of Directors further consented to extend this practice through September 1, 2023. On October 27, 2023 the Board of Directors further consented to extend this practice through September 1, 2024. The stock issuance, in lieu of cash payment, requires written approval of the Chief Executive Officer. During the year ended December 31, 2023, 2,732,830 shares were issued to satisfy \$24,213 of vendor accrued liabilities and services. During the year ended December 31, 2022, the Company issued 3,615,621 shares to satisfy \$60,666 of vendor accrued liabilities and services.

### *Series A Convertible Preferred Stock*

A total of 500,000 shares of Series A Convertible Preferred Stock (the “Series A Preferred Stock”) have been authorized for issuance under the Certificate of Designation of Preferences, Rights and Limitation of Series A Convertible Preferred Stock of the Company (the “Certificate of Designation”), which Certificate of Designation was filed with the Secretary of State of the State of Oklahoma on December 11, 2013. The shares of Series A Preferred Stock have a par value of \$0.0002 per share and a stated value of \$1.00 per share (the “Stated Value”) and shall receive a dividend of 6% of their Stated Value per annum payable or upon conversion or redemption of Series A Preferred at the option of the Company. We have not paid any cash or stock dividends to the holders of our Series A Preferred Stock. Dividends in arrears totaled approximately \$210,000 and \$190,000 for the years ended December 31, 2023 and 2022, respectively. Under the Certificate of Designation, the holders of the Series A Preferred Stock have the following rights, preferences and privileges:

The Series A Preferred Stock may, at the option of the holder, be converted at any time after the first anniversary of the issuance of the Series A Preferred Stock or from time to time thereafter into 166,667 post-split shares of common stock that such holder is entitled to in proportion to the 500,000 shares of Series A Preferred so designated in the Certificate of Designation.

The Series A Preferred Stock will automatically be converted into common stock anytime the post-split 5-day Volume-Weighted Average Price (VWAP) of the Company’s common stock prior to such conversion is equal to \$15.00 or more. Such mandatory conversion would be converted by the same method described above for discretionary conversions.

Except as otherwise required by law, the holders of shares of Series A Preferred Stock shall not have voting rights or powers.

In the event of any (i) liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or ii) sale, merger, consolidation, reorganization or other transaction that results in a change of control of the Company, each holder of a share of Series A Preferred shall be entitled to receive, subject to prior preferences and other rights of any class or series of stock of the Company senior to the Series A Preferred, but prior and in preference to any distribution of any of the assets or surplus funds of the Company to holders of Common Stock, or any other class or series of stock of the Company junior to the Series A Preferred, an amount equal to the Stated Value plus accrued and unpaid dividends (as adjusted for any stock dividends, combinations or splits with respect to such shares) (the “Preference Amount”). After such payment has been made to the holders of Series A Preferred of the full Preference Amount to which such holders shall be entitled, the remaining net assets of the Company available for distribution, if any, shall be distributed pro rata among the holders of Common Stock. In the event the funds or assets legally available for distribution to the holders of Series A Preferred are insufficient to pay the Preference Amount, then all funds or assets available for distribution to the holders of capital stock shall be paid to the holders of Series A Preferred pro rata based on the full Preference Amount to which they are entitled.

The Company may not declare, pay or set aside any dividends on shares of any class or series of capital stock of the Company (other than dividends on shares of Common Stock payable in shares of Common Stock) unless the holders of the Series A Preferred Stock shall first receive, or simultaneously receive, a dividend on each outstanding share of Series A Preferred in an amount equal to the dividend per share that such holders would have received had they converted their shares of Series A Preferred into shares of Common Stock immediately prior to the record date for the declaration of the Common Stock dividend in an amount equal to the average VWAP during the 5 trading days prior to the date such dividend is due.

## *Warrants*

Warrants to subscribe for and purchase up to 3,000,000 shares of common stock at an exercise price of \$0.052 per share were included under the terms of the DAF Credit Agreement. The warrants will be issued in amounts of 150,000 and 210,000 per month during the funding period. In the event that funding advances deviate from the planned schedule then warrants will be issued pro-rata at 1.2 warrants for every \$1 of funding. Warrants granted under the terms of the DAF Credit Agreement as of December 31, 2023 and 2022 total 2,814,000. The estimated value of the warrants granted monthly, with each advance, is calculated using the Black-Scholes option pricing model. The expected dividend yield is based on the average annual dividend yield as of the grant date. Expected volatility is based on the historical volatility of our stock. The risk-free interest rate is based on the U.S. Treasury Constant Maturity rates as of the grant date. The expected life of the warrant is based on historical exercise behavior and expected future experience. The resulting estimated value of the warrant is used to proportionally allocate the fair value of the debt advance and the fair value of the warrants.

On March 2, 2021, the Company entered into the Purchase Agreement with a single institutional investor in a private placement to sell (i) 23,500,000 shares of its common stock, (ii) pre-funded warrants to purchase up to an aggregate of 51,500,000 shares of its common stock, and (iii) warrants to purchase up to an aggregate of 82,500,000 shares of its common stock for gross proceeds of approximately \$6,000,000. The combined purchase price for one share of common stock and associated Warrant is \$0.08 and for one Pre-Funded Warrant and associated Warrant is \$0.0799. The sale of the securities under the Purchase Agreement closed on March 5, 2021. The pre-funded warrants have an exercise price of \$0.0001 per share, subject to adjustment as set forth in the pre-funded warrants for stock splits, stock dividends, recapitalizations and similar events. The pre-funded warrants will be exercisable immediately and may be exercised at any time until all of the pre-funded warrants are exercised in full. In addition, the Company agreed to issue to the placement agent (or its designees) warrants to purchase a number of shares equal to 8.0% of the aggregate number of shares and pre-funded warrant shares sold under the Purchase Agreement, or warrants to purchase an aggregate of up to 6,000,000 shares. The placement agent warrants generally will have the same terms as the warrants, except they will have an exercise price of \$0.10.



## Warrants Summary

The following table summarizes the Company's warrant activity during the year ended December 31, 2023:

	<b>Number of Warrants</b>	<b>Weighted Average Exercise Price</b>	<b>Weighted Average Remaining Life In Years</b>	<b>Aggregate Intrinsic Value</b>
Outstanding, December 31, 2022	132,514,000	\$ 0.0555	3.63	
Exercised	(12,500,000)	0.0001		
Outstanding, December 31, 2023	<u>120,014,000</u>	<u>\$ 0.0612</u>	<u>2.63</u>	<u>\$ 843,780</u>

## Options

Stock options for employees, directors or consultants, are valued at the date of award, which does not precede the approval date, and compensation cost is recognized in the period the options are vested. The Company recognizes compensation expense for awards subject to graded vesting on a straight-line basis. Stock options generally become exercisable on the date of grant and expire based on the terms of each grant.

The estimated fair value of options for common stock granted was determined using the Black-Scholes option pricing model. The expected dividend yield is based on the average annual dividend yield as of the grant date. Expected volatility is based on the historical volatility of our stock. The risk-free interest rate is based on the U.S. Treasury Constant Maturity rates as of the grant date. The expected life of the option is based on historical exercise behavior and expected future experience.

On June 8, 2020, the Board of Directors consented to a share exchange agreement with holders of 21,500,000 options awarded on August 7, 2019. The agreement allows for holders to exchange their options for rule 144 common stock at an exchange rate of 0.6 shares per 1 option. The modification of these options did not result in any additional compensation because there was no change in the fair value. As of December 31, 2023, 9,500,000 options had been exchanged for 5,700,000 shares of common stock.

On March 23, 2022, the Board of Directors of the Company consented to granting 950,000 options to new employee and a consultant. These options have an exercise price of the \$0.055 and vest immediately.

On October 14, 2022, the Company granted options to purchase a total of 24,000,000 shares of the Company's common stock at an exercise price of \$0.0277 per share. The options are exercisable for a period of five years from the date of issuance and vest immediately. Of the 24,000,000 total options granted, (i) options to purchase 3,000,000 shares of common stock were granted to Victor Keen, the Company's co-chairman; (ii) options to purchase 3,000,000 shares of common stock were issued to Simon Calton, the Company's co-chairman; (iii) options to purchase 7,000,000 shares of common stock were issued to Matthew Kappers, the Company's Chief Executive Officer and Director; (iv) options to purchase 5,000,000 shares of common stock were issued to Matthew Hoffman, the Company's Chief Financial Officer; and (vi) options to purchase an aggregate of 6,000,000 shares of common stock were issued to various employees and consultants of the Company.

On October 27, 2023, the Company granted five-year options to members of the Company's management, employees and consultants, as incentive compensation. The Company granted the following options: (i) 5,000,000 options to Matthew Kappers, (ii) 5,000,000 options to Matthew L. Hoffman, (iii) 3,000,000 options to Victor F. Keen, (iv) 3,000,000 options to Simon Calton, (v) 1,000,000 options to Ron Dombrowski, and (vi) an aggregate of 7,000,000 options to other employees and consultants of the Company. All of the options have an exercise price equal to \$ 0.0235 and are deemed fully vested and immediately exercisable.

The Company recognized \$564,000 and \$761,695 of stock option expense during the years ended December 31, 2023 and 2022, respectively.

Options Summary

The following table summarizes the Company's option activity during the years ended December 31, 2023 and 2022:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Life In Years	Aggregate Intrinsic Value
Outstanding, December 31, 2021	53,711,609	\$ 0.093	4.17	936,000
Options granted	24,950,000	0.028		
Options expired	(3,449)	70.260		
Exchanged for common stock	(1,500,000)	0.041		
<b>Outstanding, December 31, 2022</b>	<b>77,158,160</b>	<b>\$ 0.070</b>	<b>3.72</b>	<b>\$ 151,200</b>
Options granted	24,000,000	0.0235		
<b>Outstanding, December 31, 2023</b>	<b>101,158,160</b>	<b>\$ 0.059</b>	<b>3.22</b>	<b>\$ 187,200</b>

**Exercisable options**

Exercisable, December 31, 2022	77,158,160	\$ 0.070	3.72	\$ 151,200
Exercisable, December 31, 2023	101,158,160	\$ 0.059	3.22	\$ 187,200

The following table summarizes the Company's options as of December 31, 2023:

Exercise Price	Outstanding Number of Options	Weighted Average Remaining Life In Years	Exercisable Number of Options
\$ 0.024	24,000,000	4.82	24,000,000
\$ 0.028	24,000,000	3.79	24,000,000
\$ 0.041	12,500,000	0.60	12,500,000
\$ 0.055	950,000	3.23	950,000
\$ 0.065	1,000,000	1.50	1,000,000
\$ 0.105	38,500,000	2.75	38,500,000
\$ 0.240	208,160	3.21	208,160
<b>Total</b>	<b>101,158,160</b>	<b>3.22</b>	<b>101,158,160</b>

The following assumptions were used for issuances during the years ended December 31, 2023 and 2022

	December 31,	
	2023	2022
Risk-free interest rate	4.79%	4.25%
Term (years)	5	5
Volatility	262%	297%
Dividend yield	0%	0%

## **Note 8 – Commitments**

### *Real property leases*

The Company is headquartered in Ann Arbor, Michigan where it is leasing office space and a wet laboratory, under gross lease terms. The office lease and wet laboratory leases were separate contracts. The annual rent obligation for the wet laboratory was \$12,600 payable in equal monthly installments for the calendar years of 2022 and 2023. On December 15, 2023, the Company entered into a short renewal period for January 1, 2024 through April 30, 2024 under the same monthly financial terms. On May 1, 2022 the Company entered into an annual lease for dedicated office space. The annual office rent obligation was \$42,000 payable in equal monthly installments. The company renewed this lease for the period of May 1, 2023 through April 30, 2024 under the same financial terms.

On February 1, 2024 the Company entered into an annual lease for a suite to house both wet laboratory space and administrative offices on the same business campus. The annual office rent obligation is \$54,000 payable in equal monthly installments, under gross lease terms. The prior office lease also terminated on February 1, 2024 and the prior wet laboratory lease terminated on February 29, 2024.

Rent expense for the wet lab and office operating leases was \$54,600 and \$41,175 for the years ended December 31, 2023 and 2022, respectively.

## **Note 9 – Related Party Transactions**

On June 21, 2021, the Company announced the appointment of Matthew J. Kappers as Chief Executive Officer. The agreement between Mr. Kappers and the Company stated that Mr. Kappers will operate in the CEO role as an independent contractor for the period of June 15, 2021 through December 15, 2021. Mr. Kappers will be compensated at a monthly rate of \$12,500 and received an option grant to purchase 5,000,000 shares of common stock. The options were fully vested pursuant to the Board of Directors consent, effective September 30, 2021. Since December 2021, the Company and Mr. Kappers have been operating under the agreement on a month to month basis. The Company recognized \$150,000 of expense as CEO for the year ended December 31, 2023 and \$154,200 of expense as CEO for the year ended December 31, 2022.

The Company entered into a one-year consulting agreement with Matthew Hoffman, doing business as Integrate Growth, LLC, effective May 18, 2020 and expiring May 19, 2021. On June 23, 2021, the Company renewed the CFO and Corporate Secretary contract with Matthew L. Hoffman under similar terms of the initial contract through May 31, 2022. Mr. Hoffman and the Company operated on a month-to-month basis from June 1, 2022 through October 17, 2022. On October 18, 2022 the Company announced the appointment as COO, where the Company entered into an employment agreement with Mr. Hoffman. Pursuant to the employment agreement, Mr. Hoffman will receive an annual base salary of \$200,000. Mr. Hoffman will also be eligible for an annual incentive bonus, with a target payout of twenty percent (20%) of his then-current base salary, beginning with the Company's 2023 fiscal year, upon meeting objectives set by the board of directors. The employment agreement also granted to Mr. Hoffman options to purchase 5,000,000 fully vested shares of the Company's common stock. The Company recognized \$200,000 of salary expense for the year ended December 31, 2023 and \$103,950 of expense respectively, under the terms of the agreement of the consulting agreement and \$50,000 of employee wage expense during the year ended December 31, 2022.

## **Note 10 – Derecognition of Accounts Payable**

The Company derecognizes financial liabilities when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the consolidated statements of operations as other income.

During the year ended December 31, 2023, the Company derecognized a total of \$195,901 of accounts payable due to the running of the applicable statute of limitations. Since the obligations were unenforceable, the accounts payable was considered extinguished, resulting in a gain on derecognition of accounts payable of \$195,901, which is included in other income on the consolidated statement of operations.

**Note 11 – Subsequent Events**

On January 12, 2024, the Company issued 903,224 common shares to a consultant of the Company to satisfy consulting fees of \$8,960. The shares were issued from the 2023 Equity Incentive Plan.

On February 12, 2024 an investor provided notice of cashless exercise for pre-funded warrants with a price per share of \$0.0001. The warrant exercise results in an issuance of 14,861,316 common shares.

On March 1, 2024, The Coretec Group, Inc. (the “Company”) entered into a Share Exchange Agreement (the “Share Exchange Agreement”) with Core Optics, LLC, a Virginia limited liability company (“Core Optics”), Core Optics Co., Ltd., a Republic of Korea corporation (“Operating Subsidiary”) and Core SS LLC, a Virginia limited liability company (the “Member”), which Member holds all outstanding membership interests in Core Optics. See Note 2 for more information.

On March 7, 2024 a contractor provided notice of cashless exercise for stock option grants with a price per share of \$0.0235. The option exercise results in an issuance of 1,500,000 common shares.

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER  
PURSUANT TO EXCHANGE ACT RULE 13a-14(a)/15d-14(a)  
AS ADOPTED PURSUANT TO SECTION 302 OF  
THE SARBANES-OXLEY ACT OF 2002**

I, Matthew J. Kappers, certify that:

1. I have reviewed this Annual Report on Form 10-K of THE CORETEC GROUP INC.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13-a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financing reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Matthew J. Kappers  
Matthew J. Kappers  
Chief Executive Officer  
Principal Executive Officer

Dated: March 21, 2024

**CERTIFICATION OF PRINCIPAL ACCOUNTING OFFICER  
PURSUANT TO EXCHANGE ACT RULE 13a-14(a)/15d-14(a)  
AS ADOPTED PURSUANT TO SECTION 302 OF  
THE SARBANES-OXLEY ACT OF 2002**

I, Matthew L. Hoffman, certify that:

1. I have reviewed this Annual Report on Form 10-K of THE CORETEC GROUP INC.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13-a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financing reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Matthew L. Hoffman  
Matthew L. Hoffman  
Chief Financial Officer  
Principal Accounting and Financial Officer

Dated: March 21, 2024

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

In connection with the Annual Report of THE CORETEC GROUP INC. (the "Company") on Form 10-K for the period ended December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Annual Report"), Matthew J. Kappers, Chief Executive Officer of the Company, certifies, pursuant to 18 U.S.C. section 1350 of the Sarbanes-Oxley Act of 2002, that:

1. The Annual Report, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Matthew J. Kappers  
Matthew J. Kappers  
Principal Executive Officer

Dated: March 21, 2024

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

In connection with the Annual Report THE CORETEC GROUP INC. (the "Company") on Form 10-K for the period ended December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Annual Report"), Matthew L. Hoffman, Chief Financial Officer of the Company, certifies, pursuant to 18 U.S.C. section 1350 of the Sarbanes-Oxley Act of 2002, that:

1. The Annual Report, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Matthew L. Hoffman

Matthew L. Hoffman  
Principal Accounting and Financial  
Officer

Dated: March 21, 2024