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Offering Document under the Listed Issuer Financing Exemption

June 26, 2025



XORTX Therapeutics Inc. (“XORTX” or the “Company”)

SUMMARY OF OFFERING

What are we offering?

<p>Offering:</p>	<p>Non-brokered private placement of units (“Placement Units”) of the Company, with each Placement Unit being comprised of one common share in the capital of the Company (a “Common Share”) and one Common Share purchase warrant (a “Warrant”). Each whole Warrant will entitle the holder thereof to purchase one additional Common Share (each, a “Warrant Share”) at a price of USD\$1.20 per Common Share for a period of five (5) years following the Closing Date (as defined herein) provided that in the event the Common Shares trade for a period of 10 trading days at USD\$2.00 or higher, the Company can accelerate the exercise of the Warrants to 30 days after providing notice. The Placement Units will immediately separate into Common Shares and Warrants upon issuance.</p> <p>The holders of Common Shares are entitled to: (i) receive notice of, and to vote at every meeting of the shareholders of the Company and shall have one (1) vote for each Common Share held; (ii) receive such dividend as the directors may from time to time, by resolution, declare; and (iii) to share pro rata in the event of liquidation, dissolution or winding up of the Company or upon any distribution of the assets of the Company among shareholders (other than by way of dividend). The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights.</p>
<p>Offering Price:</p>	<p>USD\$0.73 per Placement Unit</p>
<p>Offering Amount:</p>	<p>Up to 1,267,123 Placement Units for gross proceeds of up to USD\$925,000 (the “Offering”). The Offering is not subject to any minimum amount being raised. However, the issuer will not close this offering unless the issuer reasonably believes it has raised sufficient funds to meet its business objectives and liquidity requirements for a period of 12 months following the distribution.</p>

	Financial information in this offering document including trading prices is, unless otherwise indicated, presented in Canadian dollars. All references to United States Dollars will be indicated by “USD\$” and it is explicitly noted that the Offering Price, exercise price of the Warrants and the amounts to be raised under this Offering are demonstrated in USD\$. On June 25, 2025, the closing exchange rate for Canadian dollars, as quoted by the Bank of Canada, was USD\$1.00 = C\$1.3737 or C\$1.00 = USD\$0.7280. Unless otherwise indicated, all references to dollar amounts in this offering document are to Canadian dollars.
Closing Date:	On or about July 4, 2025 , or on such other date or dates as the Company may determine (the “ Closing Date ”).
Exchange:	The Common Shares are listed for trading on the TSX Venture Exchange (the “ TSXV ”) and in the United States on the Nasdaq Capital Market (“ Nasdaq ”) under the trading symbol “ XRTX ”.
Last Closing Price:	On June 25, 2025, the last trading day of the Common Shares prior to the date of this offering document, the closing price of the Common Shares on the TSXV and the Nasdaq was C\$1.10 and USD\$0.84, respectively.

No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this document. Any representation to the contrary is an offence. This offering may not be suitable for you and you should only invest in it if you are willing to risk the loss of your entire investment. In making this investment decision, you should seek the advice of a registered dealer.

XORTX is conducting a listed issuer financing under section 5A.2 of National Instrument 45-106 – Prospectus Exemptions. In connection with this offering, the issuer represents the following is true:

- The issuer has active operations and its principal asset is not cash, cash equivalents or its exchange listing.
- The issuer has filed all periodic and timely disclosure documents that it is required to have filed.
- XORTX is relying on the exemptions in Coordinated Blanket Order 45-935 *Exemptions from Certain Conditions of the Listed Issuer Financing Exemption* (the “Order”) and is qualified to distribute securities in reliance on the exemptions included in the Order.
- The total dollar amount of this offering, in combination with the dollar amount of all other offerings made under the listed issuer financing exemption and under the Order in the 12 months immediately preceding the date of the news release announcing this offering, will not exceed \$25 000 000.
- The issuer will not close this offering unless the issuer reasonably believes it has raised sufficient funds to meet its business objectives and liquidity requirements for a period of 12 months following the distribution.
- The issuer will not allocate the available funds from this offering to an acquisition that is a significant acquisition or restructuring transaction under securities law or to any other transaction for which the issuer seeks security holder approval.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This offering document contains certain “forward-looking information” and “forward-looking statements” (collectively, “**forward-looking statements**”) which are based upon the Company’s current internal expectations, estimates, projections, assumptions and beliefs. Such statements can be identified by the use of forward-looking terminology such as “expect”, “believe”, “likely”, “may”, “will”, “should”, “intend”, “anticipate”, “potential”, “proposed”, “estimate”, “project”, “continue”, “plan”, “aim” and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions “may” or “will” happen, or by discussions of strategy. Forward-looking statements include estimates, plans, expectations, opinions, forecasts, projections, targets, guidance, or other statements that are not statements of fact. The Company has based these forward-looking statements on current expectations and projections about future events and financial trends that they believe may affect the Company’s financial condition, results of operations, business strategy and financial needs, as the case may be.

Such forward-looking statements are made as of the date of this offering document. Forward-looking statements in this offering document include, but are not limited to, statements with respect to:

- the completion of the Offering and the receipt of all regulatory and stock exchange approvals in connection therewith;
- the use of the net proceeds of the Offering;
- the Company’s business objectives and milestones and the anticipated timing of execution;
- the performance of the Company’s business and operations;
- the intention to grow the business, operations and potential activities of the Company;
- the competitive and business strategies of the Company;
- the Company’s anticipated operating cash requirements and future financing needs, including the sufficiency of existing financial resources to continue operations over the next 12 months;
- the anticipated future gross revenues and profit margins of the Company’s operations;
- the applicable laws, regulations and any amendments thereof;
- ability to attract new customers and develop and maintain existing customers;
- the ability to protect, maintain and enforce the Company’s intellectual property rights;
- the ability to attract and retain personnel, including the Company’s expectation that its current organizational structure will be sufficient to support continued growth of the Company over the next 12 months; and
- anticipated events, trends and challenges in the Company’s business and the markets and jurisdictions in which the Company operates.

Certain of the forward-looking statements contained herein concerning the general expectations of the Company related thereto, and the Company’s business and operations are based on estimates prepared by the Company using data from publicly available governmental sources, as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. However, although generally indicative of relative market positions, market shares and performance characteristics, such data is inherently imprecise.

Purchasers are cautioned that the above list of cautionary statements is not exhaustive. A number of known and unknown risks, uncertainties and other factors could cause actual events, performance or results to differ materially from what is projected in forward-looking statements. Should one or more of these risks and uncertainties materialize, or should underlying factors or assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. For a non-exhaustive list of risks and uncertainties relevant to the Company, please refer to the heading “*Risk Factors*” in the Company’s Annual Information Form filed on SEDAR+ at www.sedarplus.ca dated March 31, 2025 (the “**AIF**”).

The purpose of forward-looking statements is to provide the reader with a description of management’s expectations, and such forward-looking statements may not be appropriate for any other purpose. You should not place undue reliance on forward-looking statements contained in this offering document. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

The forward-looking statements contained in this offering document are expressly qualified in their entirety by the foregoing cautionary statement. Investors should read this entire offering document, including the AIF, and consult their own professional advisers to ascertain and assess the income tax and legal risks and other aspects associated with holding Units.

SUMMARY DESCRIPTION OF BUSINESS

What is our Business?

General

XORTX is a late clinical stage pharmaceutical therapeutics company, focused on identifying, developing and potentially commercializing innovative therapies to treat progressive kidney disease (“**PKD**”) modulated by aberrant purine and uric acid metabolism and uric acid metabolism in orphan (rare) disease indications such as autosomal dominant polycystic kidney disease (“**ADPKD**”) and non-orphan, more prevalent type-2 diabetic nephropathy (“**T2DN**”), as well as acute kidney injury (“**AKI**”) associated with respiratory virus infection.

Our focus is on developing three unique proprietary therapeutic products to:

- slow or reverse the progression of chronic kidney disease in patients at risk of end stage kidney failure;
- address the immediate need of individuals facing AKI associated with respiratory virus infection;
- treat patients with T2DN; and
- the identification of other opportunities where our existing and new intellectual property can be leveraged to address health issues.

We believe that our technology is underpinned by research and insights into the underlying biology of aberrant purine metabolism, its health consequences and of oxypurinol, a uric acid lowering agent that works by effectively inhibiting xanthine oxidase. We are developing innovative, therapeutic product

candidates that include new or existing drugs that can be adapted to address different disease indications where aberrant purine metabolism and/or elevated uric acid is a common denominator, including PKD, pre-diabetes, insulin resistance, metabolic syndrome, diabetes, diabetic nephropathy, and infection. Oxypurinol, and our proprietary pipeline-in-a-product strategy supported by our intellectual property, established exclusive manufacturing agreements, and proposed clinical trials with experienced clinicians, are focused on building a pipeline of assets to address the unmet medical needs for patients with a variety of serious or life-threatening diseases.

Our three lead product candidates are:

- XRx-008, a late clinical stage program for the treatment of ADPKD;
- XRx-101, a program to treat patients with AKI, with or without sepsis, associated with respiratory virus infection and associated health consequences;
- XRx-225, a program for the treatment of T2DN; and
- XRx-026 program for the treatment of gout.

At XORTX, we aim to redefine the treatment of kidney diseases by developing medications to slow the progression of kidney disease and improve the quality-of-life of patients with life threatening diseases by modulating aberrant purine and uric acid metabolism, including lowering elevated uric acid as a therapy.

Our Proprietary Therapeutic Platforms

Our expertise and understanding of the pathological effects of aberrant purine metabolism combined with our understanding of uric acid lowering agent structure and function, has enabled the development of our proprietary therapeutic platforms. These are a complementary suite of therapeutic formulations designed to provide unique solutions for acute and chronic disease. Our therapeutic platforms can be used alone, or in combination, with synergistic activity to develop a multifunctional tailored approach to a variety of disease entities that can address disease in multiple body systems through management of chronic or acute hyperuricemia, immune modulation, and metabolic disease. We continue to leverage these therapeutic platforms to expand our pipeline of novel and next generation drug-based product candidates that we believe could represent significant improvements to the standard of care in multiple acute and chronic cardiovascular diseases and specifically kidney disease.

We believe our in-house drug design and formulation capabilities confer a competitive advantage to our therapeutic platforms and are ultimately reflected in our programs. Some of these key advantages are:

Highly Modular and Customizable

Our platforms can be combined in multiple ways and this synergy can be applied to address acute, intermittent or chronic disease progression. For example, our XRx-101 program for AKI is designed to produce rapid suppression of hyperuricemia then maintain purine metabolism at a low level during viral infection and target management of acute organ injury. Our XRx-008 program is designed for longer term stable chronic oral dosing of xanthine oxidase inhibitors (“**XOIs**”). We believe the capabilities of our formulation technology allow us to manage the unique challenges of cardiovascular and renal disease by modulating purine metabolism, and inflammatory and oxidative stress.

Fit-for-Purpose

Our platforms can also be utilized to engineer new chemical entities and formulations of those agents that have enhanced properties. For example, our XRx-225 product candidate program, represents a potential new class of XO1 with a targeted design to enhance anti-inflammatory activity. The capability of tailoring the potential therapeutic benefit of this class of new agents permits us to identify targets and disease that we wish to exploit and then through formulation design optimize those small molecules and proprietary formulations to maximize potentially clinically meaningful therapeutic effect.

Readily Scalable and Transferable

Our in-house small molecule and formulations design expertise is positioned to create a steady succession of product candidates that are scalable, efficient to manufacture (by us or a partner or contract manufacturing organization), and produce large scale and high purity active pharmaceutical drug product. We believe this will provide a competitive advantage, new intellectual property and the opportunity to provide first-in-class products that target unmet medical needs and clinically meaningful improvements in quality of life.

Our team's expertise in uric acid lowering agents, specifically in the development and use of XO1s, has enabled the development of our therapeutic product candidates to treat the symptoms of, and potentially delay the progression of ADPKD, AKI associated with respiratory virus infection, and T2DN progression. There is no guarantee that the U.S. Food and Drug Administration (the "FDA") will approve our proposed uric acid lowering agent product candidates for the treatment of kidney disease or the health consequences of diabetes.

Product Candidate Pipeline

Our lead product programs are XRx-008 for the treatment of ADPKD, XRx-101 to potentially slow or reverse acute kidney disease in hospitalized individuals with respiratory virus infection, and our XRx-225 for the treatment of T2DN. The XRx-008 program has reported topline results from the XRx-OXY-101 clinical study, a bridging pharmacokinetic study characterizing our proprietary formulation of oxypurinol in advance of initiating Phase 2b/3a "registration" clinical trial. This late stage clinical trial is anticipated to provide clinical endpoint results sufficient to support an NDA application to the US FDA for accelerated marketing approval. Recent FDA discussions confirmed that a single clinical trial with a one year treatment period would be sufficient to make this program eligible for accelerated approval once the benefit of XORLOTM on decreasing the rate of decline of glomerular filtration rate was demonstrated. Our recent reported study XRx-OXY-101 provided knowledge that supports the development paths of both the XRx-008 and XRx-101 programs. Future late-stage clinical studies targeting attenuation or reversal of AKI in hospitalized individuals with respiratory virus infection are planned. The next step in our XRx-101 program is a pharmacokinetic study for the Company's Phase 3 clinical trial for XRx-101. XRx-225 is at the non-clinical stage and advancing toward the clinical development stage.

Products

The Company's most advanced development program, XRx-008, is a late clinical stage program focused on demonstrating the potential of our novel product candidate for ADPKD. XRx-008 is the development name given to XORTX's ADPKD program, that includes activities relating to chemistry, manufacturing, clinical and non-clinical development team activities that advance the program associated with developing the Company's therapeutics for ADPKD. The oral proprietary formulation of oxypurinol, XORLOTM, under

development for ADPKD has shown increased oral bioavailability in vivo and demonstrated the potential for use across a substantially increased therapeutic range. XORTX is also developing a drug product combination therapy that includes both intravenous and oral anti-hyperuricemic therapy for the XRx-101, program for use in treating patients with AKI associated with respiratory virus infection and/or associated co-morbidities including cardiovascular, neurologic injury or mortality.

XORTX is currently evaluating novel XOI candidates for the XRx-225 program to potentially treat T2DN and in addition some of these candidates may show utility for other orphan and large market unmet medical needs.

Patents

XORTX is the exclusive licensee of two U.S. granted active patents with claims to the use of all uric acid lowering agents to treat insulin resistance or diabetic nephropathy and two U.S. patent applications with similar claims for the treatment of metabolic syndrome, diabetes, and fatty liver disease. Counterparts for some of these patent applications have also been submitted in Europe. In both the US and Europe, XORTX owns composition of matter patent applications for unique proprietary formulations of XOIs - the U.S. and European patents have been granted. In addition, XORTX has also submitted two patent applications to cover the use of uric acid lowering agents for the treatment of the health consequences of respiratory virus infection. Recently, XORTX submitted a provisional patent application covering formulations and methods of treating individuals with renal insufficiency.

Recent Developments

On May 17, 2024, the Company announced it received TSXV approval to amend the terms of the balance of outstanding common share purchase warrants that were issued on October 15, 2021. The re-pricing approval received affects an original 910,000 warrants (101,111 adjusted to reflect the consolidation that occurred on November 10, 2023). The warrants had an original exercise price of USD \$42.93 (CAD \$53.10) (adjusted up from USD \$4.77 to USD \$42.93 per share as a result of the consolidation that occurred on November 10, 2023). The TSXV has now approved an amended exercise price of USD \$5.00 (on a post-consolidation basis) and the acceleration provision outlined below.

On September 13, 2024, XORTX announced the approval of all matters presented to the shareholders of the Company at its annual and special meeting of the shareholders. The matters presented included election of all seven management nominees (Anthony Giovinazzo (Chair), Allen Davidoff (CEO), William Farley, Abigail Jenkins, Raymond Pratt, Patrick Treanor and Paul Van Damme) to the board of directors of the Company, the appointment of Smythe LLP as auditors of the Company for the ensuing year and authorization of the directors to fix their remuneration, and re-approval of the Company's stock option plan.

On October 18, 2024, XORTX announced the closing of its USD\$1.5 Million registered direct offering and concurrent private placement. The Company had previously announced the pricing and anticipated closing of the Securities Offering (as defined herein) on October 17, 2024. The purchase and sale of 810,810 Common Shares (or pre-funded Warrants in lieu thereof) in a registered direct offering and Warrants to purchase up to 810,810 Common Shares in a concurrent private placement (together with the registered direct offering, the "**Securities Offering**") was completed at a combined purchase price of USD\$1.85 per Common Share. The Warrants issued pursuant to the concurrent private placement have an exercise price of USD\$2.18, are immediately exercisable and expire five years from issuance. The gross proceeds from the Securities Offering were approximately USD\$1.5 million, excluding any proceeds that may be received upon the exercise of the Warrants, before deducting placement agent fees and other offering expenses

payable by the Company. The Company intends to use the net proceeds from the Securities Offering for working capital and general corporate purposes. A.G.P./Alliance Global Partners acted as sole placement agent for the Securities Offering.

The Common Shares (and pre-funded Warrants in lieu thereof) were issued in a registered direct offering pursuant to an effective shelf registration statement on Form F-3 (File No. 333-269429) previously filed with the SEC, under the U.S. Securities Act and declared effective by the SEC on February 3, 2023. A prospectus supplement describing the terms of the proposed registered direct offering was filed with the SEC and is available on the SEC's website located at <http://www.sec.gov>. Electronic copies of the prospectus supplement may be obtained from A.G.P./Alliance Global Partners, 590 Madison Avenue, 28th Floor, New York, NY 10022, or by telephone at (212) 624-2060, or by email at prospectus@alliancecg.com. The private placement of the Warrants and the underlying Common Shares was made in reliance on an exemption from registration under Section 4(a)(2) of the U.S. Securities Act and Regulation D thereunder. Accordingly, the securities issued in the concurrent private placement may not be offered or sold in the United States except pursuant to an effective registration statement or an applicable exemption from the registration requirements of the Securities Act and applicable state securities laws.

On December 19, 2024, XORTX welcomed Dr. Michael Bumby as its Chief Financial Officer, replacing James Fairbairn. Dr. Bumby, DVM, MBA, is currently a director and audit committee chair of MediPharm Labs following their successful acquisition of VIVO Cannabis Inc. where Dr. Bumby was CFO for six years. Dr. Bumby brings over 20 years of finance and leadership experience in the biotech/pharma industry. He had a 14-year career at Eli Lilly, including roles in corporate finance and investment banking at Lilly's global headquarters in Indianapolis leading international business development activities for early-and late-stage assets, as well as working as a regional CFO in Europe. He left Lilly to move back to Canada and began working as a public company CFO, initially at Antibe Therapeutics which he helped go public via an Initial Public Offering in 2013, and more recently as the CFO of Merus Labs, an international specialty pharmaceutical company where he co-led that company's acquisition by Norgine B.V. in 2017 for \$340 million. Dr. Bumby has experience with TSX, TSX-V and NASDAQ listed companies and has led Human Resources, IT, Legal, and operations functions as well as acted as corporate secretary for a number of public companies. In connection with the appointment of Dr. Bumby, XORTX granted, in accordance with the Company's stock option plan, 13,000 options to purchase common shares of the Company at an exercise price of \$1.75 for a period of five years.

On January 6, 2025, XORTX announced the launch of a new late stage program to treat gout. The new drug development program - XRx-026 – is expected to focus on the treatment of individuals who have gout and are intolerant to allopurinol. With the clinical development of XORLOTM having advanced sufficiently, including completion of a pivotal program, XORTX announced the initiation of discussions for the XRx-026 program with the FDA regarding preparation of a New Drug Application (“**NDA**”). Pending FDA feedback, the Company will also seek FDA orphan drug designation (“**ODD**”) and NDA marketing approval for the XRx-026 program. Previously, oxypurinol was granted ODD for allopurinol intolerant gout.

On January 17, 2025, XORTX announced that it had changed its auditor from Smythe LLP, Chartered Professional Accountants (“**Former Auditor**”) to Davidson & Company LLP, Chartered Professional Accountants, (“**Successor Auditor**”) effective January 16, 2025. XORTX's board of directors accepted the resignation of the Former Auditor, as of January 16, 2025 and appointed the Successor Auditor as the new auditor of the Company effective January 16, 2025, and to hold office until the close of the Company's next annual general meeting of shareholders. There were no reservations in the Former Auditor's audit reports for any financial period during which the Former Auditor was the Company's auditor. There are no “reportable events” (as the term is defined in National Instrument 51-102 - Continuous Disclosure

Obligations) between the Company and the Former Auditor. In accordance with National Instrument 51-102, the Notice of Change of Auditor, together with the required letters from the Former Auditor and the Successor Auditor, were reviewed by the Company's audit committee and board of directors and were filed on the Company's SEDAR+ profile at www.sedarplus.ca.

On February 24, 2025, XORTX announced that it had submitted a Type C meeting request with the FDA regarding the Company's previously announced XRx-026 program for the treatment of gout. Development of XORLO™, the Company's proprietary drug formulation of oxypurinol, had advanced to the point where a Type C meeting and discussion with the FDA was warranted. The purpose of the meeting is to review the XRx-026 program and its readiness for submission of an NDA to gain marketing approval for XORLO™ in the US using the FDA's 505(b)2 development pathway.

On April 17, 2025, XORTX announced that it was not in compliance with the minimum bid price requirement set forth in Nasdaq Rule 5550(a)(2) since the closing bid price for the Company's common shares listed on Nasdaq was below USD\$1.00 for 30 consecutive business days. Nasdaq Rule 5550(a)(2) requires the shares to maintain a minimum bid price of USD\$1.00 per share, and Nasdaq Rule 5810(c)(3)(A) provides that failure to meet such a requirement exists when the bid price of the shares is below USD\$1.00 for a period of 30 consecutive business days. This did not impact the Company's listing on the Nasdaq Capital Market at this time. In accordance with Listing Rule 5810(c)(3)(A), the Company has a period of 180 calendar days from the date of notification to regain compliance with the minimum bid price requirement, during which time the shares will continue to trade on the Nasdaq Capital Market. If at any time before the 180 calendar day period, the bid price of the shares closes at or above USD\$1.00 per share for a minimum of 10 consecutive business days (subject to Nasdaq's discretion to extend this 10 day period under Rule 5810(c)(3)(H)), and the Company continues to meet the other listing requirements, Nasdaq will provide written notification that the Company has achieved compliance with the minimum bid price requirement and will consider such deficiency matters closed. Additionally, XORTX is listed on the TSX Venture Exchange and the notification letter does not affect the Company's compliance status with such listing. The Company intends to evaluate all available options to resolve the deficiency and regain compliance with Nasdaq Rule 5550(a)(2).

On April 28, 2025, XORTX announced receipt of notification that the patent "Xanthine Oxidase Inhibitor Formulations" will be granted by the European Patent Office. The patent covers compositions and methods of formulating using XORTX's proprietary formulations of XOI for the treatment of health consequences of chronically high uric acid, gout, renal, cardiovascular and other diseases where aberrant purine metabolism has been implicated in disease progression.

On April 30, 2025, XORTX announced it had received responses from the FDA and clarified key steps for an NDA for the Company's novel proprietary formulation of oxypurinol for the treatment of gout. The Type B meeting conducted by the FDA, included review of chemistry, manufacturing, pharmacology, toxicology and clinical evidence to support the Company's XRx-026 program for the treatment of gout. Responses from the FDA substantially confirmed and clarified the remaining key steps necessary prior to filing a NDA to gain marketing approval for XORLO™ in the US using the FDA 505(b)2 development pathway. With this FDA guidance, XORTX intends to advance the following key steps to support the NDA application and its submission for the XRx-026 program for gout.

- i) Finalize meeting minutes with the FDA regarding the agency and XORTX's responses;
- ii) Prepare and file an Investigational New Drug ("IND") Application for the XRx-026 program;

- iii) Characterize pharmacokinetics of the commercial tablet formulation of XORLO™ in absence and in the presence of food;
- iv) Manufacture, validate commercial supplies of drug accompanied by stability data in parallel with the NDA preparation; and
- v) Prepare and file a NDA for marketing approval of XORLO™

On May 19, 2025, XORTX announced a non-brokered private placement to raise up to USD \$3,000,000 through the issuance of up to 3,409,090 common share units of the Company at a price of USD \$0.88 per unit (the “**Offering**”). Each Unit will comprise one common share and one common share purchase warrant (a “**Warrant**”). Each Warrant will entitle the holder, on exercise, to purchase one additional common share in the capital of the Company, at a price of USD \$1.20 per Warrant until the close of business on the day which is 60 months from the Closing Date, provided, however, that if the closing price of the common shares on the Nasdaq is greater than USD \$2.00 for 10 or more consecutive trading days, the Warrants will be accelerated and the Warrants will expire on the 30th business day following the date of such notice. The net proceeds from the Offering will be used to advance XORTX’s programs for gout and for working capital and general corporate purpose.

For further information regarding the Company, including recent developments since the Company’s year end December 31, 2024 to the date of this offering document, see the documents available under the Company’s filings on SEDAR+ at www.sedarplus.ca.

Material facts

There are no material facts about the securities being distributed that have not been disclosed in this offering document or in any other document filed by the Company in the 12 months preceding the date of this offering document.

What are the business objectives that we expect to accomplish using the available funds?

The gross proceeds to the Company from the Offering will be up to USD\$925,000 and the net proceeds to the Company from the Offering are estimated to be USD\$810,000 after deducting any selling fees and expenses in connection with the Offering.

Principal Purposes

The Company intends to use the net proceeds from the Offering to advance XORTX’s programs for gout and for working capital and general corporate purposes.

The above represents the Company’s intentions with respect to its use of proceeds based on current knowledge, planning and expectations of management of the Company. The future developments in the Company’s business or unforeseen events, including referred to in this offering document or contained “*Risk Factors*” in the AIF may impact the allocation. Management of the Company will retain broad discretion in allocating the net proceeds of the Offering and the Company’s actual use of the net proceeds will vary depending on the availability and suitability of investment opportunities and its operating and capital needs from time to time.

Potential investors are cautioned that, notwithstanding the Company’s current intentions regarding the use of the net proceeds of the Offering, there may be circumstances where a reallocation of the net proceeds

may be advisable for reasons that management believes, in its discretion, are in the Company's best interests.

Until applied, the net proceeds of the Offering will be held as cash balances in the Company's bank account or invested in certificates of deposit and other instruments issued by banks or obligations of or guaranteed by the Government of Canada or any province thereof.

The Company has a history of negative cash flow from operating activities and had negative operating cash flow for the financial years ended December 31, 2024, 2023 and 2022 and for the three month period ended March 31, 2025. To the extent that the Company has negative operating cash flow in future periods, certain of the proceeds from the Offering may be used to fund such negative cash flow from operating activities and it may also be necessary for the Company to raise additional equity or debt. There is no assurance that additional equity or debt will be available to the Company or on terms acceptable or favourable to the Company.

Event	Time Frame	Cost (assuming 100% of offering)
Preparation and filing of an IND Application with the FDA	3 to 4 months	USD\$190,000
Pharmacokinetics clinical trial drug supply	4 to 5 months	USD\$100,000
Working Capital	12 months	USD\$635,000
Total		USD\$925,000

USE OF AVAILABLE FUNDS

What will our available funds be upon the closing of the Offering?

		Assuming 100% of offering
A	Amount to be raised by this offering	USD\$925,000
B	Selling commissions and fees	USD\$65,000
C	Estimated offering costs (e.g., legal, accounting, audit)	USD\$50,000
D	Net proceeds of offering: $D = A - (B + C)$	USD\$810,000
E	Working capital as at most recent month end (deficiency) ⁽²⁾	USD\$1,592,494
F	Additional sources of funding	Nil
G	Total available funds: $G = D + E + F$	USD\$2,402,494

How will we use the available funds?

Description of intended use of available funds listed in order of priority	Assuming 100% of offering
Preparation and Filing of an IND Application with the FDA	USD\$190,000
Pharmacokinetics Clinical Trial Drug Supply	USD\$100,000

Working Capital	USD\$2,112,494
Total	USD\$2,402,494

The above-noted allocation of capital and anticipated timing represents the Company's current intentions based upon its present plans and business condition, which could change in the future as its plans and business conditions evolve. Although the Company intends to expend the proceeds from the Offering as set forth above, there may be circumstances where, for sound business reasons, a reallocation of funds may be deemed prudent or necessary and may vary materially from that set forth above, as the amounts actually allocated and spent will depend on a number of factors, including the Company's ability to execute on its business plan. See the "Cautionary Statement Regarding Forward-Looking Information" section above.

How have we used the other funds we have raised in the past 12 months?

In the past 12 months, the Company raised aggregate gross proceeds of USD\$1,613,541. These proceeds were used as follows:

Description	Amount	Variances to what was previously disclosed as use of proceeds, if any, and why
Working Capital	USD\$876,541	N/A
Type B meeting with the FDA	USD\$257,000	N/A
Intellectual Property	USD\$52,000	N/A
Legal costs	USD\$428,000	N/A
Total	USD\$1,613,541	N/A

FEES AND COMMISSIONS

Who are the dealers or finders that we have engaged in connection with this Offering, if any, and what are their fees?

The Company has not engaged a dealer in connection with the Offering. The Company may pay qualified finders as disclosed in the subscription documents.

PURCHASERS' RIGHTS

Rights of Action in the Event of a Misrepresentation

If there is a misrepresentation in this offering document, you have a right

- (a) to rescind your purchase of these securities with the Company, or
- (b) to damages against the Company and may, in certain jurisdictions, have a statutory right to damages from other persons.

These rights are available to you whether or not you relied on the misrepresentation. However, there are various circumstances that limit your rights. In particular, your rights might be limited if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in paragraph (a) or (b) above, you must do so within strict time limitations.

You should refer to any applicable provisions of the securities legislation of your province or territory for the particulars of these rights or consult with a legal adviser.

ADDITIONAL INFORMATION

Where can you find more information about us?

Security holders can access the Company's continuous disclosure filings on SEDAR+ at www.sedarplus.ca under the Company's profile.

For further information regarding the Company, visit our website at: <https://www.xortx.com/>

Investors should read this offering document and consult their own professional advisors to assess the income tax, legal, risk factors and other aspects of their investment in Placement Units.

CERTIFICATE OF THE COMPANY

This offering document, together with any document filed under Canadian securities legislation on or after June 26, 2024, contains disclosure of all material facts about the securities being distributed and does not contain a misrepresentation.

June 26, 2025

By: (Signed) "Allen Davidoff"
Name: Allen Davidoff
Title: Chief Executive Officer

By: (Signed) "Michael Bumby"
Name: Michael Bumby
Title: Chief Financial Officer