



Condensed Consolidated Interim Financial Statements
(Expressed in Canadian Dollars)

WAVERLEY PHARMA INC.

Three and nine months ended September 30, 2024
(unaudited)

In accordance with National Instruments 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2024.



Condensed Consolidated Interim Statements of Financial Position
 (expressed in Canadian dollars)
 (unaudited)

	Note	September 30, 2024	December 31, 2023
Assets			
Current assets:			
Cash		\$ 239,299	\$ 53,015
Accounts receivable	4	51,004	138,197
Inventory	5	169,374	633
Prepaid expenses		14,736	224,880
Total current assets		474,413	416,725
Non-current assets			
Property and equipment		254,030	-
Intangible assets	7	495,336	-
Goodwill	3	100,391	-
Other asset	9(d)	192,764	271,048
Intangible assets - held-for-sale	8	264,520	264,520
Total non-current assets		1,307,041	535,568
Total assets		\$ 1,781,454	\$ 952,293
Liabilities and Equity			
Current liabilities:			
Accounts payable and accrued liabilities	11(b)	\$ 838,280	\$ 486,969
Bank indebtedness	6	2,715,743	1,602,059
Current portion of lease obligations		31,856	-
Total current liabilities		3,585,879	2,089,028
Non-current liabilities			
Lease obligations		212,939	-
Total non-current liabilities		212,939	-
Total liabilities		3,798,818	2,089,028
Equity:			
Share capital	9(b)	7,000,100	7,000,100
Warrants	9(d)	521,894	521,894
Contributed surplus		809,420	809,420
Accumulated other comprehensive income		(71,763)	(73,005)
Deficit		(10,277,015)	(9,395,144)
Total equity		(2,017,364)	(1,136,735)
Total liabilities and equity		\$ 1,781,454	\$ 952,293

Commitments and contingencies (Note 11)

See accompanying notes to the condensed consolidated interim financial statements.



Condensed Consolidated Interim Statements of Net Loss and Comprehensive Loss
(expressed in Canadian dollars)
(unaudited)

	Note	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Revenue, net		\$ 22,417	\$ 96,086	\$ 22,417	\$ 363,365
Cost of goods sold	5	7,835	71,444	7,835	234,747
Gross Profit		14,582	24,642	14,582	128,618
Expenses:					
Selling, general and administrative		72,153	245,853	370,112	790,548
Research and development		171,320	60,133	403,382	170,701
		243,473	305,986	773,494	961,249
Loss before the undernoted		(228,891)	(281,344)	(758,912)	(832,631)
Finance costs:					
Finance expense, net		41,815	20,447	110,924	47,538
Foreign exchange loss		2,205	8,170	12,035	10,307
		44,020	28,617	122,959	57,845
Net loss		\$ (272,911)	\$ (309,961)	\$ (881,871)	\$ (890,476)
Translation adjustment		1,196	-	1,242	(8,307)
Comprehensive loss		\$ (271,715)	\$ (309,961)	\$ (880,629)	\$ (898,783)
Loss per share attributable to shareholders:					
Basic and Diluted	9(e)	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.02)
Weighted average shares outstanding:					
Basic and Diluted	9(e)	54,000,000	54,000,000	54,000,000	54,000,000

See accompanying notes to the condensed consolidated interim financial statements.



Condensed Consolidated Interim Statements of Changes in Equity
 (expressed in Canadian dollars)
 (unaudited)

	Note	Share Capital	Warrants	Contributed surplus	Accumulated other comprehensive income (loss)	Deficit	Total
Balance, December 31, 2022		\$ 7,000,100	\$ 521,894	\$ 809,420	\$ (69,236)	\$ (7,171,096)	\$ 1,091,082
Net loss for the nine months ended September 30, 2023		-	-	-	-	(890,476)	(890,476)
Other comprehensive income for the nine months ended September 30, 2023		-	-	-	(8,307)	-	(8,307)
Balance, September 30, 2023		\$ 7,000,100	\$ 521,894	\$ 809,420	\$ (77,543)	\$ (8,061,572)	\$ 192,299
Balance, December 31, 2023		\$ 7,000,100	\$ 521,894	\$ 809,420	\$ (73,005)	\$ (9,395,144)	\$ (1,136,735)
Net loss for the nine months ended September 30, 2024		-	-	-	-	(881,871)	(881,871)
Other comprehensive income for the nine months ended September 30, 2024		-	-	-	1,242	-	1,242
Balance, September 30, 2024		\$ 7,000,100	\$ 521,894	\$ 809,420	\$ (71,763)	\$ (10,277,015)	\$ (2,017,364)

See accompanying notes to the condensed consolidated interim financial statements.



Condensed Consolidated Interim Statements of Cash Flows
 (expressed in Canadian dollars)
 (unaudited)

For the nine months ended September 30	Note	2024	2023
Cash (used in) provided by:			
Operating activities:			
Net loss for the period		\$ (881,871)	\$ (890,476)
Finance expense, net		110,924	47,538
Amortization of intangible assets	7 & 8	2,302	241,429
Amortization of other asset	9(d)	78,284	78,284
Amortization of property and equipment		934	-
Interest paid, net	6	(111,062)	(47,969)
Foreign exchange loss		12,035	10,307
Changes in working capital accounts:			
Accounts receivable	4	80,029	60,287
Inventory	5	(168,741)	(28,880)
Prepaid expenses and other current assets		185,388	176,120
Accounts payable and accrued liabilities		376,028	(185,342)
Cash flows (used in) from operating activities		(315,750)	(538,702)
Investing activities:			
Acquisition of C&R Pharmacy	3	(611,650)	-
Cash used in investing activities		(611,650)	-
Financing activities:			
Bank indebtedness	6	1,113,684	436,468
Cash flows from financing activities		1,113,684	436,468
Increase (decrease in cash)		\$ 186,284	\$ (102,234)
Cash, beginning of period		53,015	133,797
Cash, end of period		\$ 239,299	\$ 31,563

See accompanying notes to the condensed consolidated interim financial statements.

Notes to the Condensed Consolidated Interim Financial Statements
(expressed in Canadian dollars)
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1. Reporting entity:

Waverley Pharma Inc. (“**Waverley**” or the “**Company**”) was incorporated as Buffalo Capital Inc. (“**Buffalo**”) pursuant to the provisions of the Canada Business Corporations Act (“**CBCA**”) on December 14, 2016 and was classified as a Capital Pool Corporation (“**CPC**”) as defined by Policy 2.4 of the TSX Venture Exchange (the “**Exchange**”). On October 24, 2017, the Company completed a qualifying transaction (the “**QT**”) with Waverley Pharma Inc. and resumed as Waverley Pharma Inc. in accordance with the CBCA.

The Company is domiciled and incorporated in Canada and its Common Shares are listed on Tier 2 of the Exchange under the symbol “WAVE”. The address of the Company’s registered office and head office is 4-1250 Waverley Street, Winnipeg, Manitoba, Canada, R3T 6C6.

The Company is a biopharmaceutical company engaged in the research, development and commercialization of human therapeutics focused on oncology. The Company has entered into a license, manufacture, supply, marketing and distribution agreement with Reliance Life Sciences Private Limited (“**RLS**” or the “**Licensor**”) by which the Licensor granted the Company an exclusive territorial license to market and sell capecitabine in the United Kingdom (the “**UK**”) and Germany as well as a non-exclusive territorial license to market and sell temozolomide in the UK. Additionally, the Company has acquired exclusive territorial licenses from RLS to two oncologic drugs currently under development, pemetrexed and bortezomib in the United States and its territories (the “**USA**”), Canada, and the European Union (the “**EU**”). In addition, the Company has obtained a non-exclusive license to sell both pemetrexed and bortezomib in the UK. These products are marketed in the EU and the UK through the Company’s wholly owned Irish subsidiary, Waverley Pharma Europe Limited (“**WPEL**”). During the period ended September 30, 2024, the Company has elected to scale back its commercial operations in the UK and the EU due to increased competition and as a result, the Company has shifted its focus back to its research and development projects, including the development of its PARP-1 inhibitor.

On September 18, 2024, the Company acquired 100% membership interest in C&R Pharmacy, LLC (“**C&R Pharmacy**”), a retail pharmacy located in West Liberty, Ohio. C&R Pharmacy accepts all major insurances and currently has limited local competition in its local community.

2. Basis of preparation:

(a) Statement of compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (“**IASB**”) and Interpretations issued by the International Financial Reporting Interpretations Committee (“**IFRIC**”).

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (“**IAS**”) 34 *Interim Financial Reporting* and have been prepared using the same accounting policies and methods of application as those used in the Company’s audited consolidated financial statements for the year ended December 31, 2023. These condensed consolidated interim financial statements do not include all of the information required for full annual consolidated financial statements and should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2023.

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors (the “**Board**”) on November 27, 2024.

(b) Basis of presentation

These condensed consolidated interim financial statements have been prepared on the historical cost basis except for financial instruments at fair value through profit or loss (“**FVTPL**”) which are measured at fair value.

Notes to the Condensed Consolidated Interim Financial Statements
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2. Basis of preparation (continued):

(c) Going concern

These condensed consolidated interim financial statements have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and meet its liabilities as they become due.

The Company is a research and development stage company and as such is primarily dependent on financing provided from external sources to continue as a going concern. Management intends to use its available funding to improve its current operations, and increase revenue in order to fund future operations, however, the outcome of these matters cannot be predicted at this time. In addition, during the nine month period ended September 30, 2024, the company incurred a net loss of \$880,470 (2023 – \$890,476) , and, as at September 30, 2024 has a deficit of \$10,227,014 (December 31, 2023 - \$9,395,144).

(d) Functional and presentation currency

The condensed consolidated interim financial statements are presented in Canadian dollars, which is the Company's functional currency. All financial information presented has been rounded to the nearest dollar except where indicated otherwise.

(e) Use of estimates and judgments

The preparation of condensed consolidated interim financial statements in conformity with IFRS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses during the period.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Areas in which management has made critical judgments in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the condensed consolidated interim financial statements include the determination of the Company's and its subsidiaries' functional currencies.

Information about key assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year are included in the following notes to the consolidated financial statements for the year ended December 31, 2023:

- Note 3(e): Estimates of variable consideration receivable from revenue from contracts with customers
- Note 3(h): Estimates of the valuation of intangible assets

3. Business Combinations

On September 18, 2024, the Company acquired 100% membership interest of C&R Pharmacy, a retail pharmacy located in West Liberty, Ohio, for cash consideration of \$611,650. The purchase agreement included contingent consideration of an additional payment of USD \$60,000 (the "**First Anniversary Payment**") to the seller based on the achievement of certain future performance targets by C&R Pharmacy. The contingent payment is based on a one year revenue target, from September 18, 2024 to September 17, 2025, of USD \$1.4 million which is derived from C&R Pharmacy's historical revenue. If the revenue target is met, the Company will be obligated to pay the First Anniversary Payment to the seller. Based on management's assessment, it was deemed unlikely as at September 30, 2024 that the First Anniversary Payment performance target will be met. As a result, the Company did not record any contingent consideration liabilities on its statement of financial position. In addition, the Company is required to purchase up to a maximum of USD\$180,000 of prescription inventory, based on the seller's inventory on hand at the time of acquisition.



Notes to the Condensed Consolidated Interim Financial Statements
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3. Business Combinations (continued)

The following table summarizes the finalized fair values of the identifiable assets and liabilities as at the date of the acquisition:

Net assets acquired	
Property and equipment	\$ 9,513
Pharmacy license	149,542
Customer lists	287,386
Brand name	64,042
Goodwill	101,067
Net assets acquired	\$ 611,550
Summary of purchase consideration	
Net cash paid	\$ 611,550
Purchase consideration	\$ 611,550

Transaction costs relating to the C&R Pharmacy acquisition were \$14,166 and were included in selling, general and administrative expenses for the three and nine month period ended September 30, 2024.

From the date of acquisition, September 18, 2024, to September 30, 2024, C&R Pharmacy contributed to the 2024 results \$22,417 of revenue and \$3,072 of net income before income taxes to the 2024 results. If the acquisition had taken place as at January 1, 2024, revenue during the nine month period in 2024 would have increased by \$855,063 and net loss before income taxes in 2024 would have decreased by approximately \$117,186 after considering the amortization of the intangible assets acquired in the transaction.

4. Accounts receivable

	September 30, 2024	December 31, 2023
Trade accounts receivable	\$ -	\$ 135,321
Other accounts receivable	51,004	2,876
	\$ 51,004	\$ 138,197

As at September 30, 2024, there were no customers with amounts owing greater than 10% of the Company's trade accounts receivable in aggregate. (December 31, 2023 – one customer totaling 100%).

5. Inventory

Inventory consists of finished product available for sale to customers. Subsequent to the acquisition of C&R Pharmacy on September 18, 2024, this also includes retail pharmaceutical products available for sale. Inventory expensed as part of cost of goods sold during the three and nine months ended September 30, 2024 totaled \$7,835 and \$7,835, respectively (2023 – \$71,444 and \$232,595). During the three and nine month period ended September 30, 2024 and 2023, the Company did not write-off any inventory which was expired or otherwise unusable.



Notes to the Condensed Consolidated Interim Financial Statements
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6. Bank indebtedness

The Company currently has access to a line of credit from its primary financial institution for maximum aggregate proceeds of \$3,000,000. The line of credit carries a floating interest rate on standard commercial terms, calculated daily, and is repayable as to principal amount drawn and accrued and unpaid interest thereon upon demand. As at September 30, 2024, the drawn amount on the line of credit is \$2,715,743 (December 31, 2023 – \$1,602,059). During the three and nine month period ended September 30, 2024, the amount of interest paid in relation to the line of credit was \$41,233 and \$111,062, respectively (2023 – \$19,904 and \$47,969, and is included within finance expense on the condensed consolidated interim statement of net loss and comprehensive loss. The collateral for the line of credit was provided by a director of the Company (see note 9(d) and note 12(b) below for more information).

7. Intangible assets

Cost	Licenses	Customer List	Brand Name	Total
Balance, December 31, 2023	\$ -	\$ -	\$ -	\$ -
Additions	149,542	287,386	64,042	500,970
Amortization	(715)	(1,373)	(214)	(2,302)
Effects of movements in exchange rates	(994)	(1,911)	(427)	(3,332)
Balance, September 30, 2024	\$ 147,833	\$ 284,102	\$ 63,401	\$ 495,336

As indicated in note 3, on September 18, 2024, the Company acquired C&R Pharmacy. As part of the acquisition, the above intangible assets were acquired, for an allocated purchase price of \$500,970. Amortization expense during the three and nine month periods ended September 30, 2024 totaled \$2,302 and \$2,302 respectively. Amortization expense for these intangible assets is included within selling, general and administrative expenses on the condensed consolidated interim statement of net loss and comprehensive loss.

The Company has considered indicators of impairment as at September 30, 2024 and did not record an impairment charge in either the three month or nine month periods ending September 30, 2024.

8. Intangible assets – held for sale

Cost	Licenses
Balance, December 31, 2022	\$ 1,679,402
Amortization	(321,905)
Derecognition of marketing rights	(150,354)
Impairment	(942,623)
Balance, December 31, 2023	\$ 264,520
Balance, September 30, 2024	\$ 264,520

On August 30, 2017, the Company acquired exclusive territorial licenses from RLS to sell and market two generic cancer drugs, pemetrexed and bortezomib in the USA, Canada and the EU (excluding the UK where a non-exclusive territorial license was acquired) (the "**2017 Agreement**").

During the year ended December 31, 2023, the Company recorded a \$942,623 impairment loss on the intangible assets relating to the licenses of bortezomib and pemetrexed for the EU, UK and the USA, to write down the value of the intangible assets to their fair market value, less costs to sell. During the period ended September 30, 2024, the Company entered into an amendment to the 2017 Agreement with RLS whereby Waverley Pharma agreed to transfer the ownership of the US Abbreviated New Drug Applications for both pemetrexed and bortezomib, back to RLS in exchange for consideration of \$264,520. As a result, the Company has classified said assets as held-for-sale as at September 30, 2024.

Notes to the Condensed Consolidated Interim Financial Statements
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8. Intangible assets – held for sale (continued)

As the Company has designated its intangible assets as held-for-sale, the Company has not recorded any amortization in relation to these assets during the three month or nine month periods ended September 30, 2024 (2023 - \$80,476 and \$241,429, respectively). Amortization expense during the three month and nine month periods ended September 30, 2023 is included within selling, general and administrative expenses on the condensed consolidated interim statement of net loss and comprehensive loss.

The Company has considered indicators of impairment as at September 30, 2024 and 2023, and did not record an impairment charge in either the three month or nine month periods ending September 30, 2024 or 2023.

9. Capital stock

(a) Authorized

The Company has authorized share capital of an unlimited number of common voting shares.

(b) Shares issued and outstanding

Shares issued and outstanding are as follows:

	Number of Common Shares		Amount
Balance, December 31, 2022	54,000,000	\$	7,000,100
Balance, December 31, 2023	54,000,000	\$	7,000,100
Balance, September 30, 2024	54,000,000	\$	7,000,100

(c) Stock option plan

The Company has an incentive stock option plan (the “Plan”) whereby the Company may grant directors, officers, employees and contractors incentive stock options to purchase voting common shares of the Company. The terms and conditions of each option granted under the Plan are determined by the Board. The number of common shares reserved for issuance upon the exercise of options is limited to a maximum of 10% of the issued and outstanding common shares of the Company at any time.

Changes in the number of options outstanding during the nine months ended September 30, 2024 and 2023 are as follows:

	2024		2023	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance, beginning of period	1,075,000	\$ 0.34	1,075,000	\$ 0.34
Forfeited/expired	(325,000)	\$ (0.47)	-	\$ -
Balance, end of period	750,000	\$ 0.29	1,075,000	\$ 0.34
Options exercisable, end of period	750,000	\$ 0.29	1,075,000	\$ 0.34

Notes to the Condensed Consolidated Interim Financial Statements
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9. Capital stock (continued)

(c) Stock option plan (continued)

The following is a summary of the 750,000 outstanding options issued under the Plan:

Exercise price	Number outstanding	Weighted average remaining contractual life	Number exercisable	Weighted average remaining vesting period
\$0.100	225,000	0.2 years	225,000	-
\$0.200	225,000	2.5 years	225,000	-
\$0.500	300,000	3.0 years	300,000	-
	750,000		750,000	

(d) Warrants

The fair value of the warrants outstanding as at September 30, 2024 was estimated using the following Black-Scholes Model assumptions:

Expected life	5 years
Expected volatility	55.00%
Risk free rate	0.97%
Underlying share price	\$ 0.11
Strike price	\$ 0.11

Changes in the number of warrants outstanding during the period ended September 30, 2024 and 2023 are as follows:

For the nine months ended September 30	2024		2023	
	Warrants	Weighted average exercise price	Warrants	Weighted average exercise price
Balance, beginning of period ⁽¹⁾	10,000,000	\$ 0.11	10,000,000	\$ 0.11
Balance, end of period	10,000,000	\$ 0.11	10,000,000	\$ 0.11

- (1) On August 05, 2021, the Company entered into an agreement with its primary financial institution, pursuant to which the financial institution provided the Company with a line of credit with maximum aggregate proceeds of \$3,000,000. The collateral necessary to secure the line of credit was provided by a director of the Company. To compensate the director for providing the collateral for the line of credit, the Company granted the director 10,000,000 warrants. Each warrant entitles the holder to purchase one (1) common share of the Company and are exercisable within five years of the date of grant at an exercise price of \$0.11 per common share. On the initial grant date of the warrants the Company recognized an other asset on its consolidated statement of financial position of \$521,894 as a result of this arrangement, equal to the fair value of the warrants issued, which were calculated using the Black-Scholes pricing model. The Company is amortizing the warrants asset on a straight-line basis over five years, consistent with the contractual term of the warrants issued and expected time to settle the line of credit obtained. For the three and nine month periods ended September 30, 2024, amortization of \$26,095 and \$78,284 (2023 - \$26,095 and \$78,284), respectively was recorded within selling, general, and administrative expenses on the condensed consolidated statement of net loss and comprehensive loss as a result of this transaction.

Notes to the Condensed Consolidated Interim Financial Statements
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9. Capital stock (continued)

(e) Per share amounts

The weighted average number of common voting shares outstanding for the period ended September 30, 2024 and 2023 was 54,000,000. Effects of dilution from 750,000 (2023 – 1,075,000) options and 10,000,000 (2023 – 10,000,000) warrants were excluded from the calculation of weighted average shares outstanding for diluted loss per share for the three and nine month periods ended September 30, 2024 and 2023 as they are anti-dilutive.

10. Government Assistance

On June 29, 2020 the Company received \$40,000 as an interest-free loan from the government of Canada as part of the Canada Emergency Business Account (“**CEBA**”) program. The term loan is interest free until December 31, 2023, with an option for an extension until December 31, 2025 at an interest rate of 5% per annum. The amount had been previously recorded at its fair value which is approximately the amount noted within the CEBA loan agreement. During the year ended December 31, 2023, the Company repaid the CEBA loan. As a result, there are no liabilities recorded pertaining to the CEBA loan as at September 30, 2024 (December 31, 2023 - nil).

11. Commitments and contingencies

(a) Commitments

As at September 30, 2024, and in the normal course of business, the Company has obligations to make future payments representing contracts and other commitments that are known and committed. The Company, through a subsidiary, WPEL, has committed to an office space lease at a rate of €1,251 (CAD \$1,886) per month for a term ending October 31, 2024. In addition, the Company has entered into an agreement with CanAm Bioresearch Inc. (“CanAm”) for organic and analytical chemistry services as of April 1, 2024 until September 30, 2024 at a monthly rate of \$33,000 per month. The agreement is in connection with the Company’s PARP-1 inhibitor development project. All commitments are current and expected to be settled within one year of September 30, 2024.

(b) Contingencies

June 7, 2018 agreement

On June 7, 2018, the Company entered into a license, manufacture, supply, marketing and distribution agreement with RLS by which the Licensor granted the Company an exclusive territorial license to market and sell capecitabine in the UK and Germany and non-exclusive territorial license to market and sell temozolomide in the UK. Additionally, the Company has assumed the obligations associated with binding contracts held by the Licensor for the supply of these products to the UK National Health Service. All inventory purchased for resale will be purchased from RLS, in accordance with the June 7, 2018 agreement.

In connection with the signing of the June 7, 2018 agreement, the Company entered into a profit and/or loss sharing arrangement resulting in a portion of the net profits, after a margin deduction to the Company on the sales of capecitabine and temozolomide, to be paid to RLS. During the nine month period ended September 30, 2024, the Company terminated its active contracts, and as a result, the Company did not record a recovery from the profit and/or loss arrangement. During the three month and nine month periods ended September 30, 2023, the Company did not record a recovery from the profit and/or loss arrangement due to delays in the completion of the assessment.

Notes to the Condensed Consolidated Interim Financial Statements
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11. Commitments and contingencies (continued)

(b) Contingencies (continued)

2017 Agreement

On August 30, 2017, the Company entered into a license, manufacture and supply agreement with RLS whereby it acquired exclusive licenses to sell and market two generic cancer drugs, pemetrexed and bortezomib from RLS, in the USA, Canada and Europe (excluding the UK where a non-exclusive license was acquired). An up-front payment of US \$20,000 was made upon signing of the term sheet on July 5, 2017 and a US \$180,000 payment was made upon signing of the 2017 Agreement. Additional payments of US \$1,200,000 are payable upon certain development and approval based milestones being met and as at September 30, 2024, there are no amounts recorded as license fee payable pertaining to the 2017 Agreement (December 31, 2023 - nil). Additionally, the Company will purchase inventory and pay a royalty of 7.5% of its net sales from these two products to the Licensor. During the three month and nine month periods ended September 30, 2024, the Company did not record any royalty expense (2023 – nil and \$2,152) in relation to sales of pemetrexed within the UK as the Company did not sell any pemetrexed during the current period. The royalty expense recorded during the nine month period ended September 30, 2023 is recorded within cost of goods sold in the consolidated condensed interim statement of net loss and comprehensive loss. At September 30, 2024, nil (December 31, 2023 – nil) is recorded as royalties payable within accounts payable and accrued liabilities on the consolidated statement of financial position. The Company has not started the commercialization of bortezomib as at September 30, 2024, therefore, the Company has not accrued for or expensed any royalties pertaining to bortezomib as at September 30, 2024. The term of the 2017 Agreement is a period of ten (10) years, which began when regulatory approval was obtained in the USA.

During the nine month period ended September 30, 2024, the Company entered into an amendment to the 2017 Agreement with RLS whereby Waverley Pharma agreed to transfer the ownership of the US ANDAs for both pemetrexed and bortezomib back to RLS in exchange for consideration of \$264,520. As a result, the Company has classified said assets as held-for-sale as at September 30, 2024.

12. Related party transactions

(a) Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Board of Directors, CEO and CFO of the Company are considered to be key management personnel. The Chief Executive Officer of the Company is a consultant through a consulting agreement which was signed on February 1, 2020.

The following table details the compensation paid to key management personnel:

	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Salaries, fees and short-term benefits	\$ 12,000	\$ 22,125	\$ 49,500	\$ 66,375
	\$ 12,000	\$ 22,125	\$ 49,500	\$ 66,375

Directors and key management personnel control 75% of the voting shares of the Company as at September 30, 2024 (December 31, 2023 - 75%).

Notes to the Condensed Consolidated Interim Financial Statements
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12. Related party transactions

(b) Transactions with related parties

During the three and nine months ended September 30, 2024, the Company paid GVI Clinical Development Solutions Inc. ("GVI CDS"), a company controlled by a director of the Company, a total of \$10,689 and \$52,520, respectively (2023 – \$10,326 and \$41,209) for regulatory affairs consulting.

During the three and nine months ended September 30, 2024, the Company paid CanAm, a company controlled by a director of the Company, \$33,000 and \$132,000, respectively (2023 – nil and nil) for research services in connection with the Company's PARP-1 development project, as described in note 11(a).

These transactions were in the normal course of business and have been measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. As at September 30, 2024, included in accounts payable and accrued liabilities is \$32,625 (December 31, 2023 - \$36,803) payable to GVI CDS and \$34,650 payable to CanAm (December 31, 2023 – nil).

On January 1, 2021, the Company signed a services agreement with the CFO, through his consulting company, 10055098 Manitoba Ltd. Effective May 1, 2024, the Company amended the service agreement with its CFO by adjusting the fee to \$24,000 per year. The fee is reviewed annually on or about January 1. Either party can terminate the agreement with 30 days written notice, otherwise the agreement has an indefinite term.

As at September 30, 2024, there are no amounts payable to 10055098 Manitoba Ltd. in relation to the services agreement (December 31, 2023 - nil).

On August 05, 2021, the Company entered into an agreement with its primary financial institution, pursuant to which the financial institution provided the Company with a line of credit with maximum aggregate proceeds of \$3,000,000. The collateral necessary to secure the line of credit was provided by a director of the Company. To compensate the director for providing the collateral for the line of credit, the Company granted the director 10,000,000 warrants. Each warrant entitles the holder to purchase one (1) common share of the Company and is exercisable within five years of the date of grant at an exercise price of \$0.11 per common share.

13. Segmented information

The Company operates in one business segment, the biopharmaceutical industry.

During the nine month period ended September 30, 2024, all of the Company's revenue was generated from product sales through its retail pharmacy, located within the United States.

During the nine month period ended September 30, 2023 all revenue was generated within the UK, with one customer accounting for 100% of total revenue for the three and nine month periods ended September 30, 2023.

The Company's property and equipment, intangible assets and goodwill are located in the following countries:

	September 30, 2024	December 31, 2023
Canada	\$ 264,520	\$ 264,520
United States	749,366	-
	\$ 1,013,886	\$ 264,520