

Condensed Interim Consolidated Financial Statements

## **Principal Technologies Inc.**

Three months ended October 31, 2024 and 2023  
(Expressed in Canadian Dollars)  
(Unaudited)

### **NOTICE OF NO AUDITOR REVIEW**

The accompanying unaudited condensed interim consolidated financial statements of Principal Technologies Inc. have been prepared by and are the responsibility of the Company's management.

In accordance with National Instrument 51-102, the Company discloses that its independent auditor has not performed a review of these unaudited condensed interim consolidated financial statements.

# Principal Technologies Inc.

## Condensed Interim Consolidated Statements of Financial Position (Expressed in Canadian Dollars) (Unaudited)

	Note	October 31 2024	July 31 2024
		\$	\$
<b>Current Assets</b>			
Cash		566,159	854,022
Amounts receivable		226,627	115,114
Prepaid expense and deposit		195,667	164,265
		988,453	1,133,401
<b>Long-Term Assets</b>			
Investment		265,043	263,720
Property and equipment		100,272	112,553
<b>Total Assets</b>		1,353,768	1,509,674
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities	4	318,666	354,594
Lease liabilities - current portion		36,859	35,314
		355,525	389,908
<b>Long-Term Liabilities</b>			
Lease liabilities		41,820	51,298
<b>Equity</b>			
Share capital	3	4,512,165	4,512,165
Share subscriptions received	3	85,621	-
Equity reserves		1,419,979	1,057,822
Accumulated other comprehensive income (loss)		9,267	6,597
Deficit		(5,131,139)	(4,569,158)
Total equity attributable to the Company		895,893	1,007,426
Non-controlling interest		60,530	61,042
		956,423	1,068,468
<b>Total Liabilities and Equity</b>		1,353,768	1,509,674

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)  
SUBSEQUENT EVENTS (Note 8 & 9)

Approved on behalf of the Board:

/s/ Gerald Trent

/s/ Leopold Specht

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements

# Principal Technologies Inc.

## Condensed Interim Consolidated Statements of Loss and Comprehensive Loss (Expressed in Canadian Dollars) (Unaudited)

	Three months ended October 31		
	Note	2024	2023
		\$	\$
<b>Revenue</b>		107,584	176,305
<b>Expenses</b>			
Advisory and consulting		31,500	161,356
Depreciation		13,384	8,702
Directors' fees	4	5,842	2,938
Interest expense		2,049	5,593
Marketing and advertisement		2,132	18,305
Professional fees		53,693	24,966
Regulatory and transfer agent		5,201	26,581
Office and administration		15,576	21,197
Salaries and benefits		119,247	56,791
Share-based compensation	4	362,157	26,014
Travel		49,707	16,175
		660,488	368,618
<b>Other items</b>			
Foreign exchange loss		(308)	(334)
Finance income		5,648	1,001
		5,340	667
Net loss before income tax		(547,564)	(191,646)
Income tax expense		(14,986)	(2,425)
<b>Net loss</b>		(562,550)	(194,071)
<b>Other comprehensive loss</b>			
Foreign exchange translation		2,727	4,596
<b>Comprehensive loss</b>		(559,823)	(189,475)
<b>Net income (loss) attributable to:</b>			
Shareholders of the Company		(561,981)	(211,909)
Non-controlling interest		(569)	17,838
		(562,550)	(194,071)
<b>Comprehensive loss attributable to:</b>			
Shareholders of the Company		(559,311)	(209,223)
Non-controlling interest		(512)	19,748
		(559,823)	(189,475)
<b>Basic and diluted loss per share</b>		(0.02)	(0.01)
<b>Weighted average number of common shares outstanding - basic and diluted</b>		36,868,627	22,875,461

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements

# Principal Technologies Inc.

## Condensed Interim Consolidated Statements of Changes in Equity

(Expressed in Canadian Dollars)

(Unaudited)

	Note	Number of shares	Share Capital	Share Subscriptions	Equity Reserve	Accumulated other comprehensive income	Deficit	Non-controlling Interest	Total Equity
			\$	\$	\$	\$	\$	\$	\$
<b>Balance at July 31, 2023</b>		22,875,461	2,496,810	-	609,714	(3,695)	(2,954,121)	48,143	196,851
Share-based compensation	3	-	-	-	26,014	-	-	-	26,014
Net income (loss)		-	-	-	-	-	(211,909)	17,838	(194,071)
Foreign translation adjustment		-	-	-	-	2,686	-	1,910	4,596
<b>Balance at October 31, 2023</b>		22,875,461	2,496,810	-	635,728	(1,009)	(3,166,030)	67,891	33,390
<b>Balance at July 31, 2024</b>		36,868,627	4,512,165	-	1,057,822	6,597	(4,569,158)	61,042	1,068,468
Share subscriptions received		-	-	85,621	-	-	-	-	85,621
Share-based compensation	3	-	-	-	362,157	-	-	-	362,157
Net income (loss)		-	-	-	-	-	(561,981)	(569)	(562,550)
Foreign translation adjustment		-	-	-	-	2,670	-	57	2,727
<b>Balance at October 31, 2024</b>		36,868,627	4,512,165	85,621	1,419,979	9,267	(5,131,139)	60,530	956,423

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# Principal Technologies Inc.

## Condensed Interim Consolidated Statements of Cash Flows (Expressed in Canadian Dollars) (Unaudited)

	Three months ended October 31	
	2024	2023
	\$	\$
<b>Operating activities</b>		
Net loss	(562,858)	(194,405)
Items not involving cash:		
Depreciation	13,384	8,702
Interest expense	2,049	5,593
Share-based compensation	362,157	26,014
Fair value adjustment of investment	-	(334)
Changes in non-cash working capital items:		
Amounts receivable	(111,513)	(60,689)
Prepaid expense and deposits	(31,402)	(3,438)
Deferred revenue	-	(2,104)
Amounts payable and accrued liabilities	(35,928)	150,068
	<u>(364,111)</u>	<u>(70,593)</u>
<b>Financing activities</b>		
Proceeds from issuance of shares, net of share issuance costs	-	236,025
Share subscriptions received	85,621	-
Lease payments	(9,982)	(4,481)
	<u>75,639</u>	<u>231,544</u>
<b>Effect of foreign exchange on cash</b>	<u>609</u>	<u>4,929</u>
Change in cash	(287,863)	165,880
Cash, beginning	854,022	156,194
Cash, ending	<u>566,159</u>	<u>322,074</u>
<b>Supplemental cash flow information:</b>		
Cash paid during the year for interest	-	-
Cash paid during the year for taxes	14,986	2,425

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements

# Principal Technologies Inc.

Notes to the Condensed Interim Consolidated Financial statements  
For the three months ended October 31, 2024 and 2023  
(Expressed in Canadian Dollars)  
(Unaudited)

## 1. NATURE OF OPERATIONS AND GOING CONCERN

The Company is domiciled in Canada and was incorporated on April 3, 2018, under the laws of the Province of British Columbia. The address of the Company's registered and records office is 25th Floor, 700 W Georgia St., Vancouver, British Columbia, V7Y 1B3.

On August 4, 2021, the Company completed a qualifying transaction pursuant to the policies of the TSX Venture Exchange ("TSXV") and commenced trading as a Tier 2 Life Sciences Issuer on the TSXV on August 6, 2021 under the ticker symbol "PTEC". The Company is currently building a diverse portfolio of investments in healthcare technology companies with a focus on those with global distribution potential which have intellectual property capable of enhancing medical treatment, cost efficiency, optimizations of the patient pathway, and implementation of point of care technologies.

These Condensed Interim Consolidated Financial Statements (the "Financial Statements") have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. During the three-months ended October 31, 2024, the Company incurred a net loss of \$562,550, and has a deficit of \$5,131,139 on that date. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent on management's ability to identify additional sources of capital and to raise sufficient resources in order to fund ongoing expenditures and the Company's investment plan. Although management has been successful in the past, there is no assurance these initiatives will be successful in the future. In order to fund future operations or acquisitions, the Company intends to raise additional capital by issuing equity. These Financial Statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business. Such adjustments could be material.

## 2. BASIS OF PRESENTATION

### (a) *Statement of compliance*

These Financial Statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board, have been omitted or condensed. These Financial Statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended July 31, 2024. The same accounting policies and methods of computation were followed in the preparation of these Financial Statements as were followed in the preparation of and as described in Note 3 of the Company's audited consolidated financial statements for the year ended July 31, 2024.

The Financial Statements were authorized for issue by the Board of Directors on December 27, 2024.

### (b) *Basis of measurement*

The Financial Statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

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Notes to the Condensed Interim Consolidated Financial statements  
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## 2. BASIS OF PRESENTATION (Continued)

### (c) Functional and presentation currency

The Financial Statements are presented in Canadian dollars, which is the Company's functional currency.

The functional currency of the Company's subsidiaries: Principal Technologies Capital Management GmbH and E&E CRO Consulting GmbH is the Euro.

### (d) Basis of consolidation

The Financial Statements include the accounts of the Company and its subsidiaries as follows:

	Incorporation	Functional currency	Percentage owned
Principal Technologies Capital Management GmbH	Austria	EURO	100%
E&E CRO Consulting GmbH	Austria	EURO	80%

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the subsidiaries are included in the Condensed Interim Consolidated Financial Statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated.

The non-controlling interest in the net assets of the consolidated subsidiaries are identified separately from the Company's equity. The non-controlling interest consists of the non-controlling interest's portion of net assets and profit or loss.

### (e) Significant accounting judgments and estimates

The preparation of these Financial Statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Condensed Interim Consolidated Financial Statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates. 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 future periods affected.

For significant estimates and judgments refer to the audited consolidated financial statements for the year ended July 31, 2024.

## 3. SHARE CAPITAL

### (a) Authorized

Unlimited number of common shares with no par value.

### (b) Issued and fully paid common shares

As at October 31, 2024, there are 36,868,627 common shares issued and outstanding.

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## 3. SHARE CAPITAL (Continued)

### Shares issued during the quarter ended October 31, 2024

There were no shares issued during the quarter ended, October 31, 2024.

### Shares issued during the year ended July 31, 2024

On June 20, 2024, the Company completed of a non-brokered private placement financing of 4,000,000 units at \$0.25 for gross proceeds of \$1,000,000. Each unit consisted of one common share of the Company and one common share purchase warrant (a "Warrant"). Each Warrant entitles the holder to purchase one additional common share of the Company at \$0.30 for a period of two years from the date of closing.

The value attributed to the share purchase warrants issued was \$400,000 using the residual value approach.

On November 20, 2023, the Company closed the first tranche ("Tranche 1") of a private placement issuing a total of 2,336,500 common shares at \$0.15 per common share for gross proceeds of \$350,475.

In connection with the closing of Tranche 1, finder's fees of \$6,636 were paid in cash. In addition, a total of 44,240 non-transferable finder's warrants are issuable (the "Finder's Warrants"). Each Finder's Warrant entitles the finder to purchase one common share at an exercise price of \$0.20 per share for two years from the date of issue. Using the Black Scholes Model, the grant date fair value was \$3,178, or \$0.07 per Finder's Warrant. The following weighted average assumptions were used for the valuation of the Finder's Warrant: risk free interest rate of 4.42%, expected life of 2 years, annualized volatility of 112% and dividend rate of 0.00%.

On December 11, 2023, the Company closed the second tranche ("Tranche 2") of the non-brokered private placement. Under Tranche 2, the Company issued 6,823,333 common shares at \$0.15 per share for gross proceeds of \$1,023,500.

In connection with the closing of Tranche 2, cash finder's fees of \$33,720 were paid and a total of 224,800 Finder's Warrants are issuable. Each Finder's Warrant entitles the holder to purchase one common share of the Company for a period of 24 months from the date of issuance at a price of \$0.20 per share. Using the Black Scholes Model, the grant date fair value was \$15,268, or \$0.07 per Finder's Warrant. The following weighted average assumptions were used for the valuation of the Finder's Warrants: risk free interest rate of 3.97%, expected life of 2 years, annualized volatility of 112% and dividend rate of 0.00%.

On January 18, 2024, the Company closed the third and final tranche ("Tranche 3") of the non-brokered private placement. Under Tranche 3, the Company issued 833,333 common shares at \$0.15 per share for gross proceeds of \$125,000.

In connection with the closing of Tranche 3, cash finder's fees of \$4,000 were paid and a total of 26,667 Finder's Warrants are issuable. Each Finder's Warrant entitles the holder to purchase one common share of the Company for a period of 24 months from the date of issuance at a price of \$0.20 per share. Using the Black Scholes Model, the grant date fair value was \$2,110, or \$0.08 per Finder's Warrant. The following weighted average assumptions were used for the valuation of the Finder's Warrants: risk free interest rate of 4.23%, expected life of 2 years, annualized volatility of 112% and dividend rate of 0.00%.

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## 3. SHARE CAPITAL (Continued)

### *(c) Share options*

On July 11, 2023, the Company adopted a new 20% fixed share option plan (the "New Option Plan"). The New Option Plan will reserve for issuance 4,575,092 common shares of the Company and was approved by the TSXV and the Shareholders of the Company.

Under the new plan, the maximum term of each option shall not be greater than 10 years. The exercise price of each option shall not be less than the market price of the Company's shares at the date of grant. Options granted to consultants performing investor relations activities shall vest over a minimum of 12 months with no more than 1/4 of such options vesting in any three-month period. All other share options vest at the discretion of the Board of Directors.

#### During the quarter ended October 31, 2024

On September 16, 2024, the Company granted 925,000 conditional share options to certain officers and consultants of the Company. The conditional options vested immediately and are exercisable at a price of \$0.16 per share until September 16, 2034. The Company also granted 1,500,000 conditional share options to the CEO of the Company. The conditional share options vested immediately and are exercisable at a price of \$0.16 per share until September 16, 2034. Using the Black Scholes Model, the grant date fair value was \$362,157, or \$0.15 per option. The following weighted average assumptions were used for the valuation of the share options: risk-free interest rate of 2.77%, expected life of 10 years, annualized volatility of 112% and dividend rate of 0.00%.

Exercise of the total 2,425,000 conditional share options is subject to both shareholder and TSXV approval.

#### During the year ended July 31, 2024

On August 21, 2023, the Company granted 15,000 share options to employees of the Company. The options vested immediately and are exercisable at a price of \$0.15 per share until August 21, 2033. Using the Black Scholes Model, the grant date fair value was \$2,108, or \$0.09 per option. The following weighted average assumptions were used for the valuation of the share options: risk-free interest rate of 3.86%, expected life of 10 years, annualized volatility of 112% and dividend rate of 0.00%.

On October 17, 2023, the Company granted 100,000 share options to an advisor of the Company. The options vested immediately and are exercisable at a price of \$0.15 per share until October 17, 2033. Using the Black Scholes Model, the grant date fair value was \$11,647, or \$0.09 per option. The following weighted average assumptions were used for the valuation of the share options: risk free interest rate of 4.14%, expected life of 10 years, annualized volatility of 112% and dividend rate of 0.00%.

# Principal Technologies Inc.

Notes to the Condensed Interim Consolidated Financial statements

For the three months ended October 31, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited)

### 3. SHARE CAPITAL (Continued)

A summary of the changes in share options is presented below:

	Number of Options	Weighted average exercise price
		\$
Balance, July 31, 2023	4,175,000	0.13
Granted	115,000	0.15
Balance, July 31, 2024	4,290,000	0.13
Granted	2,425,000	0.16
Balance, October 31, 2024	6,715,000	0.14

The following table summarizes information about the share options outstanding and exercisable at October 31, 2024:

Outstanding	Exercisable	Exercise Price	Expiry date
		\$	
3,125,000	3,125,000	0.12	July 11, 2033
700,000	700,000	0.16	December 3, 2031
100,000	100,000	0.16	January 10, 2032
15,000	15,000	0.15	August 21, 2033
100,000	100,000	0.15	October 17, 2033
250,000	250,000	0.14	May 20, 2032
2,425,000	2,425,000	0.14	September 16, 2034
6,715,000	6,715,000		

#### (d) Warrants

A summary of the changes in warrants is presented below:

	Warrants outstanding	Weighted average exercise price
		\$
Balance, July 31, 2023	3,011,537	0.12
Granted	4,295,707	0.20
Balance, July 31, 2024 and October 31, 2024	7,307,244	0.17

# Principal Technologies Inc.

Notes to the Condensed Interim Consolidated Financial statements  
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## 3. SHARE CAPITAL (Continued)

The following table summarizes information about the warrants outstanding and exercisable at October 31, 2024:

Outstanding	Exercisable	Exercise Price \$	Expiry date
3,011,537	3,011,537	0.12	July 5, 2026
44,240	44,240	0.20	November 20, 2025
224,800	224,800	0.20	December 21, 2025
26,667	26,667	0.20	January 18, 2026
4,000,000	4,000,000	0.20	June 20, 2026
<u>7,307,244</u>	<u>7,307,244</u>		

## 4. RELATED PARTY TRANSACTIONS

### Key Management Compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors ("Board") and corporate officers.

Remuneration of key management personnel was as follows:

	October 31 2024	October 31 2023
	\$	\$
Consulting and management fees	59,406	98,249
Directors fees	5,842	2,938
Share-based compensation	280,018	-
	<u>345,266</u>	<u>101,187</u>

As at October 31, 2024, there is \$96,323 (July 31, 2024: \$90,251) owing to key management personnel recorded in accounts payable and accrued liabilities. The amount consists of accrued director fees of \$88,842 (July 31, 2024: \$82,967) and amounts owing to the CEO and CFO for monthly services of \$7,481 (July 31, 2024: \$7,284).

## 5. SEGMENTED INFORMATION

As at October 31, 2024, the Company operates in one reportable operational segment, being its operations in health-care technology including the project management of international scale clinical studies primarily related to medical device technologies.

During the three-months ended October 31, 2024 and 2023, the Company's total revenue was derived from clinical study services in Austria.

# Principal Technologies Inc.

Notes to the Condensed Interim Consolidated Financial statements  
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## 5. SEGMENTED INFORMATION (continued)

During the three-months ended October 31, 2024, revenue included 1 (2023 – 3) customers which represented 74% of total revenue (2023: 29%, 25% and 11%).

As at October 31, 2024, one customer represented 69% (2023 - 87%) of trade receivables.

## 6. FINANCIAL INSTRUMENTS

### *Financial Risk Management*

Cash and the investment are recorded at fair value through profit and loss. Amounts receivable, deposit, amounts payable and lease liabilities are recorded at amortized cost which approximates fair value due to the short-term nature of these instruments.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

As at October 31, 2024, the Company did not have any financial assets and liabilities which are measured at fair value on a recurring basis, other than cash and the investment. There were no transfers between Level 1, 2 or 3 during the quarter.

## 7. CAPITAL MANAGEMENT

The Company's primary source of funds comes from the issuance of share capital. The Company does not have sources of financing that require fixed payments of interest and principal as the Company does not generate cash flow from current operations. Accordingly, the Company is not subject to any externally imposed capital requirements.

Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will be able to continue this financing due to uncertain economic conditions (Note 1). The Company believes that it will be able to raise sufficient funds from share issuances to fund its working capital for the coming year. There have been no changes to the Company's approach to capital management during the year.

## 8. VIVOSTAT PENDING TRANSACTION

On February 6, 2024, the Company entered into an arm's length binding share purchase agreement to acquire 100% of the equity interests of Vivostat A/S ("Vivostat"), a 23 year old Danish company which uses a unique autologous fibrin sealant solution for post surgical use.

The Company will pay approximately €7,500,000 in cash plus 2,500,000 common shares in the capital of the Company to the owners of Vivostat, as adjusted under the share purchase agreement.

On March 8, 2024, the Company entered into a binding commitment with a European fund that will provide a secured loan in the principal amount of €8,000,000 (the "Loan") to provide acquisition financing with respect to the cash portion of the purchase price for Vivostat, and for general working capital purposes.

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## 8. VIVOSTAT PENDING TRANSACTION (continued)

The terms of the Loan include:

- The secured loan shall be provided to the Company by the Lender on a lump sum basis;
- interest rate of 12.00% per annum on the principal amount outstanding, payable up to and including the date which is six years after the initial advance under the Loan (the “Loan Maturity Date”);
- Interest will be payable quarterly and principal amount payable in 20 quarterly installments;
- Principal amount and interest in the first year shall not be paid until the Loan Maturity Date;
- The loan will be secured by, among other things, a pledge of all the shares acquired in Vivostat; and
- Payment shall be permitted in full or in part with a 6% prepayment penalty on the prepaid amount. The Loan provides full financing for the Company to close the Vivosat acquisition, and after final adjustments any remaining funds will be utilized by the Company for working capital purposes.

In the event the Company does not complete the purchase transaction, within a certain timeline, the seller is entitled to a fee of €125,000. As at July 31, 2024, the Company had advanced €100,000 to its lawyer in trust for payment of this fee. This amount is shown in prepaid expense and deposit as at July 31, 2024 and October 31, 2024.

On November 8, 2024, the Company paid the fee of €125,000 to the seller. As at the date hereof the Company has not received the funds to complete this transaction, and the purchase of Vivostat has not closed.

## 9. SUBSEQUENT EVENTS

- a) On November 22, 2024, the Company issued 363,500 common shares at \$0.25 each to settle debts of \$90,875 due to arms-length parties. The common shares are subject to a four month plus one day hold period from the date of issuance.
- b) On November 26, 2024, the Company completed a private placement of 342,484 units at \$0.25 each for gross proceeds of \$85,621. Each unit consists of a common share of the Company and a warrant entitling the holder to purchase an additional share of the Company for a period of two years. The common shares are subject to a four month plus a day holding period from the date of issuance.
- c) On December 11, 2024 the Company announced that it signed an arm’s length non-binding letter of intent (“LOI”) to acquire a controlling interest in the equity of Syndermix AG (“Syndermix”). Syndermix is a Swiss based medical research and applications developer with 100% interests in three significant medical technologies (the “Medical Assets”). A summary of Syndermix and the LOI is as follows:
  - The Company will purchase a total 70.7% equity interest in and all loans to Syndermix from two arms-length sellers in a transaction valued at \$44.0 million.
  - The purchase price for the 70.7% equity interest will be satisfied by the issuance of loans to the sellers totaling \$15.3 million and the issuance of 36,000,000 common shares of Principal valued at \$0.50 per share.
  - The Company will also purchase at face value a loan receivable for \$10.7 million from a seller for inter-company amounts due from Syndermix. At closing, Syndermix will have no other debt and a working capital of nil.

# Principal Technologies Inc.

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(Unaudited)

## 9. SUBSEQUENT EVENTS (continued)

- The total \$26 million of loans will bear interest at 5% per annum and mature four years after issuance. The payment of accrued interest is deferred until loan maturity. Payment of any loan interest or principal will be limited to the net cash flow from operations generated by Syndermix from the Medical Assets.
- As a result of the acquisition, Swiss based ESGTI AG will become a major shareholder of the Company.

The three proprietary medical assets of Syndermix, BioEleSonic, Noxogen Therapeutics and TheraLect are at various stages of development and commercialization. The acquisition is subject to the Company's final due diligence, the negotiation and execution of definitive agreements and the requisite Board of Directors and TSXV approvals.