Condensed Interim Consolidated Financial Statements

Principal Technologies Inc.

Three months ended October 31, 2025 and 2024
(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 2025	July 31 2025
		$	$
Current Assets			
Cash		533,939	924,502
Amounts receivable		86,746	45,044
Prepaid expense and deposits		59,625	5,452
Assets - discontinued operations	12	-	229,849
		680,310	1,204,847
Long-Term Assets			
Investment		266,810	257,972
Property and equipment		12,535	13,418
Assets - discontinued operations	12	-	69,945
Total Assets		959,655	1,546,182
Current Liabilities			
Accounts payable and accrued liabilities		934,938	646,830
VAT repayment	10	141,571	136,881
Promissory note	14	491,646	-
Research and development obligation	13	-	470,780
Liabilities - discontinued operations	12	-	90,994
		1,568,155	1,345,485
Long-Term Liabilities			
Liabilities - discontinued operations	12	-	16,708
Equity			
Share capital	3	7,216,849	7,141,554
Equity reserves	3	1,899,983	1,920,155
Accumulated other comprehensive loss		(3,804)	(35,370)
Deficit		(9,721,528)	(8,936,730)
Total equity attributable to the Company		(608,500)	89,609
Non-controlling interest		-	94,380
		(608,500)	183,989
Total Liabilities and Equity		959,655	1,546,182

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)
COMMITMENTS (Note 9)
SUBSEQUENT EVENT (Note 15)

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)

	Note	Three months ended October 31 2025	2024
		$	$
Expenses			
Advisory and consulting	4	45,975	31,500
Directors' fees	4	2,830	5,842
Management fees		398,481	59,254
Marketing		3,062	2,056
Professional fees		30,531	49,009
Regulatory and transfer agent		2,208	5,201
Research and development costs	8	138,672	-
Office and administration		4,759	5,811
Share-based compensation	3(c),4	18,035	362,157
Travel		6,964	49,707
		651,517	570,537
Other items			
Net income from discontinued operations	12	14,191	2,842
Loss on sale of discontinued operations	12	(152,324)	-
Foreign exchange gain (loss)		5,739	(503)
Finance income		1,953	5,648
		(130,441)	7,987
Net loss		(781,958)	(562,550)
Other comprehensive loss			
Foreign exchange translation		86,670	2,727
Comprehensive loss		(695,288)	(559,823)
Net income (loss) attributable to:			
Shareholders of the Company		(787,798)	(561,981)
Non-controlling interest		5,840	(569)
		(781,958)	(562,550)
Comprehensive income (loss) attributable to:			
Shareholders of the Company		(753,232)	(559,311)
Non-controlling interest		57,944	(512)
		(695,288)	(559,823)
Basic and diluted loss per share		(0.01)	(0.02)
Weighted average number of common shares outstanding - basic and diluted		48,343,051	36,868,627

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 Subscription	Equity Reserve	Accumulated other comprehensive income	Deficit	Non-controlling Interest	Total Equity
			$	$	$	$	$	$	$
Balance at July 31, 2024 (Restated - Note 11)		36,868,627	4,512,165	-	1,057,822	(257)	(4,691,649)	61,042	939,123
Share subscription received	3(b)	-	-	85,621	-	-	-	-	85,621
Share-based compensation	3(c)	-	-	-	362,157	-	-	-	362,157
Net income (loss) for the quarter		-	-	-	-	-	(561,981)	(569)	(562,550)
Foreign translation adjustment		-	-	-	-	2,670	-	57	2,727
Balance at October 31, 2024		36,868,627	4,512,165	85,621	1,419,979	2,413	(5,253,630)	60,530	827,078
Balance at July 31, 2025		48,238,007	7,141,554	-	1,920,155	(35,370)	(8,936,730)	94,380	183,989
Share options exercised	3(c)	202,000	64,354	-	(36,114)	-	-	-	28,240
Warrants exercised	3(c)	44,240	10,941	-	(2,093)	-	-	-	8,848
Share-based compensation	3(c)	-	-	-	18,035	-	-	-	18,035
Loss on disposal of discontinued operations		-	-	-	-	-	-	(152,324)	(152,324)
Net income (loss) for the quarter		-	-	-	-	-	(784,798)	2,840	(781,958)
Foreign translation adjustment		-	-	-	-	31,566	-	55,104	86,670
Balance at October 31, 2025		48,484,247	7,216,849	-	1,899,983	(3,804)	(9,721,528)	-	(608,500)

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

Principal Technologies Inc

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

		Three months ended October 31	
		2025	2024
		$	$
Operating activities			
Net loss		(781,958)	(562,550)
Items not involving cash:			
Depreciation		1,243	-
Loss on disposal of discontinued operations		152,324	-
Share-based compensation		18,035	362,157
Changes in non-cash working capital items:			
Amounts receivable		(41,702)	(4,473)
Prepaid expense and deposits		(54,173)	(32,569)
Research and development recoveries		(470,780)	-
Amounts payable and accrued liabilities		292,798	(140,576)
Cash used in operating activities - continuing operations		(884,213)	(378,011)
Cash used in operating activities - discontinued operations	12	(12,283)	14,242
Cash used in operating activities		(896,496)	(363,769)
Financing activities			
Stock options issued		28,240	-
Warrants issued		8,848	-
Issue of promissory note		491,646	-
Share subscriptions received		-	85,621
Cash provided by financing activities - continuing operations		528,734	85,621
Cash provided by financing activities- discontinued operations	12	(4,690)	(9,982)
Cash provided by financing activities		524,044	75,639
Effect of foreign exchange on cash		(18,111)	267
Change in cash		(390,563)	(287,863)
Cash, beginning of period - continuing operations		924,502	727,390
Cash, beginning of period - discontinued operations	12	-	126,632
Cash, end of period - discontinued operations	12	-	(135,542)
Cash, ending		533,939	430,617
Supplemental cash flow information:			
Settlement of promissory notes for shares and warrants		-	-
Cash paid during the quarter for interest		-	-
Cash paid during the quarter for taxes		-	-

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

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.

The Company's common shares are listed on the TSX Venture Exchange ("TSXV") and trade under the ticker symbol "PTEC".

The Company is currently in the research and development stage of building a portfolio of medical technology assets with a focus on those with global distribution potential that have intellectual property capable of enhancing medical treatment, cost efficiency, and optimization of the patient pathway. The Company focuses on acquiring medical technology research and development assets or developing them jointly with industry leaders. During the 2025 and 2024 financial years, revenue-generating activities were attributable to E&E CRO Consulting GmbH, which provides clinical research advisory services. The Company sold its control position in this entity on October 14, 2025 and retained a minority equity interest of 20% (Note 12).

These unaudited condensed interim consolidated financial statements for the three months ended October 31, 2025 and 2024 (the "Unaudited 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, 2025, the Company incurred a net loss of $763,923 and has a working capital deficiency of $887,845 and an accumulated deficit of $9,703,493 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 and research and development plans. Although management has been successful in the past, there is no assurance that 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 Unaudited Financial Statements do not give effect to any adjustments that 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

The Company prepares its annual audited financial statements ("Financial Statements") in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The Unaudited Financial Statements were authorized for issue by the Board of Directors on December 29, 2025.

(b) Basis of measurement

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

2. BASIS OF PRESENTATION (Continued)

(c) Functional and presentation currency

The Unaudited 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 and that of Efxentis Ltd. is the British Pound.

(d) Basis of consolidation

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

	Incorporation	Functional currency	October 31 2025 Percentage owned	July 31 2025 Percentage owned
Principal Technologies Capital Management GmbH	Austria	Euro	100%	100%
E&E CRO Consulting GmbH	Austria	Euro	20%	80%
Efxentis Ltd.	United Kingdom	British Pound	100%	100%

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 Unaudited Financial Statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated.

Non-controlling interest in the net assets of the consolidated subsidiaries is 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 Unaudited Financial Statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the Unaudited Financial Statements and the reported amounts 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.

The accounting and financial information used to prepare the financial results of the discontinued operations and the determination of the estimated loss on sale are based on unaudited information as at the date of sale and may be subject to revision based on future audited information.

For information about significant judgments and material accounting policies refer to the Financial Statements for the year ended July 31, 2025.

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, 2025, there are 48,484,247 common shares issued and outstanding.

Shares issued during the quarter ended October 31, 2025

During the current quarter, the Company issued 102,000 common shares at $0.12 each and 100,000 common shares at $0.16 for the exercise of stock options.

During the current quarter, the Company issued 44,240 common shares at $0.20 each for the exercise of warrants.

Shares issued during the year ended July 31, 2025

On November 26, 2024, the Company issued 363,500 common shares at a fair value of $0.16 each to settle debts of $90,875 due to arm's-length parties and recorded a gain on debt settlement of $32,715.

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 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 $30,824 using the residual value approach. There were $17,000 of share issue costs incurred.

On April 30, 2025, the Company issued 1,023,835 common shares at a fair value of $0.20 each to settle promissory notes of $255,959 due to a significant shareholder and recorded the difference between the fair value of the common shares and the carrying amount of the promissory notes within equity. The $250,000 promissory note was issued on November 29, 2024, and earned interest at 6.0% per annum.

On April 30, 2025, the Company issued 3,031,561 units to settle promissory notes of $757,890 due to significant shareholders. This was comprised of a $375,000 promissory note issued on January 24, 2025 and a $375,000 promissory note issued on March 10, 2025. Both notes earned interest at 6.0% per annum. Each unit consisted of one common share of the Company at a fair value of $0.20 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 issuance. Using the Black-Scholes Model, the grant date fair value of the Warrants was $160,157, or $0.05 per Warrant. The following weighted average assumptions were used for the valuation of the Warrants: risk-free interest rate of 2.88%, expected life of 2 years, annualized volatility of 68% and dividend rate of 0.00%. The difference between the fair value of the units and the carrying amount of the promissory notes was recorded within equity.

On May 9, 2025, the Company completed a non-brokered private placement financing of 1,000,000 common shares of the Company at a price of $0.25 per common share for aggregate gross proceeds of $250,000.

On May 9, 2025, the Company closed a $780,000 private placement of 3,120,000 common shares at $0.25 each. These funds were received pursuant to the Financing Agreement (Note 13).

3. SHARE CAPITAL (Continued)

On July 31, 2025, the Company closed a non-brokered private placement financing of 2,080,000 common shares of the Company at a price of $0.30 per common share for aggregate gross proceeds of $624,000. These funds were received pursuant to the Financing Agreement (Note 13).

During the 2025 financial year, the Company issued 158,000 common shares at $0.12 each for the exercise of stock options.

(c) Share options

During the three months ended October 31, 2025

The Company granted an aggregate of 100,000 stock options to certain directors, officers and consultants of the Company. The options vested immediately and are exercisable at a price of $0.22 per share until August 7, 2035. Using the Black-Scholes Model, the grant date fair value was 18,035 or $0.12 per option. The following weighted average assumptions were used for the valuation of the share options: risk-free interest rate of 3.23%, expected life of 10 years, annualized volatility of 79% and dividend rate of 0.00%.

During the year ended July 31, 2025

On May 1, 2025, the Company granted an aggregate of 2,350,000 stock options to certain directors, officers and consultants of the Company. The options vested immediately and are exercisable at a price of $0.20 per share until May 1, 2035. Using the Black-Scholes Model, the grant date fair value was $355,580 or $0.15 per option. The following weighted average assumptions were used for the valuation of the share options: risk-free interest rate of 2.91%, expected life of 10 years, annualized volatility of 68% and dividend rate of 0.00%.

On September 16, 2024, the Company granted 2,425,000 share options to employees and officers of the Company. The 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 $292,844 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 68% and dividend rate of 0.00%.

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

	Number of Options	Weighted average exercise price
		$
Balance, July 31, 2024	4,290,000	0.13
Granted	4,775,000	0.15
Exercised	(158,000)	0.15
Balance, July 31, 2025	8,907,000	0.13
Exercised	(202,000)	0.14
Issued	100,000	0.22
Balance, October 31, 2025	8,805,000	0.16

3. SHARE CAPITAL (Continued)

The following table summarizes information about the share options outstanding and exercisable at October 31, 2025:

Outstanding	Exercisable	Exercise Price	Expiry date
		$	
40,000	40,000	0.12	January 1, 2026
100,000	100,000	0.16	January 1, 2026
500,000	500,000	0.16	December 3, 2031
100,000	100,000	0.16	January 10, 2032
250,000	250,000	0.14	May 20, 2032
2,825,000	2,825,000	0.12	July 11, 2033
15,000	15,000	0.15	August 21, 2033
100,000	100,000	0.15	October 17, 2033
2,425,000	2,425,000	0.16	September 2, 2034
2,350,000	2,350,000	0.20	May 1, 2035
100,000	100,000	0.22	August 7, 2035
8,805,000	8,805,000		

(d) Warrants

A summary of the changes in warrants is presented below:

	Warrants outstanding	Weighted average exercise price
		$
Balance, July 31, 2024	7,307,244	0.22
Granted	3,374,045	0.29
Exercised	(250,000)	0.12
Balance, July 31, 2025	10,431,289	0.25
Exercised	(44,240)	0.20
Balance, October 31, 2025	10,387,049	0.25

The following table summarizes information about the warrants outstanding and exercisable at October 31, 2025:

Outstanding	Exercisable	Exercise Price	Expiry date
		$	
224,800	224,800	0.20	December 21,2025
26,667	26,667	0.20	January 18, 2026
4,000,000	4,000,000	0.30	June 20, 2026
2,761,537	2,761,537	0.12	July 5, 2026
342,484	342,484	0.30	November 26, 2026
3,031,561	3,031,561	0.30	April 30, 2027
10,387,049	10,387,049		

4. RELATED PARTY TRANSACTIONS

Key Management Compensation

Related party transactions are solely comprised of 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 (the "Board") and corporate officers.

Remuneration of key management personnel for the year was as follows:

	October 31 2025	October 31 2024
	$	$
Consulting and management fees	745,566	59,406
Directors' fees	2,830	5,842
Share-based compensation	-	280,018
	748,396	345,266

As at October 31, 2025, there was $576,651 (July 31, 2025: $210,679) owing to key management personnel recorded in accounts payable and accrued liabilities. The amount consists of accrued director fees of $56,592 (July 31, 2025: $52,602) and amounts owing to the CEO and CFO for management services of $520,059 (July 31, 2025: $158,078).

5. FINANCIAL INSTRUMENTS

Financial Risk Management

Cash and the investment are recorded at fair value through profit and loss. Amounts receivable, deposits, accounts 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, 2025, the Company did not have any financial assets and liabilities that 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 year.

6. 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 2026 financial year. There have been no changes to the Company's approach to capital management during the current year.

7. MEDICAL TECHNOLOGY RESEARCH AND DEVELOPMENT

During the 2025 financial year, the Company signed a 20-year technology licence agreement (the "Licence") with Oxford University Innovation Ltd. ("Oxford"). Under the terms of the Licence, the Company and Oxford will pursue the development of Oxford's thermal sensor technology for specific medical applications. This will involve technical research and development activities, testing, and future medical trials with all future activities overseen by Oxford's technical experts.

The initial cost of obtaining the Licence was $97,939 (£53,000) and was expensed to research and development costs for the financial year ended July 31, 2025.

During the 2025 financial year, the Company also entered into a consultancy research agreement with Oxford for the development and testing of the thermal sensor product, which commenced on August 1, 2025 (Note 9). The research services are projected to be completed by October 31, 2026.

8. FINANCING AGREEMENT

On April 25, 2025, the Company entered into a financing agreement (the "Financing Agreement") with an Austrian company and its shareholder (together, the "Funding Group") to provide funds for the Company to fulfill its research and development activities pursuant to the Licence (Note 7). The Funding Group involves a significant shareholder of the Company. The Financing Agreement provides $3,664,320 (€2,400,000) of funds in four equal tranches of $916,080 (€600,000). The tranches are due on April 28, 2025 (received), October 15, 2025 (received), April 15, 2026, and October 15, 2026. Upon the receipt by the Company of each tranche, a portion of the proceeds is allocated to the purchase of common shares of the Company, and the remainder applied to the working capital per the terms of the Financing Agreement. All common share issuances to the Funding Group must be approved by the TSXV.

Of the funds received from the first tranche, on April 28, 2025, $780,000 was allocated to common shares of the Company at $0.25 per share and $184,290 was received by the Company to fund research and development activities.

The second tranche was received in advance from the Funding Group on July 11, 2025. Of the funds received, $624,000 was allocated to common shares of the Company at $0.30 per share and the remainder of $286,490 was allocated to fund research and development activities.

Under the terms of the Financing Agreement, the Funding Group earns 50% interest in any net profits derived from medical technology products developed pursuant to the Licence in the field of skin cancer.

8. FINANCING AGREEMENT (Continued)

Funds received by the Company pursuant to the Financing Agreement, are shown as research and development obligation until the funds are spent on research and development activities. This totaled $470,780 as at July 31, 2025.

Research and development costs were as follows:

	October 31 2025	October 31 2024
	$	$
Administration	9,523	-
Contracted R&D Service	190,187	-
Legal and patents	23,086	-
Management fees	329,085	-
Travel	66,576	-
Total costs	618,457	-
Research and development recoveries	(479,785)	-
Total research and development costs	138,672	-

9. COMMITMENTS

The Company has signed a consultancy research agreement with Oxford to provide research and development services (Note 13). Under the terms of this agreement, the Company has the following commitments:

Fiscal Year	Amount	Amount
	£	$
2026	80,000	146,384
2027	78,000	142,724

Under the terms of the License (Note 12), the Company must pay the following minimum amounts to maintain the License in good standing:

Fiscal Year	Amount	Amount
	£	$
2026	33,706	61,675
2027-2029	122,118	223,452
2030	35,000	64,043
Thereafter	655,000	1,198,519

Additional License payments and royalties are based upon the successful commercialization of medical technology products developed with Oxford. Under the terms of the Financing Agreement (Note 8), the Funding Group earns 50% interest in any net profits derived from medical technology products developed pursuant to the License in the field of skin cancer.

10. PROVISION FOR VAT REPAYMENT

The Company has recorded a provision for a VAT repayment which reflects that it is probable that Principal Technologies Capital Management GmbH will be required to repay €86,524 of VAT collected in the year ended July 31, 2023, based on a review by the taxation authorities.

11. RESTATEMENTS

During the year ended July 31, 2025, the Company identified an error in its previously issued consolidated financial statements where the Company had not recorded a provision for VAT repayment (Note 10) for errors in VAT tax filings that resulted in amounts received as VAT refunds in 2023. The cumulative error amount as at July 31, 2023 is reflected as an adjustment to deficit presented as at August 1, 2023, which is the opening amount in the consolidated statement of financial position. The Company has restated its consolidated financial statements as at July 31, 2024 and August 1, 2023, and for the year ended July 31, 2024 to give effect to the correction of this error. Refer to Note 19 of the Financial Statements for the year ended July 31, 2025.

12. DISCONTINUED OPERATIONS

On October 14, 2025, the Company sold 60% of the outstanding shares of E&E CRO Consulting GmbH ("E&E CRO"), reducing its ownership interest from 80% to 20% for proceeds of $964. As a result, the Company lost control over E&E CRO and ceased consolidating its financial position and results of operations from that date. The transaction is subject to TSXV approval.

Disposal of Investment in E&E CRO

	October 14 2025
	$
Assets and Liabilities	
Cash	130,285
Accounts receivable	181,278
Prepaid expenses	16,923
Capital assets	65,344
Accounts payable and accrued liabilities	(92,321)
Lease liabilities	(48,181)
Net assets before equity items:	253,328
Accumulated other comprehensive income	52,145
Non-controlling interest	(152,185)
Total net assets	153,288
Cash consideration	(964)
Loss on disposal	152,324

12. DISCONTINUED OPERATIONS (Continued)

Condensed Interim Consolidated Statements of Financial Position

	July 31 2025
	$
Current Assets	
Cash	132,626
Amounts receivable	80,802
Prepaid expense and deposits	16,421
Total Current Assets	229,849
Long-Term Assets	
Property and equipment	69,945
Total Long-Term Assets	69,945
Current Liabilities	
Accounts payable and accrued liabilities	53,575
Lease liability	37,419
Total Current Liabilities	90,994
Long-Term Liabilities	
Lease liability	16,708
Total Long-Term Liabilities	16,708
Net assets	192,092

Condensed Interim Statement of Loss and Comprehensive Loss

	Period from August 1, 2025 to October 14 2025	Three months ended October 31 2024
	$	$
Revenue	120,928	107,584
Expenses		
Depreciation	8,372	13,384
Interest expense	1,256	2,049
Marketing and advertising	90	76
Professional fees	1,501	4,684
Office and administration	44,672	9,765
Salary and management fees	50,644	59,993
	106,535	89,951
Net income before the following items:	14,393	17,633
Foreign exchange income	-	195
Net income before income tax	14,393	17,828
Income tax expense	202	14,986
Net income	14,191	2,842

12. DISCONTINUED OPERATIONS (Continued)

Condensed Interim Consolidated Statements of Cash Flows

	Period from August 1, 2025 to October 14 2025	Three months ended October 31 2024
	$	$
Operating activities		
Items not involving cash		
Depreciation	8,372	13,418
Interest expense	1,256	2,049
Changes in non-cash working capital items:		
Amounts receivable	(60,155)	(107,040)
Prepaid expenses and deposits	(502)	1,167
Amounts payable and accrued liabilities	38,746	104,648
Cash used in operating activities	(12,283)	14,242
Financing activities		
Lease payments	(4,690)	(9,982)
Total financing activities	(4,690)	(9,982)

All financial data and results for E&E CRO for the period from August 1, 2025 to the date of sale on October 14, 2025 is unaudited and based on certain management estimates and assumptions. Audited financial information may provide updated financial results which could be materially different from this preliminary financial data. The financial presentation of E&E CRO for the quarter ended October 31, 2025 assumes TSXV approval to close of the sale has been received.

13. RESEARCH AGREEMENT

During August 2025, the Company signed an agreement with Oxford to provide research and development services for proposed medical technology products to be developed pursuant to the Licence (Note 7). These services commenced on August 1, 2025, and are estimated to be completed by October 31, 2026. Payments for these services total $514,959 (£281,552) for fiscal 2026 and $128,740 (£70,388) for fiscal 2027.

14. PROMISSORY NOTE

On October 16, 2025, the Company issued a $491,000 promissory note for cash proceeds. The promissory note is payable on demand and earns interest at 6.0% per annum. This promissory note was purchased by a significant shareholder.

15. SUBSEQUENT EVENTS

a) In November 2025, the Company issued 251,467 common shares at $0.20 each pursuant to the exercise of warrants, 305,000 common shares at $0.12 each pursuant to the exercise of warrants, and 40,000 common shares at $0.12 each pursuant to the exercise of stock options.

b) On December 15, 2025, the Company completed a private placement of 4,000,000 common shares at $0.30 each for gross proceeds of $1,200,000. No finder's fees were paid, and the proceeds are available for general working capital purposes.