

EASTWOOD BIO-MEDICAL CANADA INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED OCTOBER 31, 2025 AND 2024

(Expressed in Canadian Dollars)

EASTWOOD BIO-MEDICAL CANADA INC.
FOR THE YEARS ENDED OCTOBER 31, 2025 AND 2024

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Eastwood Bio-Medical Canada Inc.

We have audited the financial statements of Eastwood Bio-Medical Canada Inc. (the "Company"), which comprise the statements of financial position as at October 31, 2025 and 2024, and the statements of loss and comprehensive loss, changes in shareholders' deficit, and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company has a net loss of \$322,767 during the year ended October 31, 2025 and, as of that date, the Company has a working capital deficit of \$1,815,083 and an accumulated deficit of \$6,326,323. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended October 31, 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matter described in the *Material Uncertainty Related to Going Concern* section of our report, we have determined that there are no key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Lonny Wong.

Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

March 2, 2026

As at	October 31, 2025 \$	October 31, 2024 \$
ASSETS		
Current Assets		
Cash	17,704	\$ -
Accounts Receivable and Other Receivables	14,621	42,883
Prepaid Expenses	797	797
Total Current Assets	49,407	43,680
Non-Current Assets		
Property and Equipment (Note 3)	185,650	230,613
TOTAL ASSETS	218,772	274,293
LIABILITIES AND EQUITY		
Current Liabilities		
Bank Overdraft	-	1,388
Accounts Payable and Accrual Liabilities	84,464	75,457
Deferred Revenue	11,108	16,619
CEBA Loan (Note 4)	60,000	60,000
Loan payable (Note 7)	18,009	18,220
Due to Related Parties (Note 6)	1,674,624	1,399,275
TOTAL LIABILITIES	1,848,205	1,570,959
SHAREHOLDERS' DEFICIT		
Share capital (Note 5)	4,687,376	4,687,376
Reserves	9,514	9,514
Accumulated deficit	(6,326,323)	(5,993,556)
Total Shareholders' Deficit	(1,629,433)	(1,296,666)
TOTAL LIABILITIES AND DEFICIT	218,772	274,293

Nature of operations and continuance of business (Note 1)

Approved and authorized for issuance on behalf of the Board of Directors on March 2, 2026:

/s/ "Youngsoo Kim"
Youngsoo Kim, Director

/s/ "Yunji Kim"
Yunji Kim, Director

(The accompanying notes are an integral part of these financial statements)

EASTWOOD BIO-MEDICAL CANADA INC.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

	Year Ended October 31, 2025 \$	Year Ended October 31, 2024 \$
Revenue		
Consulting Revenue	60,000	45,000
Sales Revenue	683,728	598,386
Freight Revenue	22,068	31,648
Manufacturing (Note 8)	16,284	27,042
Total Revenue	782,080	702,076
Cost of Purchases	231,087	247,687
Gross Profit	550,993	454,389
Expenses		
Accounting and Audit Fees	39,921	34,061
Advertising and Marketing	18,371	3,005
Amortization	44,963	107,542
Bank and Credit Card Charges	9,006	6,286
Bad debts	497	4,679
Consulting Fees	12,500	39,544
Foreign Exchange Loss	30,936	7,205
Insurance	64,544	71,608
Legal Fees	6,088	8,828
Management Fees	120,000	139,021
Office Expenses	45,594	56,883
Other selling costs	151,568	-
Transfer Agent and Listing Fees	25,913	41,712
Wages and Salaries	313,859	370,029
Total Expenses	883,760	890,403
Loss Before Other Income / (Expenses)	(332,767)	(436,201)
Other Expenses		
Loss of Government Assistance	-	19,856
Net Loss and Net Comprehensive Loss	(332,767)	(455,870)
Loss per Share - basic and diluted	(0.01)	(0.01)
Weighted average number of common shares outstanding - basic and diluted	68,885,969	68,885,969

(The accompanying notes are an integral part of these financial statements)

EASTWOOD BIO-MEDICAL CANADA INC.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)

	Issued Common Shares		Reserve	Accumulated Deficit	Total Equity
	Number	Amount			
Balance, October 31, 2023	68,885,969	4,687,376	9,514	(5,537,686)	\$ (840,796)
Net loss for the year	-	-	-	(455,870)	(455,870)
Balance, October 31, 2024	68,885,969	4,687,376	9,514	(5,993,556)	\$ (1,296,666)
Net loss for the year	-	-	-	(332,767)	(332,767)
Balance, October 31, 2025	68,885,969	4,687,376	9,514	(6,326,323)	\$ (1,629,433)

(The accompanying notes are an integral part of these financial statements)

EASTWOOD BIO-MEDICAL CANADA INC
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

	Year ended October 31, 2025 \$	Year ended October 31, 2024 \$
Operating Activities		
Net Loss for the Year	(332,767)	(455,870)
Items not Requiring Use of Cash:		
Amortization	44,963	107,542
Interest on CEBA Loan	2,999	1,262
Foreign Exchange Loss	-	(244)
Loss of Government Assistance	-	19,856
Changes in Operating Assets and Liabilities:		
Accounts Receivable and Other Receivables	28,262	(28,417)
Prepaid Expenses and Purchase Deposits	-	48,936
Accounts Payable and Accrual Liabilities	(6,008)	(26,278)
Deferred Revenue	(5,511)	(55,657)
Due to Related Parties	275,349	373,653
Cash Provided (Used) in Operating Activities	19,303	(15,217)
Financing Activities		
Proceeds from Loans Payable	24,413	39,356
Repayment on Loan Principal	(24,624)	(43,975)
Cash Provided by Financing Activities	(211)	(4,619)
Decrease in Cash	19,092	(19,836)
Cash, Beginning of Year	(1,388)	18,448
Cash, End of Year	17,704	(1,388)

(The accompanying notes are an integral part of these financial statements)

EASTWOOD BIO-MEDICAL CANADA INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED OCTOBER 31, 2025 AND 2024
(Expressed in Canadian Dollars)

1. Nature of Operations and Going Concern

Eastwood Bio-Medical Canada Inc. (the "Company") was incorporated under the provincial Business Corporations Act (British Columbia) on December 10, 2010 and its registered office is at Unit 1130, 4871 Shell Road, Richmond, BC, Canada, V6X 3Z6. The Company was formerly 100% owned by Eastwood Bio-Medical Research Inc. ("EBMR"), which is currently the majority shareholder of the Company. EBMR is a privately owned Canadian company engaged in the development and commercialization of safe and effective treatment for non-insulin dependent diabetes mellitus (NIDDM-Type II diabetes). EBMR commenced commercial operations to market and distribute its core technology, Eleotin[®], to facilitate the management of metabolic disorders such as diabetes. The Company was listed on the TSX Venture Exchange (the "Exchange") as "EBM" on September 5, 2014. Pursuant to the Distribution and Licensing Agreement ("License Agreement") entered into on November 1, 2012 and later amended on March 17, 2014, the Company has been the exclusive distributor in Canada and non-exclusive distributor in the US for sales and distributing the EBMR's products, and the Company shall purchase the products from EBMR at pre-agreed upon percentage of the suggested retail price set by EBMR on products sold. The agreement is valid for a period of ten years, and will automatically renew for subsequent terms of five years. On June 19, 2015, the Company entered into a Memorandum of Understanding with EBMR ("MOU"), pursuant to which the Company is permitted to sell certain products to selected sub-distributors located in Asia. The Company shall purchase the products from EBMR at pre-agreed upon purchase price. EBMR retains the right to revoke the MOU at any time.

As at October 31, 2025, the Company has a working capital deficiency of \$1,815,083, and an accumulated deficit of \$6,326,323 since incorporation. During the year ended October 31, 2025, the Company incurred a net loss of \$332,767. The continuation of the Company as a going concern is dependent upon its ability to attain profitable operations. In the event that the cash flow from operations are insufficient to meet the Company's current operating expenses, the Company will be required to scale back and reevaluate its planned expenditures and allocate its resources in such a manner as the Board of Directors and management deems to be in the Company's best interest. To the extent that the Company is unable to cover its ongoing cash requirements through operations, additional financing will be needed. However, there can be no assurance that such financing will occur in the amounts and with the terms expected in favor of the Company. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Material Accounting Policy Information

(a) Statement of Compliance

These financial statements were prepared in accordance with IFRS[®] Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These financial statements were authorized for issue by the Board of Directors on March 2, 2026.

(b) Basis of presentation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value, as explained in the accounting policies. These financial statements are presented in Canadian dollars, which is the Company's presentation currency.

(c) Functional Currency Translation

The functional and reporting currency is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in the statement of loss.

EASTWOOD BIO-MEDICAL CANADA INC.
NOTES TO THE FINANCIAL STATEMENTS
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(Expressed in Canadian Dollars)

2. Material Accounting Policy Information (continued)

(d) Significant Judgments, Estimates, and Assumptions

The preparation of these financial statements requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual outcomes could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Areas of Judgments

(i) Revenue

The Company assesses its revenue arrangement against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements. Determining whether the Company acts as principal or agent is based on an evaluation of which party has substantial risks and rewards of ownership under the terms of an arrangement. The most significant factors that the Company considers include identification of the primary obligor, as well as which party has credit risk, general and inventory risk (or equivalent) and latitude in establishing prices.

(ii) Evaluation of the Company's ability to continue as a going concern

Management has applied judgements in the assessment of the Company's ability to continue as a going concern when preparing these financial statements. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. The assessment of the Company's ability to execute its strategy and finance the operations through achieving positive cash flow from operations or by obtaining additional funding through debt or equity financing involves judgments. Management monitors future cash requirements to assess the Company's ability to realize assets and discharge its liabilities in the normal course of operations.

(iii) Impairment indicators on non-current assets

Judgments are required to assess when impairment indicators exist and impairment testing is required.

Areas of Assumptions and Estimates

(i) Deferred Income Taxes

The Company recognizes the deferred income tax benefit related to deferred income tax assets to the extent recovery is probable. Assessing the recoverability of deferred income tax assets requires management to make significant estimates of future taxable income. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in the future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred income tax assets recorded at the reporting date could be impacted.

(ii) Useful Lives of Depreciable Assets

The useful lives of depreciable assets have been determined based on management's estimated utility of the assets. Uncertainties in these estimates relate to technological obsolescence and wear and damage of assets.

EASTWOOD BIO-MEDICAL CANADA INC.
NOTES TO THE FINANCIAL STATEMENTS
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2. Material Accounting Policy Information (continued)

(d) Significant Judgments, Estimates, and Assumptions (continued)

Areas of Assumptions and Estimates (continued)

(iii) Interest Rate on Government Loan

The government loan is measured at fair value based on management's best estimate of the effective interest rate at initial recognition. This estimate has an impact on the fair value of the loan recognized in the statement of financial position on the recognition date.

(e) Financial Instruments

Classification

On initial recognition, the Company determines the financial instruments classification as per the following categories:

- instruments measured at amortized cost;
- instruments measured at fair value through other comprehensive income ("FVOCI");
- instruments measured at fair value through profit and loss ("FVTPL").

The financial instruments' classification under IFRS 9 is based on the business model in which a financial asset is managed and on its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial instrument in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Cash and accounts receivable and other receivables are measured at amortized cost.

Equity investments held for trading are classified as FVTPL. For all other equity investments that are not held for trading, the Company, on initial recognition, may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income ("OCI"). This election is made on an investment-by-investment basis.

Financial liabilities are measured at amortized cost unless they must be measured at FVTPL (such as derivatives) or if the Company elects to measure them at FVTPL. Account payable and accrued liabilities, loan payable, CEBA loan payable, and due to related parties are measured at amortized cost.

Measurement

Financial instruments at amortized cost

Financial instruments at amortized cost are initially measured at fair value, and subsequently at amortized cost, using the effective interest method, less any impairment loss. Interest income, foreign exchange gains and losses and impairment are recognized in the statements of loss and comprehensive loss.

Financial instruments at fair value

Financial instruments are initially and subsequently measured at fair value and transaction costs are accounted for in the statements of loss and comprehensive loss. When the Company elects to measure a financial liability at FVTPL, gains or losses related to the Company's own credit risk are accounted for in the statements of loss and comprehensive loss.

EASTWOOD BIO-MEDICAL CANADA INC.
NOTES TO THE FINANCIAL STATEMENTS
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2. Material Accounting Policy Information (continued)

(e) Financial Instruments (continued)

Impairment

The impairment methodology used depends on whether there is a significant increase in the credit risk or not. For trade receivables, the Company measures loss allowances at an amount equal to lifetime expected credit loss (“ECL”) as allowed by IFRS 9 under the simplified method.

Derecognition

Financial assets

The Company derecognizes a financial asset when, and only when, the contractual rights to the cash flows from the financial asset have expired or when contractual rights to the cash flows have been transferred.

Financial liabilities

The Company derecognizes a financial liability when, and only when, it is extinguished, meaning when the obligation specified in the contract is discharged, canceled or expired. The difference between the carrying amount of the extinguished financial liability and the consideration paid or payable, including non-cash assets transferred or liabilities assumed, is recognized in the statements of loss.

(f) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

(g) Accounts Receivable and Other Receivables

Account receivables and other receivables are presented net of allowance for doubtful accounts. The allowance for doubtful accounts reflects estimates of probable losses in accounts receivable. The allowance is determined based on balances outstanding for over 90 days from the invoice date, historical experience and other current information. The Company extends credit to customers and distributors; credit checks are required for all new distributors.

(h) Property and Equipment

Property and equipment is stated at cost and amortized over the useful lives. The estimated useful lives and amortization methods are reviewed each year end, with the effect of any changes in estimate being accounted for on a prospective basis. Gains and losses on disposal of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and recognized net of costs associated with the disposal within other income in net loss for the year.

<u>Asset class</u>	<u>Amortization term</u>
Manufacturing equipment	3 to 15 years
Leasehold improvements	12 years

EASTWOOD BIO-MEDICAL CANADA INC.
NOTES TO THE FINANCIAL STATEMENTS
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2. Material Accounting Policy Information (continued)

(i) Impairment of Non-current Assets

The carrying values of all property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. If any such indication exists, then the asset's recoverable amount is estimated.

The impairment analysis requires management to estimate the future cash flows expected to arise from operations and to make assumptions regarding economic factors, discount rates, tax rates, and annual growth rates. Actual operating results and the related cash flows could differ from the estimates used for the impairment analysis.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit ("CGU")).

An impairment loss is recorded when the recoverable amount of an asset or its CGU is less than its carrying amount. Impairment losses are evaluated for potential reversals when events or changes in circumstances warrant such consideration.

Where an impairment loss subsequently reverses, the carrying amount of the CGU is increased to the revised estimate of its recoverable amount, so long as the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the CGU in prior years.

The reversal of impairment requires management to re-assess several indicators that led to the impairment. It requires the valuation of the recoverable amount by estimating the future cash flows expected to arise from the CGU and the determination of a suitable discount rate in order to calculate its present value. Significant judgment is made in establishing these assumptions.

(j) Share Capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and the fair value of brokers' options are recognized as a deduction from equity, net of any tax effects.

(k) Income Taxes

Income tax is recognized in the statement of loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current income tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred income tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences do not result in deferred income tax assets or liabilities: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that in a transaction that is not a business combination and accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred income tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred income tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

EASTWOOD BIO-MEDICAL CANADA INC.
NOTES TO THE FINANCIAL STATEMENTS
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2. Material Accounting Policy Information (continued)

(k) Income Taxes (continued)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current income tax assets and liabilities on a net basis.

(l) Revenue

Revenue is recognized by applying the five-step model under IFRS 15. The Company recognizes revenue when, or as the goods or services are transferred to the control of the customer and performance obligations are satisfied.

The Company generates its revenue by acting as a distributor of EBMR pursuant to the License Agreement effective on November 1, 2012, the Current Agreement effective on March 17, 2014 and the MOU entered on June 19, 2015. The Company also manufactures and sells manufactured products. The Company's revenue is recognized when control of the goods has been transferred, being when the goods are delivered to customers and when all performance obligations have been fulfilled. The amounts recognized as revenue represent the fair values of the considerations received or receivable from third parties on the sales of goods to customers, net of goods and services taxes and less returns, and discounts, at which time there are no conditions for the payment to become due other than the passage of time.

(m) Loss Per Share

Basic loss per share is computed by dividing net earnings loss (the numerator) by the weighted average number of outstanding common shares for the year (denominator). Escrow shares that are contingently returnable are not treated as outstanding and are excluded from the calculation of basic loss per share until the date the shares are no longer subject to recall. In computing diluted earnings per share, an adjustment is made for the dilutive effect of outstanding share options, warrants and other convertible instruments. In periods where a net loss is reported all outstanding options, warrants and other convertible instruments are excluded from the calculation of diluted loss per share, as they are all anti-dilutive.

(n) Recent Accounting Pronouncements

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended December 31, 2025, and have not been early adopted in preparing these consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 – Presentation and Disclosure in Financial Statements which will replace IAS 1, Presentation of Financial Statements. The key new concepts introduced in IFRS 18 relate to the structure of the consolidated statement of earnings (loss), required disclosures in the consolidated financial statements for certain earnings or loss performance measures that are reported outside an entity's consolidated financial statements and enhanced principles on aggregation and disaggregation which apply to the primary consolidated financial statements and notes in general. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027, and also applies to comparative information. The Company is still in the process of assessing the impact of this standard on its consolidated financial statements.

Amendments to the Classification and Measurement of Financial Instruments ("Amendments to IFRS 9 and IFRS 7")

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 which clarify the date of recognition and derecognition of some financial assets and liabilities with a new exception for some financial liabilities settled through an electronic cash transfer system, clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion, add new disclosures for certain instruments with contractual terms that can change cash flows such as instruments with features linked to the achievement of environment, social and governance targets; and update the disclosures for equity instruments designated at FVOCI. Amendments to IFRS 9 and IFRS 7 is effective for periods beginning on or after January 1, 2026, with early adoption permitted. The Company is still in the process of assessing the impact of this standard on its consolidated financial statements.

EASTWOOD BIO-MEDICAL CANADA INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED OCTOBER 31, 2025 AND 2024
(Expressed in Canadian Dollars)

3. Property and Equipment

	Leasehold Improvements	Manufacturing Equipment	Total
Cost	\$	\$	\$
Balance, October 31, 2023, 2024 and 2025	216,901	319,890	536,791
Accumulated depreciation			
Balance, October 31, 2023	90,375	168,006	258,381
Additions	18,075	29,722	47,797
Balance, October 31, 2024	108,450	197,728	306,178
Additions	18,075	26,888	44,963
Balance, October 31, 2025	126,525	224,616	351,141
Carrying value			
Balance, October 31, 2024	108,451	122,162	230,613
Balance, October 31, 2025	90,376	95,274	185,650

4. CEBA Loans Payable

During the year ended October 31, 2020, the Company was approved and received a \$40,000 CEBA loan with the bank under the Canada Emergency Business Account (“CEBA”) program funded by the Government of Canada.

As at October 31, 2020, the terms of the loan were follows: non-interest bearing, can be repaid at any time without penalty and is valid until December 31, 2022. If 75% of the CEBA loan at the CEBA loan Commencement Date is repaid on or before December 31, 2022, the repayment of the remaining 25% of such CEBA loan shall be forgiven. If on December 31, 2022, the Company exercises the option for a 3-year term extension, 5% interest during the term extension period will apply on any balance remaining.

During the year ended October 31, 2020, the Company recognized the forgivable portion of \$10,000 of the CEBA loan received and calculated interest benefit of \$8,123 in other income. Effective interest rate applied to calculate interest benefit was as at October 31, 2020, the initial recognition date of the CEBA line of credit using 11.90%.

During the year ended October 31, 2021, the Company was approved and received an additional \$20,000 CEBA loan. This new CEBA loan is non-interest bearing, can be repaid at any time without penalty and is valid until December 31, 2025. If 50% of the new \$20,000 CEBA loan is repaid on or before December 31, 2023, the repayment of the remaining 50% of the loan amount loan shall be forgiven. If on December 31, 2023, the Company exercises the option for a 2-year term extension, 5% interest during the term extension period will apply on any balance remaining.

During the year ended October 31, 2021, the Company recognized the forgivable portion of \$10,000 of the CEBA loan received and calculated interest benefit of \$2,893 in other income. Effective interest rate applied to calculate interest benefit was as at October 31, 2021, the initial recognition date of the CEBA line of credit using 11.90%.

During the year ended October 31, 2025, the Company recognized an expense of \$2,999 due to the forfeiture of the forgivable portion of its CEBA loans. This expense resulted from the Company's non-compliance with the extended repayment deadline of January 18, 2024, and is classified within other expenses in the statement of loss.

5. Share Capital

(a) Authorized Share Capital

Authorized: Unlimited common shares without par value

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5. Share Capital (continued)

(b) Issued Share Capital

As at October 31, 2025 and 2024, there were 68,885,969 common shares issued and outstanding.

(c) Share Purchase Options

The Company has adopted an incentive share purchase option plan under the rules of the TSX Venture Exchange pursuant to which it is authorized to grant options to executive officers, directors, employees, and consultants, enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. The options can be granted for a maximum term of 5 years and generally vest either immediately or in specified increments of 25%. No individual may hold options to purchase common shares of the Company exceeding 5% of the total number of common shares outstanding from time to time. Pursuant to the policies of the TSX Venture Exchange, shares issued on exercise of options are restricted from trading during the four month period subsequent to the date of grant.

As at October 31, 2025 and 2024, there were no share purchase options outstanding.

6. Related Party Transactions

(i) Transactions and balances with EBMR:

	2025	2024
	\$	\$
Manufacturing revenue	16,284	27,042
Consulting revenue	60,000	45,000
Cost of goods sold	117,898	139,052
Consulting fees	3,000	18,044
Management fees	120,000	139,021

(ii) As of October 31, 2025, amount of \$1,383,364 (2024 – \$1,131,791) was due to EBMR, which is non-interest bearing, unsecured, and due on demand.

(iii) As at October 31, 2025, \$234,612 (2024 – \$208,532) was due to the CFO of the Company, which is non-interest bearing, unsecured, and due on demand.

(iv) As at October 31, 2025, \$72,933 (2024 – \$58,952) was due to the CEO of the Company, which is non-interest bearing, unsecured, and due on demand.

(v) As at October 31, 2025, accounts receivable of \$16,078 (2024 – \$5,645) was due from a company controlled by the CEO of the Company, which is non-interest bearing, unsecured, and due on demand.

(vi) Compensation of key management personnel:

During the year ended October 31, 2025, the amount of \$25,388 (2024 – \$36,000) in salary was incurred to the CFO of the Company.

During the year ended October 31, 2025, the amount of \$16,150 (2024 – \$30,000) in salary was incurred to the CEO of the Company.

Key management personnel were not paid post-employment benefits, termination benefits, or other long-term benefits during the years ended October 31, 2025 and 2024.

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7. Loans Payable

On May 7, 2024, the Company entered a Capital Agreement (the “Agreement”) with the Lender. The Lender agreed to provide the Company with working capital by purchasing a portion of the Company’s future revenue stream for the amount of \$6,215. The Agreement will cover all of the money in the Company’s revenue stream (the “Receivable”). In exchange, the Lender will provide to the Company an advance of \$5,500. The Company agreed to deliver the entire amount of the purchased revenue stream at the rate of 13% of the Receivable every day from May 7, 2024 until the Lender has received payment of the entire amount. As at October 31, 2025, the Company has fully repaid this loan.

On July 3, 2024, the Company entered into an Agreement with the Lender. The Lender agreed to provide the Company with working capital by purchasing a portion of the Company’s Receivable for the amount of US\$16,950. In exchange, the Lender provided the Company with an advance of US\$15,000. The Company agreed to deliver the entire amount of the purchased revenue stream at the rate of 7% of the Receivable every day from July 3, 2024 until the Lender has received payment of the entire amount. During the year ended, the Company recorded interest of \$1,472. As at October 31, 2025, the Company has fully repaid this loan.

On August 28, 2024, the Company entered a Capital Agreement (the “Agreement”) with the Lender. The Lender agreed to provide the Company with working capital by purchasing a portion of the Company’s future revenue stream for the amount of \$7,910. The Agreement will cover all of the money in the Company’s revenue stream (the “Receivable”). In exchange, the Lender will provide to the Company an advance of \$7,000. The Company agreed to deliver the entire amount of the purchased revenue stream at the rate of 13% of the Receivable every day from August 28, 2024 until the Lender has received payment of the entire amount. During the year ended October 31, 2025, the Company recorded interest of \$910. As at October 31, 2025, the Company has fully repaid this loan.

On November 14, 2024, the Company entered into an Agreement with the Lender. The Lender agreed to provide the Company with working capital by purchasing a portion of the Company’s Receivable for the amount of US\$10,000 (CAD\$14,013). In exchange, the Lender provided the Company with an advance of US\$11,010. The Company agreed to deliver the entire amount of the purchased revenue stream at the rate of 10 % of the Receivable every day from November 14, 2024 until the Lender has received payment of the entire amount. During the year ended, the Company recorded interest of \$626. As at October 31, 2025, \$7,810 (US\$5,571) of this loan remains outstanding.

On April 2, 2025, the Company entered a Capital Agreement (the “Agreement”) with the Lender. The Lender agreed to provide the Company with working capital by purchasing a portion of the Company’s future revenue stream for the amount of \$4,068. The Agreement will cover all of the money in the Company’s revenue stream (the “Receivable”). In exchange, the Lender will provide to the Company an advance of \$3,600. The Company agreed to deliver the entire amount of the purchased revenue stream at the rate of 13% of the Receivable every day from April 2, 2025 until the Lender has received payment of the entire amount. During the year ended October 31, 2025, the Company recorded interest of \$322. As at October 31, 2025, \$1,121 of this loan remains outstanding.

On October 27, 2025, the Company entered a Capital Agreement (the “Agreement”) with the Lender. The Lender agreed to provide the Company with working capital by purchasing a portion of the Company’s future revenue stream for the amount of \$7,548. The Agreement will cover all of the money in the Company’s revenue stream (the “Receivable”). In exchange, the Lender will provide to the Company an advance of \$6,800. The Company agreed to deliver the entire amount of the purchased revenue stream at the rate of 11% of the Receivable every day from October 27, 2025 until the Lender has received payment of the entire amount. During the year ended October 31, 2025, the Company recorded interest of \$nil. As at October 31, 2025, \$6,800 of this loan remains outstanding.

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8. Segmented Information

The Company has one reportable business segment, being the distribution of Eleotin[®] and related products in North America and Asia. All non-current assets are located in Canada. Below is the breakdown of revenue by geographical location:

Sales	Canada \$		U.S. \$		Asia \$		Total \$	
2025	86,256	11%	76,336	10%	619,488	79%	782,080	100%
2024	138,340	20%	128,012	18%	435,724	62%	702,076	100%

9. Financial Risk Management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

Overview

The Company's financial instruments consist of cash, accounts receivable and other receivables, accounts payable and accrued liabilities, loans payable, CEBA loans, and due to related parties. The fair values of these financial instruments approximate their carrying values due to their short-term nature.

Credit Risk

Credit risk refers to the risk of losses due to failure of the Company's customers and counterparties to meet their payment obligations. In the normal course of business, the Company is exposed to credit risk from its end-users and distributors.

The Company performs ongoing credit evaluations of new and existing customers' financial condition, and reviews the collectability of its trade accounts receivable in order to mitigate any possible credit losses. The Company has accounts receivable outstanding greater than 90 days past due and maintains an allowance for doubtful accounts relating to specific losses estimated on individual exposure. Average accounts receivable days sales outstanding for the year is consistent with historic trends. The Company views credit risk on accounts receivables as minimal.

Furthermore, the Company's cash is held with reputable institutions in Canada. The Company views credit risk on cash as minimal.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective to managing liquidity risk is to ensure that it has sufficient liquidity available to meet its liabilities when due. The Company relies on raising debt or equity financing in a timely manner.

The following amounts are the contractual maturities of financial liabilities as at October 31, 2025 and October 31, 2024:

2025

	Total	Within 1 year	Within 2-5 years
	\$	\$	\$
Accounts Payable and Accrual Liabilities	84,464	84,464	-
CEBA Loan	60,000	60,000	-
Loan payable	18,009	18,009	-
Due to Related Parties	1,690,909	1,690,909	-
	1,853,382	1,853,382	-

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9. Financial Risk Management (continued)

Liquidity Risk (continued)

2024

	Total	Within 1 year	Within 2-5 years
	\$	\$	\$
Bank overdraft	1,388	1,388	-
Accounts Payable and Accrual Liabilities	75,457	75,457	-
CEBA Loan	60,000	60,000	-
Loan payable	18,220	18,220	-
Due to Related Parties	1,399,275	1,399,275	-
	1,554,340	1,554,340	-

Interest Risk

The Company will be subject to fluctuations in interest rates. While the Company manages its operations in order to minimize exposure to these risks, the Company has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure.

Foreign Exchange Rate Risks

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates.

The Company has net financial assets of approximately \$3,047 (2024: \$4,815) that are denominated in US dollars. A 10% change in the US dollars to the Canadian dollar exchange rate would impact the Company's net loss and comprehensive loss by \$304 (2024: \$482).

The Company also has net financial assets of approximately \$7,574 (2024 – \$10,990) that are denominated in South Korean Won. A 10% change in the South Korean Won to the Canadian dollar exchange rate would impact the Company's net loss by \$757 (2024 - \$1,099).

10. Capital Management

The Company has defined its capital as share capital, reserves, and deficit.

The Board of Directors does not establish quantitative return on capital criteria for management due to the nature of the Company's business. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, to maintain appropriate cash reserves on hand to support continued operations and shareholder returns, maintain capital structure while keeping capital costs at a minimum, and to invest cash on hand in highly liquid, highly rated financial instruments.

The Company is not exposed to externally imposed capital restrictions, and the Company's objectives and strategies described above have not changed during the year. These objectives and strategies are reviewed on a continuous basis.

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11. Income Taxes

The following table reconciles the expected income tax expense (recovery) at the Canadian statutory income tax rates to the amounts recognized in the statement of loss for the years ended October 31, 2025 and 2024:

	2025 \$	2024 \$
Net loss before taxes	(332,766)	(455,870)
Statutory tax rate	27%	27%
Expected income tax recovery	(89,847)	(123,085)
Permanent differences and other	–	(13,087)
Valuation true-up	60,918	–
Change in unrecognized deferred income tax assets	28,929	136,172
Income tax provision	–	–

The significant components of deferred income taxes and liabilities as at October 31, 2025 and 2024 are as follows:

	2025 \$	2024 \$
Property and equipment	110,951	81,163
Non-capital loss carryforwards	1,508,009	1,405,510
Prepaid expenses and other	–	157,626
Total gross deferred income tax assets	1,618,960	1,644,299
Unrecognized deferred income tax assets	(1,618,960)	(1,644,299)
Net deferred income tax asset	–	–

As at October 31, 2025, the Company has not recognized a deferred income tax asset in respect of non-capital loss carryforwards of \$5,585,217 which may be carried forward to apply against future year income taxes for Canadian income tax purposes, subject to the final determination by taxation authorities, expiring in the following years:

Expiry	\$
2032	5,867
2033	139,282
2034	519,098
2035	260,381
2036	468,479
2037	489,624
2038	466,963
2039	577,523
2040	797,082
2041	685,253
2043	489,140
2044	398,722
2045	287,803
	5,585,217