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TSX-V: ZYUS

**Q3 2025**

**CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS  
(UNAUDITED)  
FOR THE NINE MONTHS ENDED  
SEPTEMBER 30, 2025**

## **NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the unaudited condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

These unaudited condensed consolidated interim financial statements were approved by the Board of Directors on November 26, 2025. They have not been reviewed by the Company's auditors.

Management of ZYUS Life Sciences Corporation is responsible for the preparation of the accompanying unaudited condensed consolidated interim financial statements. These unaudited condensed consolidated interim financial statements are presented on the accrual basis of accounting and accordingly, a precise determination of many assets and liabilities is dependent upon future events. Where necessary, Management has made informed judgments and estimates in accounting for these assets and liabilities. The unaudited condensed consolidated interim financial statements are considered by Management to present fairly the financial position, operating results and cash flows of the Company.

**Original signed by Brent Zettl**

\_\_\_\_\_  
President and Chief Executive Officer  
November 26, 2025

**Original signed by John Hyshka**

\_\_\_\_\_  
Chief Financial Officer  
November 26, 2025

**ZYUS LIFE SCIENCES CORPORATION**  
**Condensed Consolidated Interim Statements of Financial Position**  
(Unaudited - Expressed in thousands of Canadian dollars)

	<i>Note</i>	September 30, 2025	December 31, 2024
<b>Assets</b>			
Current assets			
Cash	\$	361	\$ 1,902
Accounts receivable		392	366
Inventory		458	630
Prepaid expenses and other assets		386	464
		<b>1,597</b>	<b>3,362</b>
Non-current assets			
Property, plant and equipment		7,276	9,069
Right-of-use leased assets		1,841	2,090
Other assets		135	152
<b>Total assets</b>	<b>\$</b>	<b>10,849</b>	<b>\$ 14,673</b>
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities	\$	8,666	\$ 7,857
Loans and borrowings	6	6,643	9,118
Lease obligations		378	406
		<b>15,687</b>	<b>17,381</b>
Non-current liabilities			
Lease obligations		2,047	2,265
Loans and borrowings	6	6,083	371
<b>Total liabilities</b>		<b>23,817</b>	<b>20,017</b>
<b>SHAREHOLDERS' (DEFICIENCY) EQUITY</b>			
Share capital	7	158,824	156,699
Warrants	8	2,577	1,747
Contributed surplus		10,792	9,209
Deficit		(185,999)	(173,992)
Accumulated other comprehensive income		838	993
<b>Total shareholders' (deficiency) equity</b>		<b>(12,968)</b>	<b>(5,344)</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$</b>	<b>10,849</b>	<b>\$ 14,673</b>
<b>Future operations and liquidity</b>	1		
<b>Commitments and contingent liabilities</b>	14		
<b>Related party transactions</b>	15		
<b>Subsequent events</b>	17		

*The accompanying notes are an integral part of these condensed consolidated interim financial statements.*

On behalf of the Board:

Original signed by Brent Zettl, President & CEO  
Director

Original signed by John Knowles, Audit Committee Chair  
Director

Date: November 26, 2025

**ZYUS LIFE SCIENCES CORPORATION**  
**Condensed Consolidated Interim Statements of Loss and Comprehensive Loss**  
(Unaudited - Expressed in thousands of Canadian dollars)

	<i>Note</i>	Three Months Ended		Nine Months Ended	
		September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Sales		\$ 105	\$ 123	\$ 339	\$ 355
Cost of sales		91	50	186	150
Inventory write-off		(18)	(2)	(28)	(12)
<b>Gross profit</b>		<b>(4)</b>	<b>71</b>	<b>125</b>	<b>193</b>
<b>Expenses</b>					
General and administrative		1,956	2,006	6,315	7,024
Research and development		257	808	1,673	1,678
Depreciation and amortization		723	721	2,093	2,169
Share-based compensation	10	35	99	132	324
Medical education, branding and marketing		45	61	138	198
Other expenses		6	36	202	297
		<b>3,022</b>	<b>3,731</b>	<b>10,553</b>	<b>11,690</b>
Loss from operations		<b>(3,026)</b>	<b>(3,660)</b>	<b>(10,428)</b>	<b>(11,497)</b>
Investment and other income		(38)	(58)	(41)	(197)
Finance costs	9	633	328	1,657	797
Foreign exchange loss (gain)		3	5	(37)	22
		<b>598</b>	<b>275</b>	<b>1,579</b>	<b>622</b>
Loss before income tax		<b>(3,624)</b>	<b>(3,935)</b>	<b>(12,007)</b>	<b>(12,119)</b>
Income tax:					
Deferred income tax recovery		-	17	-	51
Net loss		\$ <b>(3,624)</b>	\$ <b>(3,918)</b>	\$ <b>(12,007)</b>	\$ <b>(12,068)</b>
Other comprehensive gain (loss)		5	(137)	(155)	204
Comprehensive loss		\$ <b>(3,619)</b>	\$ <b>(4,055)</b>	\$ <b>(12,162)</b>	\$ <b>(11,864)</b>
Net loss per share:					
Basic and diluted	11	\$ <b>(0.05)</b>	\$ <b>(0.05)</b>	\$ <b>(0.16)</b>	\$ <b>(0.17)</b>
Weighted average number of shares:					
Basic and diluted	11	<b>77,936,108</b>	72,182,853	<b>75,981,811</b>	71,295,798

*The accompanying notes are an integral part of these condensed consolidated interim financial statements.*

**ZYUS LIFE SCIENCES CORPORATION**

**Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Deficiency)**

(Unaudited - Expressed in thousands of Canadian dollars)

	<i>Note</i>	Share Capital	Warrants	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity (Deficiency)
Balance at January 1, 2025		\$ 156,699	\$ 1,747	\$ 9,209	\$ (173,992)	\$ 993	\$ (5,344)
Net loss		-	-	-	(12,007)	-	(12,007)
Share-based compensation	10	-	-	132	-	-	132
Expiration of warrants	8	-	(1,045)	1,045	-	-	-
Bonus warrants pursuant to loans	6, 8	-	1,516	-	-	-	1,516
Shareholder capital contribution pursuant to loans	6	-	-	406	-	-	406
Issuance of units	7	2,543	-	-	-	-	2,543
Share issue costs	7, 8	(418)	359	-	-	-	(59)
Foreign currency translation loss		-	-	-	-	(155)	(155)
<b>Balance at September 30, 2025</b>		<b>\$ 158,824</b>	<b>\$ 2,577</b>	<b>\$ 10,792</b>	<b>\$ (185,999)</b>	<b>\$ 838</b>	<b>\$ (12,968)</b>
Balance at January 1, 2024		\$ 154,088	\$ 3,808	\$ 5,393	\$ (140,187)	\$ 12	\$ 23,114
Net loss		-	-	-	(12,068)	-	(12,068)
Issuance of shares		3,335	-	-	-	-	3,335
Share issue costs		(724)	702	-	-	-	(22)
Share-based compensation		-	-	324	-	-	324
Foreign currency translation gain		-	-	-	-	204	204
Balance at September 30, 2024		\$ 156,699	\$ 4,510	\$ 5,717	\$ (152,255)	\$ 216	\$ 14,887

*The accompanying notes are an integral part of these condensed consolidated interim financial statements.*

**ZYUS LIFE SCIENCES CORPORATION**  
**Condensed Consolidated Interim Statements of Cash Flows**  
(Unaudited - Expressed in thousands of Canadian dollars)

	<i>Note</i>	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
<b>Cash flows from operating activities</b>			
Net loss		\$ (12,007)	\$ (12,068)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization		2,093	2,169
Inventory write-off		28	12
Finance costs	9	1,657	797
Interest paid		-	(166)
Unrealized Foreign exchange loss		(155)	(2)
Share-based compensation expense		132	324
Deferred income tax recovery		-	(51)
Other adjustment		(73)	(226)
Changes in operating assets and liabilities:			
Accounts receivable		(26)	222
Inventory		144	73
Prepaid expenses and other assets		95	95
Accounts payable and accrued liabilities		809	2,371
<b>Net cash used in operating activities</b>		<b>(7,303)</b>	<b>(6,450)</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		(9)	(45)
Disposal of property, plant and equipment		25	-
Short-term investments		-	1,874
<b>Net cash provided by investing activities</b>		<b>16</b>	<b>1,829</b>
<b>Cash flows from financing activities</b>			
Proceeds from Unit Offerings	7	2,543	-
Proceeds from unsecured loans	6	1,750	-
Proceeds from private placement, net		-	3,313
Proceeds from revolver	6	250	700
Proceeds from shareholder advance	6	1,500	-
Repayment of term loan	6	(196)	(126)
Repayment of shareholder loan		-	(2,000)
Repayment of revolver		-	(500)
Lease payments		(101)	(398)
<b>Net cash provided by financing activities</b>		<b>5,746</b>	<b>989</b>
Net decrease in cash		(1,541)	(3,632)
Cash, beginning of year		1,902	3,978
<b>Cash, end of period</b>		<b>\$ 361</b>	<b>\$ 346</b>

*The accompanying notes are an integral part of these condensed consolidated interim financial statements.*

# ZYUS Life Sciences Corporation

## Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Unaudited - Expressed in thousands of Canadian Dollars, except share data or as otherwise noted)

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### 1. General Information

ZYUS Life Sciences Corporation is a company domiciled in Canada that was incorporated under the Ontario Business Corporations Act on November 25, 1944.

The condensed consolidated interim financial statements as at and for the three and nine-months ended September 30, 2025 and the comparative periods comprise ZYUS Life Sciences Corporation and its subsidiaries (collectively, the “Company” or “ZYUS”). The Company’s head office is 407 Downey Road, Unit 204, Saskatoon, Saskatchewan, Canada, S7N 4L8; its registered office is 3400-22 Adelaide Street W, Toronto, Ontario, Canada, M5H 4E3.

The Company is primarily engaged in the global development and commercialization of innovative cannabinoid-based therapeutics and product candidates. The Company is a licensed producer and distributor of medical cannabis pursuant to The Cannabis Act, which regulates the production, distribution and possession of cannabis for both medical and adult recreational access in Canada. ZYUS is considered to be an early-stage company, as most of its efforts have been devoted to research and development and ramp-up efforts on its pilot plant.

The Company’s wholly-owned subsidiary, ZYUS Life Sciences Inc., has a producer’s license, a research license, a license to sell to other licensed producers and a standard processing and sales license from Health Canada. The Company has maintained compliance with all Health Canada’s requirements under these licenses.

The Company does not engage in any U.S. cannabis-related activities as defined in Canadian Securities Administrators Staff Notice 51-352.

#### Future Operations and Liquidity

These condensed consolidated interim financial statements have been prepared pursuant to IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board applicable to a going concern, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company is a development-stage company with limited operating history, negative historical cash flow from operating activities and a net shareholders’ deficiency.

As at September 30, 2025, the Company had incurred an accumulated deficit of \$186.0 million and has net current liabilities (current assets less current liabilities) of \$(14.1) million. The Company had \$0.4 million of Cash as at September 30, 2025 (December 31, 2024: \$1.9 million), which is expected to be insufficient to fund research, development and corporate activities for the next 12 months; as such, the Company will require additional financing in the future to fund planned research and operating activities and to repay loans and borrowings. The ability of the Company to continue as a going concern depends on the Company maintaining its licenses with Health Canada, the continued support of its lenders, its ability to achieve profitable operations and its ability to raise additional financing to fund current and future operating and investing activities. There is no assurance that the Company will be able to accomplish any of the foregoing objectives or at an acceptable cost. Failure to obtain additional financing on a timely basis may cause the Company to postpone its research and development activities or terminate its operations.

These condensed consolidated interim financial statements do not include any adjustments to the amounts and classifications of assets and liabilities, and the reported revenues and expenses that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

## ZYUS Life Sciences Corporation

### Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Unaudited - Expressed in thousands of Canadian Dollars, except share data or as otherwise noted)

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## 2. Basis of Presentation

### a) Statement of compliance

These condensed consolidated interim financial statements for the three and nine-month periods ended September 30, 2025 and 2024 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”), following the same accounting policies and methods of application as those used in preparing the audited consolidated financial statements of the Company for the year ended December 31, 2024, except as disclosed in Note 4. These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company’s annual consolidated financial statements for the year ended December 31, 2024 (“2024 Annual Financial Statements”) which have been prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board.

These condensed consolidated interim financial statements were authorized for issue by the Company’s Board of Directors on November 26, 2025.

Details of the Company’s material accounting policies, including future changes, are included in Notes 3 and 4.

### b) Basis of measurement

These condensed consolidated interim financial statements have been prepared on the historical cost basis except as detailed in the material accounting policies disclosed in Note 3. The accounting policies described in Note 3 have been applied consistently to all periods presented in these financial statements.

### c) Functional and presentation currency

These condensed consolidated interim financial statements are presented in Canadian dollars (“CAD”), which is the Company’s functional and presentation currency. Functional currencies for the Company’s subsidiaries in these financial statements are their respective local currencies, including the United States Dollar, Australian Dollar and the Euro.

ZYUS Life Sciences US Ltd. uses the U.S. Dollar as its functional currency. ZYUS Life Sciences Europe S.à.r.l, ZYUS Portugal, Sociedade Unipessoal Limitada and ZYUS Life Sciences Germany GmbH use the European Euro as their functional currency. ZYUS Life Sciences Australia Pty Ltd. uses the Australian dollar as its functional currency. Transactions in currencies other than the functional currency are translated at the rate prevailing at the date of transaction. Monetary assets and liabilities that are denominated in foreign currencies are translated at the rate prevailing at each reporting date. Income and expense amounts are translated at the dates of the transactions.

In preparing the Company’s condensed consolidated interim financial statements, the financial statements of foreign subsidiaries are translated into Canadian dollars, the reporting currency of the Company. The assets and liabilities of foreign subsidiaries that do not have a functional currency of Canadian dollars, are translated into Canadian dollars using exchange rates at the reporting date. Revenues and expenses of foreign operations are translated into Canadian dollars using foreign exchange rates that approximate those on the date of the underlying transactions. Foreign exchange differences from the translation of foreign subsidiaries into Canadian dollars are recognized in Other Comprehensive Income.

## 3. Material Accounting Policies

These condensed consolidated interim financial statements, except as noted in Note 4, are prepared using accounting policies consistent with the Company’s 2024 Annual Financial Statements. The accounting policies utilized by

# ZYUS Life Sciences Corporation

## Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Unaudited - Expressed in thousands of Canadian Dollars, except share data or as otherwise noted)

management for the Company and its subsidiaries have been applied consistently to all periods presented in these condensed consolidated interim financial statements.

### 4. Accounting Standards

#### Changes in Accounting Policies

There is one new amendment to an existing standard that became effective January 1, 2025, but it did not have an effect on the Company's financial statements.

#### New Standards and Interpretations Not Yet Adopted

A number of amendments to existing standards are not yet effective for the period ended September 30, 2025 and have not been applied in preparing these condensed consolidated interim financial statements. ZYUS does not intend to early adopt any of the amendments and does not expect them to have a material impact on its financial statements. The one new standard that is expected to have an impact on disclosures is described below.

#### Financial Statement Presentation

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure of Financial Statements* (IFRS 18). IFRS 18 is effective for periods beginning on or after January 1, 2027, with early adoption permitted. IFRS 18 is expected to improve the quality of financial reporting by requiring defined subtotals in the statement of profit or loss, requiring disclosure about management defined performance measures, and adding new principles for aggregation and disaggregation of information. The Company has not yet determined the impact of this standard on its disclosures.

### 5. Significant Accounting Estimates, Assumptions and Judgements

The accounting policies, estimates, assumptions and judgements used in the preparation of the Company's 2024 Annual Financial Statements have been applied in the preparation of these condensed consolidated interim financial statements.

### 6. Loans and Borrowings

	September 30, 2025	December 31, 2024
<b>Current liabilities</b>		
Revolver	\$ 336	\$ 81
Promissory Note (2021 Issuance)	4,405	3,745
Promissory Notes (2023 Issuance)	130	200
Term Loan	272	272
Unsecured Loans (2024 Issuances)	-	4,820
Shareholder Advances	1,500	-
	<b>\$ 6,643</b>	<b>\$ 9,118</b>
<b>Non-current liabilities</b>		
Term Loan	\$ 211	\$ 371
Unsecured Loans (2024 and 2025 Issuances)	5,872	-
	<b>\$ 6,083</b>	<b>\$ 371</b>
<b>Total loans and borrowings</b>	<b>\$ 12,726</b>	<b>\$ 9,489</b>

## ZYUS Life Sciences Corporation

### Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Unaudited - Expressed in thousands of Canadian Dollars, except share data or as otherwise noted)

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#### Revolver

On May 10, 2022, the Company entered into a revolving loan agreement (“Revolver”) with the Company’s CEO (the “Revolving Loan Lender”) dated May 10, 2022, which was amended on June 6, 2022, September 13, 2022, December 5, 2022, May 23, 2023 and June 6, 2023. Pursuant to the Revolver, the Company may request an advance by delivering a drawdown notice to the Revolving Loan Lender in accordance with the terms of the Revolver, provided the principal amount outstanding under the Revolver does not exceed the amount of \$1.1 million. Amounts outstanding pursuant to the Revolver shall bear interest at a rate of one percent per annum, with the principal, together with any unpaid but accrued interest outstanding thereunder, due and payable on demand.

During the nine-month period ended September 30, 2025, the Company delivered to the Revolving Loan Lender an aggregate of drawdown notices totaling \$0.25 million (Note 15). During the year ended December 31, 2024, the Company delivered to the Revolving Loan Lender drawdown notices totaling \$0.7 million and made repayments of \$0.6 million of principal pursuant to the Revolver. Due to the demand feature, the Revolver is recorded at fair value. At September 30, 2025, the principal amount outstanding under the Revolver was \$0.3 million (December 31, 2024 - \$0.1 million).

#### 2021 Promissory Note

On March 31, 2021, the Company entered into a promissory note agreement (“Promissory Note”) with the Company’s CEO (the “Lender”) in the amount of \$5.0 million (the “Principal Amount”), bearing an interest rate of seven percent per annum compounding annually. ZYUS may prepay this Promissory Note in any amount at any time without penalty or premium.

On May 19, 2021, the Promissory Note was transferred to 102042227 Saskatchewan Ltd., a company wholly-owned by the Lender. Interest on the Principal Amount was payable annually within 30 days of December 31, or within 30 days of the Company electing to prepay the Promissory Note in full in accordance with its terms. During the fourth quarter of 2021, the Lender agreed to waive the Promissory Note Interest Payment in perpetuity until such time that the Company deems it appropriate to pay the interest owing.

The Principal Amount, together with any accrued but unpaid interest, was originally due and payable on March 31, 2024 (the “Maturity Date”). During the first quarter of 2023, the Company and the Lender agreed to further extend the Maturity date from March 31, 2024 to June 30, 2024; this amendment resulted in the effective rate of the Promissory Note being updated to 16 percent. During the third quarter of 2023, the Company elected to prepay \$0.25 million of principal and interest on the Promissory Note.

On June 27, 2024, the Company and the Lender agreed to further extend the Maturity date from June 30, 2024 to December 31, 2024 (the “Amended Maturity Date”) and, amend the Interest Payment terms to provide that all interest under the Promissory Note, as amended, be payable on the Amended Maturity Date, or within 30 days of the Borrower electing to prepay the Promissory Note in full in accordance with its terms. This amendment resulted in the effective rate of the Promissory Note being updated to 16.4 percent. In addition, \$0.4 million in deemed capital contribution for the fair value discount was recorded.

On December 20, 2024, the Company and the Lender agreed to amend the rate of interest from seven percent to 12 percent per annum and to amend the maturity date from December 31, 2024 to December 31, 2025 (the “Promissory Note Amendment”). This Promissory Note Amendment has been accounted for as an extinguishment of old debt and entering into new debt.

The obligations of the Company for the remaining Promissory Note are secured by (i) a security interest against the movable production and manufacturing equipment owned by the Company on the Security Date, and (ii) a mortgage over certain real property owned by the Company. If the Promissory Note is prepaid in full, any interest accrued but unpaid shall be paid to the Lender within 30 days of such prepayment.

## ZYUS Life Sciences Corporation

### Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Unaudited - Expressed in thousands of Canadian Dollars, except share data or as otherwise noted)

	<b>September 30, 2025</b>	December 31, 2024
Promissory Note, beginning of year	\$ 3,745	\$ 5,816
Interest and accretion <sup>(1)</sup>	660	339
Repayment <sup>(2)</sup>	-	(2,000)
Deemed capital contribution due to Amendment	-	(410)
Promissory Note payable, end of period	4,405	3,745
Current portion	(4,405)	(3,745)
Promissory Note payable, long-term portion	\$ -	\$ -

(1) Reflects an effective interest rate of 16 percent (December 31, 2023 - 16 percent), with the compounding portion owing on the note being added to the principal.

(2) For the repayment noted above, \$1.8 million was paid to principal and \$0.2 million was for accrued but unpaid interest.

Subsequent to September 30, 2025, terms of the terms of the 2021 Promissory Note were amended. The amendment extends the maturity date from December 31, 2025 to December 31, 2027 and, upon receipt of required approval from the Exchange, as consideration for the previously mentioned amendment to the Prior Secured Promissory Note, 102 Sask will receive an aggregate of 4,347,826 Warrants which have an expiry date two years from the date of issuance, subject to acceleration as described below. Each Warrant will entitle 102 Sask to acquire one common share of the Company at an exercise price of \$0.69 per common share until the expiry date.

### 2023 Promissory Notes

During 2023, the Company initiated a private placement (the “Promissory Note Private Placement”) to certain subscribers (the “Promissory Note Subscribers”) of promissory notes (the “ZYUS 2023 Promissory Notes”) bearing an interest rate of 12 percent per annum.

During the first quarter of 2025, \$0.1 million of the 2023 Promissory Notes having a maturity date of August 27, 2025 previously entered between the Company’s wholly-owned subsidiary ZYUS Life Sciences Inc. (“ZYUS Inc.”) and an independent director of the Company was amended and replaced by a loan agreement (the “2025 Unsecured Loan 2”).

The remaining ZYUS 2023 Promissory Note, together with any accrued but unpaid interest, was due and payable August 24, 2025, being two and one-half years from the issuance date (the “ZYUS 2023 Promissory Note Maturity Date”). However, as noted below, this maturity date was amended to be August 24, 2026.

	<b>September 30, 2025</b>	December 31, 2024
Promissory Notes, beginning of year	\$ 200	\$ 200
March 2025 Promissory Note Amendment	(100)	-
August 2025 Promissory Note Amendment	30	-
Promissory Note payable, end of period	\$ 130	\$ 200

### 2023 Promissory Note Amendments

During the first quarter of 2025, \$0.1 million of the 2023 Promissory Notes having a maturity date of August 27, 2025 previously entered between the Company’s wholly-owned subsidiary ZYUS Life Sciences Inc. (“ZYUS Inc.”) and an independent director of the Company has been amended and replaced by a loan agreement (the “Loan”) between the Company and the Lender (the “March 2025 Promissory Note Amendment”). Pursuant to the Loan, the Lender agreed to advance to the Company additional cash consideration of \$0.25 million (the “Additional

## ZYUS Life Sciences Corporation

### Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Unaudited - Expressed in thousands of Canadian Dollars, except share data or as otherwise noted)

Proceeds”) and \$0.025 million of accrued but unpaid interest under the Promissory Note has been capitalized and added to the principal amount of the Loan for a total of \$0.375 million, increasing the principal amount owing to the Lender from \$0.1 million to \$0.375 million and extending the maturity date from August 27, 2025 to March 28, 2027 (the “Maturity Date”). The Loan bears interest at an annual rate of 12 percent, is payable on maturity and is pre-payable by the Company at any time prior to the Maturity Date without penalty or premium. As consideration for the Loan, the Lender will receive an aggregate of 281,250 common share purchase warrants (the “Warrants”) which have an expiry date two years from the date of issuance, subject to acceleration provisions. Each Warrant will entitle the Lender to acquire one common share of the Company at an exercise price of \$0.80 per common share until the expiry date (the “Exercise Period”).

If during the Exercise Period, any of the principal outstanding under the Loan is satisfied prior to the Maturity Date, the expiry date of the Warrants will accelerate to be one year from the date of issuance.

During the third quarter of 2025, the remaining \$0.1 million of the 2023 Promissory Notes having a maturity date of August 24, 2025 previously entered between the Company’s wholly-owned subsidiary ZYUS Life Sciences Inc. (“ZYUS Inc.”) and the Lender was amended (the “the Amended Promissory Note”) between the Company and the Lender (the “August 2025 Promissory Note Amendment”). Pursuant to the Amended Promissory Note, all accrued but unpaid interest under the Promissory Note was capitalized and added to the principal amount of the Loan, increasing the principal amount owing to the Lender from \$0.1 million to \$0.13 million and extending the maturity date from August 24, 2025 to August 24, 2026 (the “Maturity Date”). The Loan bears interest at an annual rate of 12 percent, is payable on maturity and is pre-payable by the Company at any time prior to the Maturity Date without penalty or premium.

#### Term Loan

On August 5, 2021, ZYUS entered into an Agreement whereby the Minister responsible for Western Economic Diversification Canada (the “Minister”) offered the Company a financial contribution of \$1.0 million (the “Contribution”), subject to certain terms and conditions, under the Regional Relief and Recovery Fund (“RRRF”). Over the remaining term of the Term Loan, the Company shall repay the Contribution to the Minister, as amended on January 31, 2024 (the “Amendment”), by monthly payments of \$0.02 million ending on December 31, 2027, when any principal and interest then outstanding shall be repaid. Interest is calculated and compounded monthly at the average bank rate plus three percent and accrues during the period beginning on the due date and ending on the day before the day on which the monthly payment is received.

At any time during this Agreement, the Company will have the right to repay the outstanding amount of the Contribution (net of any payments made in accordance with the repayment terms including any interest and administration charges due, if any). Full repayment of the Contribution by the Company to the Minister and receipt of various documentation will terminate this Agreement.

Initial recognition of this below-market interest rate loan was measured in accordance with IFRS 9 (*Financial Instruments*), which requires this loan to be initially measured at its fair value. Fair value has been calculated as the present value of the expected future cash flows discounted using a market-related interest rate (determined to be 12 percent), resulting in an effective rate of 10.5 percent up to the Amendment (and of 8.4 percent subsequent to the Amendment). Subsequent measurement is at amortized cost.

	September 30, 2025	December 31, 2024
Term loan, beginning of year	\$ 643	\$ 770
Accretion	36	39
Repayment	(196)	(166)
Term loan, end of period	483	643
Current Portion	(272)	(272)
Term loan, long-term portion	\$ 211	\$ 371

## ZYUS Life Sciences Corporation

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Unaudited - Expressed in thousands of Canadian Dollars, except share data or as otherwise noted)

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### Unsecured Loans

#### 2024 Unsecured Loans

On October 1, November 5 and December 20, 2024, ZYUS entered into a series of unsecured loans (collectively, the “2024 Unsecured Loans”) with an independent director of the Company (the “Lender”), in the amounts of \$1.0 million, \$2.0 million and \$2.0 million, respectively. The Loans bear interest at an annual rate of 12 percent (with deemed fair value interest rates of 21.4 percent, 21.1 percent and 21.9 percent, respectively and \$0.2 million in deemed capital contribution for the fair value discount has been recognized), are payable on maturity, are pre-payable by the Company at any time without penalty or premium and initially were to mature on the earlier of (i) April 1, May 1 and June 20, 2025, respectively, and (ii) the date the Company completes a treasury offering of its common shares and or securities convertible into common shares resulting in gross proceeds to the Company of not less than \$10.0 million, or such lesser amount as the Company and the Lender may agree to in writing. As noted below, the maturity dates of these loans were amended to be March 28, 2027.

#### 2025 Unsecured Loan 1 and Amendment of 2024 Unsecured Loans

On March 7, 2025, ZYUS and the Lender closed an additional unsecured loan in the amount of \$1.5 million (the “2025 Loan”) (Note 15). In addition to advancement of the 2025 Loan, the unsecured loans entered into during 2024 had their maturity dates of April 1, May 5 and June 20, 2025, respectively, extended to March 28, 2027 (the “Unsecured Loan Amendments”). As consideration for providing the 2025 Loan and for providing the Unsecured Loan Amendments, the Lender received an aggregate of 4,875,000 common share purchase warrants (the “Bonus Warrants”) that have an expiry date two years from the date of issuance, subject to acceleration as described below. Each Warrant entitles the Lender to acquire one common share of the Company at an exercise price of \$0.80 per common share until the expiry date.

If any of the principal outstanding under the Loan and or the Prior Unsecured Loans is satisfied prior to the first anniversary of the date of issuance of the Warrants, the expiry date of the Warrants associated with such loan will accelerate to be one year from the date of issuance.

#### 2025 Unsecured Loan 2 and Amendment of 2023 Promissory Note

As noted above, \$0.1 million of the 2023 Promissory Notes having a maturity date of August 27, 2025 previously entered between the Company’s wholly-owned subsidiary ZYUS Life Sciences Inc. (“ZYUS Inc.”) and an independent director of the Company was amended and replaced by a loan agreement (the “2025 Unsecured Loan 2”). Pursuant to the Loan, the Lender has agreed to advance to the Company additional cash consideration of \$0.25 million (the “Additional Proceeds”) and \$0.025 million of accrued but unpaid interest under the Promissory Note has been capitalized and added to the principal amount of the Loan for a total of \$0.375 million, increasing the principal amount owing to the Lender from \$0.1 million to \$0.375 million and extending the maturity date from August 27, 2025 to March 28, 2027 (the “Maturity Date”). The Loan bears interest at an annual rate of 12 percent, is payable on maturity and is pre-payable by the Company at any time prior to the Maturity Date without penalty or premium. As consideration for the Loan, the Lender received an aggregate of 281,250 common share purchase warrants (the “Warrants”) which have an expiry date two years from the date of issuance, subject to acceleration provisions. Each Warrant will entitle the Lender to acquire one common share of the Company at an exercise price of \$0.80 per common share until the expiry date (the “Exercise Period”).

If during the Exercise Period, any of the principal outstanding under the Loan is satisfied prior to the Maturity Date, the expiry date of the Warrants will accelerate to be one year from the date of issuance.

## ZYUS Life Sciences Corporation

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	September 30, 2025	December 31, 2024
Unsecured Loans, beginning of year	\$ 4,820	\$ -
2024 Tranche closings <sup>(1)</sup>	-	5,000
Less: Deemed capital contribution pursuant to tranche closings	-	(237)
Accretion	271	57
	\$ 5,091	\$ 4,820
2025 Unsecured Loan 1 <sup>(2)</sup>	1,500	-
2025 Unsecured Loan 2 <sup>(2)</sup>	375	-
	\$ 6,966	\$ 4,820
Less: Deemed capital contribution <sup>(2)</sup>	(406)	-
Less: Value attributable to bonus warrants <sup>(2)</sup>	(1,516)	-
	\$ 5,044	\$ 4,820
Accretion	828	-
Unsecured Loans payable, end of period	\$ 5,872	\$ 4,820
Current portion	-	(4,820)
Unsecured Loans payable, long-term portion	\$ 5,872	\$ -

(1) During 2024, the Company closed three separate tranche closings of unsecured loans on October 1, November 5 and December 20, 2024, as amended on March 7, 2025, collectively having a principal balance of \$5.0 million and original maturity dates of April 1, May 5 and June 20, 2025, respectively. These maturity dates were extended to March 28, 2027 during the first quarter of 2025.

(2) During the first quarter of 2025, the Company closed two separate tranche closings of unsecured loans, collectively having a principal balance of \$1.9 million and maturity dates of March 28, 2027. In addition, unsecured loans entered into during 2024 had their maturity dates amended; as such, a capital contribution pursuant to the 2025 unsecured loans and the amended unsecured 2024 loans was recorded. In addition, value attributable to the warrants granted pursuant to the loan amendments was recorded.

#### Shareholder Advances and Secured Loans

During the third quarter of 2025, an Independent Director advanced ZYUS Life Sciences Inc., a wholly owned subsidiary of the Company, \$0.2 million, \$0.3 million, \$0.5 million and \$0.5 million on August 12, August 25, September 8 and September 22, 2025, respectively. These advances were recorded at fair value and at September 30, 2025, the aggregate principal amount outstanding pursuant to the advances was \$1.5 million. Interest on the advances is payable at 12 percent. These advances were combined into a secured loan subsequent to September 30, 2025 (Note 17).

Subsequent to September 30, 2025, an independent director of the Company (the “Lender”) advanced \$0.5 million in the form of a secured loan (the “Secured Loan 1”) to the Company’s wholly-owned subsidiary ZYUS Life Sciences Inc. (“ZYUS Inc.”). In addition, the Shareholder advances were converted into a second Secured Loan (the “Secured Loan 2”). The Secured Loans bear interest at an annual rate of 12 percent and are secured by a floating charge of the assets of ZYUS Inc.

## 7. Share Capital

The authorized share capital of the Company consists of common shares. The rights, privileges, restrictions and conditions attached to each series of shares are determined by the Board of Directors at the time of creation of such series. The common shares of the Company are entitled to vote at all meetings of the shareholders and, upon dissolution or any other distribution of assets, to receive such assets of the Company as are distributable to the holders of the common shares. At September 30, 2025, the Company had 78,148,467 common shares issued and outstanding (December 31, 2024 - 74,357,741 common shares issued and outstanding).

## ZYUS Life Sciences Corporation

### Notes to the Condensed Consolidated Interim Financial Statements

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(Unaudited - Expressed in thousands of Canadian Dollars, except share data or as otherwise noted)

	Number of Common Shares		Amount
Balance – December 31, 2023	70,847,396	\$	154,088
Equity issue (2024 Private Placement)	3,510,345		2,633
Issue costs	-		(22)
<b>Balance – December 31, 2024</b>	<b>74,357,741</b>	<b>\$</b>	<b>156,699</b>
Equity issue (May 2025 Unit Offering)	2,083,333		1,375
Issue costs – warrants	-		(161)
Issue costs	-		(19)
Equity issue (June 2025 Unit Offering)	1,116,267		748
Issue costs - warrants	-		(112)
Issue costs	-		(20)
Equity issue (July and August 2025 Unit Offering)	591,126		420
Issue costs - warrants	-		(86)
Issue costs	-		(20)
<b>Balance – September 30, 2025</b>	<b>78,148,467</b>	<b>\$</b>	<b>158,824</b>

#### Equity Issue – Private Placement

On August 26, 2024, the Company closed a non-brokered Private placement (the “2024 Private Placement”) of 3,510,345 units (each a “Unit”) at a price of \$0.95 per Unit for aggregate gross proceeds of \$3.3 million; proceeds have been allocated between Share capital and Warrants in the amounts of \$2.6 million and \$0.7 million, respectively. Each Unit consists of one common share of the Company (a “Common Share”) and one Common Share purchase warrant. From gross proceeds, \$2.5 million was utilized to repay certain debt outstanding with Mr. Brent Zettl, the Company’s CEO, and 102042227 Saskatchewan Ltd, an entity owned and controlled by Mr. Zettl (Notes 6 and 15).

#### Equity Issue – May 2025 Unit Offering Private Placement

On May 6, 2025, the Company completed a first tranche (the “First Tranche”) of its non-brokered private placement (the “May 2025 Unit Offering”) of units of the Company (each a “Unit”) for up to \$2.0 million. Under the First Tranche of the Offering 1,212,121 Units were issued at a price of \$0.66 per Unit for gross proceeds of \$0.8 million. The second and final tranche (the “Second Tranche”) was completed on May 15, 2025; under the Second Tranche, a further 871,212 Units were issued for gross proceeds of \$0.6 million bring aggregate gross proceeds raised in the First and Second Tranche of the Offering to \$1.4 million. Each Unit consists of one common share of the Company (a “Common Share”) and a one-half of one Common Share purchase warrant (each whole Common Share purchase warrant, a “Warrant”), whereby each Warrant entitles the holder to acquire one Common Share at a price of \$0.94 for a period of twenty-four months from the date of issuance, unless the term of the Warrant is accelerated pursuant to its terms (Note 8).

#### Equity Issue – June 2025 Unit Offering Private Placement

Also during the second quarter of 2025, the Company closed an additional non-brokered Private placement (the “June 2025 Unit Offering Private Placement”) in two tranches. Under the First and Second Tranches of the June 2025 Unit Offering Private Placement, an aggregate of 1,116,267 units (each a “Unit”) at a price of \$0.67 per Unit for aggregate gross proceeds of \$0.75 million. Each Unit consists of one common share of the Company (a “Common Share”) and one half of a Common Share purchase warrant (each whole Common Share purchase warrant, a “Warrant”), whereby each Warrant entitles the holder to acquire one Common Share at a price of \$0.95 for a period of twenty-four months from the date of issuance, unless the term of the Warrant is accelerated pursuant to its terms (Note 8).

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### Equity Issue – July and August 2025 Unit Offering Private Placement

On July 29, 2025, the Company completed a first tranche of a non-brokered Private placement (the “July and August 2025 Unit Offering Private Placement”) of 450,281 units (each a “Unit”) at a price of \$0.71 per Unit for aggregate gross proceeds of \$0.3 million. A Second Tranche of the July and August 2025 Unit Offering Private Placement closed on August 15, 2025 when a further 140,845 Units were issued for aggregate gross proceeds of \$0.1 million. Aggregate gross proceeds raised in the First and Second Tranches of the July and August 2025 Unit Offering Private Placement were \$0.4 million. Each Unit consists of one common share of the Company (a “Common Share”) and one Common Share purchase warrant (a “Warrant”), whereby each Warrant entitles the holder to acquire one Common Share at a price of \$0.95 for a period of twenty-four months from the date of issuance, unless the term of the Warrant is accelerated pursuant to its terms (the “Acceleration Provision”).

### Equity Issue – November 2025 Unit Offering Private Placement

Subsequent to September 30, 2025, the Company completed a first tranche of a non-brokered Private placement (the “November 2025 Unit Offering Private Placement”) of 1,923,077 units at a price of \$0.65 per Unit for aggregate gross proceeds of \$1.25 million (Note 17). At November 26, 2025, the Company had 80,071,544 common shares issued and outstanding.

## 8. Share Purchase Warrants

	September 30, 2025		December 31, 2024	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Beginning of year	4,612,387	\$1.69	3,924,701	\$3.37
Granted	7,347,172	\$0.84	3,510,345	\$1.30
Expired	(1,102,042)	\$3.24	(2,822,659)	\$3.55
Outstanding, end of period	10,857,517	\$1.01	4,612,387	\$1.69
Exercisable, end of period	10,857,517	\$1.01	4,612,387	\$1.69

### Bonus Warrants

As consideration for amendments to the 2024 unsecured loans and to the 2023 Promissory Note (Notes 6 and 15) and as consideration for providing new unsecured loans, the Company granted an aggregate of 5,156,250 common share purchase warrants (the “Bonus Warrants”). The Bonus Warrants have an expiry date two years from the date of issuance, subject to acceleration as described below, and entitle the holder to acquire one common share of the Company at an exercise price of \$0.80 per common share until the expiry date.

If during the Exercise Period, any of the principal outstanding under the loans relating to the Bonus Warrants is satisfied prior to the Maturity Date, the expiry date of the Warrants will accelerate to be one year from the date of issuance.

	<b>2025</b>
Risk-free interest rate	<b>2.4%</b>
Expected life of units (years)	<b>2.0</b>
Expected annualized volatility	<b>62.9%</b>
Expected dividend yield	<b>Nil</b>
Weighted average Black-Scholes value of each warrant	<b>\$0.29</b>

### May 2025, June 2025 and July and August 2025 Unit Offering Private Placements

On May 6, 2025 and May 15, 2025 (the “May 2025 Issue Dates”), in connection with the tranche closings of the above-noted May 2025 Unit Offering Private Placement (Note 7), the Company issued an aggregate of 1,041,663

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### Notes to the Condensed Consolidated Interim Financial Statements

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Warrants that entitle the holder to acquire one Common Share at a price of \$0.94. On June 16, 2025 and June 27, 2025 (the “June 2025 Issue Dates”), in connection with the tranche closings of the above-noted June 2025 Unit Offering Private Placement (Note 7), the Company issued an aggregate of 558,133 Warrants that entitle the holder to acquire one Common Share at a price of \$0.95. On July 29, 2025 and August 15, 2025, (the “July and August 2025 Issue Dates”), the Company issued an aggregate of 591,126 Warrants that entitle the holder to acquire one Common Share at a prices of \$0.95.

The Warrants issued pursuant to the 2025 Unit Offering Private Placements are exercisable for 24 months after the Issue Date (the “Expiry Dates”). If during the exercise period of the Warrants the volume weighted average trading price (the “VWAP”) of the Common Shares on the TSX Venture Exchange, is greater than \$3.00 for a period of five consecutive trading days (an “Acceleration Event”), ZYUS will have the right to accelerate the Expiry Date of the Warrants by giving notice, via a news release, to the holders of the Warrants that the Warrants’ Expiry Date will be on the date that is 30 days following after the issuance of said news release of the Acceleration Event by the Company.

	<b>2025</b>
Risk-free interest rate	2.53% - 2.77%
Expected life of units (years)	2.0
Expected annualized volatility	54.2% - 60.0%
Expected dividend yield	Nil
Weighted average Black-Scholes value of each warrant	<b>\$0.12 to \$0.20</b>

#### 2024 Private Placement Unit Offering

On August 26, 2024 (the “Issue Date”), in connection with the closing of the above-noted 2024 Private Placement (Note 7), the Company issued 3,510,345 Warrants that entitle the holder to acquire one Common Share at a price of \$1.30. The Warrants have an exercise period of and will expire 24 months after the Issue Date (the “Expiry Date”). If during the exercise period of the Warrants volume weighted average trading price (the “VWAP”) of the Common Shares on the TSX Venture Exchange, greater than \$3.00 for a period of five consecutive trading days (an “Acceleration Event”), ZYUS will have the right to accelerate the Expiry Date of the Warrants by giving notice, via a news release, to the holders of the Warrants that the Warrants’ Expiry Date will be on the date that is 30 days following after the issuance of said news release of the Acceleration Event by the Company.

	<b>2024</b>
Risk-free interest rate	3.25%
Expected life of units (years)	2.0
Expected annualized volatility	57.7%
Expected dividend yield	Nil
Weighted average Black-Scholes value of each warrant	<b>\$0.20</b>

## 9. Finance Costs

	<b>Three Months Ended September 30,</b>	
	<b>2025</b>	<b>2024</b>
Interest expense (loans and borrowings)	\$ 145	\$ 100
Interest expense (leases)	61	68
Accretion	281	22
Other	146	138
	<b>\$ 633</b>	<b>\$ 328</b>

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	<b>Nine Months Ended September 30,</b>	
	<b>2025</b>	<b>2024</b>
Interest expense	\$ 404	\$ 303
Loss on settlement of loans and borrowings	188	210
Accretion	772	43
Other	293	241
	<b>\$ 1,657</b>	<b>\$ 797</b>

### 10. Share-based Compensation

The Company has established an omnibus equity compensation plan (the “Omnibus Plan”) under which common share purchase options may be granted to directors, officers and key employees. The Omnibus Plan is a “rolling” plan whereby the maximum number of Common Shares that may be reserved for issue pursuant to the Omnibus Plan cannot exceed 10 percent of the Company’s issued Common Shares at the time of the award grant. Vesting terms of options granted under the Company’s Omnibus Plan vary on a grant-by-grant basis, at the discretion of the Company’s Board of Directors.

The following table summarizes stock option changes during the period ended September 30, 2025 and year ended December 31, 2024:

	<b>September 30, 2025</b>		<b>December 31, 2024</b>	
	<b>Number of</b>	<b>Weighted</b>	<b>Number of</b>	<b>Weighted</b>
	<b>options</b>	<b>average</b>	<b>options</b>	<b>average</b>
		<b>exercise price</b>		<b>exercise price</b>
Beginning of year	3,863,139	\$1.65	3,762,016	\$1.75
Granted	92,500	\$0.76	322,175	\$1.08
Forfeited	(409,798)	\$2.62	(83,750)	\$1.45
Expired	(29,792)	\$1.59	(137,302)	\$3.11
Outstanding, end of period	3,516,049	\$1.52	3,863,139	\$1.65
Exercisable, end of period	2,733,199	\$1.57	2,988,414	\$1.74

In determining the amount of share-based compensation, the Company used the Black-Scholes option pricing model to estimate the fair value of stock options granted during the nine months ended September 30, 2025 and year ended December 31, 2024 through application of the following assumptions:

<i>For the year ended,</i>	<b>September 30,</b>	<b>December 31,</b>
	<b>2025</b>	<b>2024</b>
Risk-free interest rate	<b>2.8%</b>	3.7%
Expected life of units (years)	<b>3</b>	5
Expected annualized volatility	<b>95.9%</b>	99.5%
Expected dividend yield	<b>Nil</b>	Nil
Weighted average Black-Scholes value of each unit	<b>\$0.46</b>	\$0.82

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For stock options outstanding at September 30, 2025, total options outstanding and exercisable were as follows:

Options Outstanding				Options Exercisable (Vested)		
	Quantity	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price	Quantity	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price
\$0.76 - \$5.31	3,406,441	3.12	\$1.40	2,623,591	3.06	\$1.40
\$5.32 - \$7.85	98,338	0.28	\$5.32	98,338	0.28	\$5.32
\$7.86 - \$8.09	11,270	3.79	\$8.01	11,270	3.79	\$8.01
	3,516,049	3.05	\$1.52	2,733,199	2.96	\$1.57

The foregoing options have expiry dates ranging from November 12, 2025 to April 25, 2030.

The expected life of the stock options represents the period of time stock options are expected to be outstanding and is estimated considering vesting terms. The risk-free rate is based on the Canada Benchmark Bond Yield Rates in effect at the time of grant. The expected dividend yield was determined based on the stock option's exercise price and expected annual dividend rate at the time of grant.

### 11. Loss Per Share

Loss per share was calculated based on the following:

	Three Months Ended September 30,	
	2025	2024
Loss attributable to common shareholders	\$ (3,624)	\$ (3,918)
Weighted average shares outstanding (basic)	77,936,108	72,182,853
Dilutive effect of stock options and warrants	-	-
Weighted average shares outstanding (diluted)	77,936,108	72,182,853
Loss per share (basic and diluted)	\$ (0.05)	\$ (0.05)

	Nine Months Ended September 30,	
	2025	2024
Loss attributable to common shareholders	\$ (12,007)	\$ (12,068)
Weighted average shares outstanding (basic)	75,981,811	71,295,798
Dilutive effect of stock options and warrants	-	-
Weighted average shares outstanding (diluted)	75,981,811	71,295,798
Loss per share (basic and diluted)	\$ (0.16)	\$ (0.17)

As of September 30, 2025, there were 14,373,566 common share equivalents in the form of:

- 10,857,517 common share purchase warrants (Note 8); and
- 3,516,049 stock options (Note 10).

As of September 30, 2024, there were 9,331,354 common share equivalents in the form of:

- 5,448,602 common share purchase warrants; and
- 3,882,202 stock options.

## **ZYUS Life Sciences Corporation**

### Notes to the Condensed Consolidated Interim Financial Statements

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The Company's results of operations were in a loss position for the three and nine months ended September 30, 2025 and September 30, 2024; as a result, there was no effect of applying the treasury-stock method to the weighted average number of shares outstanding as the inclusion of common stock equivalents would be anti-dilutive.

## **12. Financial Instruments**

The financial instruments recognized on the condensed consolidated interim statement of financial position are comprised of cash, accounts receivable (excluding recoverable sales taxes), accounts payable and accrued liabilities, and loans and borrowings. The Company is exposed to various risks through its financial instruments, as follows:

### **Credit Risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions and foreign exchange transactions.

The Company does not hold any collateral as security but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance. At September 30, 2025 and December 31, 2024, the Company did not have material exposure to credit risk on cash and cash equivalents or counterparty performance of outstanding accounts receivable.

### **Liquidity Risk**

The Company's objective is to have sufficient liquidity to meet its liabilities when due. In addition to its sales, the Company has relied on financings to fund its activities. The Company monitors its cash balances and cash flows generated from operations and financing activities to meet its requirements. The Company controls liquidity risk by management of working capital, cash flows and the issuance of debt or share capital.

Liquidity risk is the risk that the Company cannot meet its financial obligations when due. The Company manages liquidity risk by monitoring operating and growth requirements. Management believes its current capital resources and working capital levels will require the Company to seek future additional financing to allow it to meet its obligations, to make debt service requirements, and to fund the other needs of its business. However, no assurance can be given that future sources of capital will be available. The ability of the Company to continue as a going concern is dependent on raising capital to fund its business plan and ultimately to attain profitable operations. Any delay or failure to complete any additional financing would have a significant negative impact on the Company's business, results of operations and financial condition, and the Company may be forced to reduce or cease its operations or seek relief under applicable bankruptcy laws (Refer to Note 1 – Future Operations and Liquidity).

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The timing of expected cash outflows relating to financial liabilities at September 30, 2025 is as follows:

	Payments / Commitments due by Period				Total
	Less than 1 year	2-3 Years	4-5 Years	More than 5 years	
Account payable and accrued liabilities	\$ 8,666	-	-	-	\$ 8,666
Promissory Note (2021 Issuance) <sup>(1)</sup>	4,405	-	-	-	4,405
Term Loan <sup>(2)</sup>	272	340	-	-	612
Interest on Term Loan <sup>(2) (3)</sup>	38	17	-	-	55
Revolver <sup>(2)</sup>	336	-	-	-	336
Interest on Revolver	4	-	-	-	4
Promissory Note (2023 Issuance)	130	-	-	-	130
Interest on Promissory Notes (2023 Issuance)	16	-	-	-	16
Unsecured Loans <sup>(2)</sup>	-	6,875	-	-	6,875
Interest on Unsecured Loans <sup>(2)</sup>	-	1,881	-	-	1,881
Shareholder advances	1,500	-	-	-	1,500
Interest on Shareholder advances	180	-	-	-	180
Lease obligations	603	1,082	1,053	451	3,189
	<b>\$ 16,150</b>	<b>\$ 10,195</b>	<b>\$ 1,053</b>	<b>\$ 451</b>	<b>27,849</b>

(1) Includes Interest that has compounded and been added to principal balance owing (Note 6).

(2) Amounts presented in the above table are the principal balances owing; the amortized cost of these debt instruments is outlined in Note 6.

(3) With respect to the Term Loan, the Company will not be subject to interest as long as scheduled principal payments are made without delay.

## Market Risk

Market risk is the potential for loss from adverse changes in the market value of financial instruments. The level of market risk that the Company is exposed to varies depending on the composition of its short-term investment portfolio, as well as current and expected market conditions.

## Categories of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 and 3 based on the degree to which the fair value measurement are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows.

The Company classifies the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instruments:

- **Level 1** – unadjusted quoted prices in active markets for identical assets or liabilities. An active market for an asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

## ZYUS Life Sciences Corporation

### Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Unaudited - Expressed in thousands of Canadian Dollars, except share data or as otherwise noted)

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- **Level 2** – quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- **Level 3** – unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The carrying value of cash and cash equivalents, short-term investments, accounts receivable and accounts payable and accrued liabilities approximate their fair value due to the short-term nature of those instruments. In addition, the Company's Loans and borrowings approximate their carrying value as there has been no material change in the Company's credit risk since the issuance of these instruments. The fair value of short-term investments is based on quoted market prices (Level 1).

There were no transfers between Levels 1, 2 and 3 inputs during the period ended September 30, 2025.

### 13. Capital Management

The Company defines its capital as its shareholder's equity and loans and borrowings. The Company's objective when managing its capital is to safeguard its ability to continue as a going concern so that it can provide adequate returns to shareholders and benefits to other stakeholders. Except as otherwise disclosed in these condensed consolidated interim financial statements, there are no restrictions on the Company's capital. The Company's objectives with respect to the management of capital are to:

- Maintain financial flexibility in order to preserve its ability to meet financial obligations;
- Deploy capital to provide an appropriate investment return to its shareholders; and,
- Maintain a capital structure that allows various financing alternatives to the Company as required.

In order to maintain or adjust the capital structure, the Company (upon approval from its Board of Directors, as required) may issue new shares through private placements, sell assets or incur debt. The Board of Directors reviews and approves any material transaction out of the ordinary course of business, including proposals on acquisitions, major investments, as well as annual capital and operating budgets. The Company believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended September 30, 2025. The Company is not subject to externally imposed capital requirements.

At September 30, 2025, there were no covenants associated with the Loans and Borrowings.

### 14. Commitments and Contingent Liabilities

#### Legal Claims and Regulatory Matters

In the normal course of business, the Company may occasionally be named as a party in various claims and legal proceedings. The Company reviews each of these claims, including the nature of the claim, the amount in dispute or claimed, and the availability of insurance coverage. There can be no assurance that any particular claim will be resolved in the Company's favor or that such claims may not have a material effect on the Company. Inquiries from regulatory bodies may also arise in the normal course of business, to which the Company responds as required.

## ZYUS Life Sciences Corporation

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### 15. Related Party Transactions

#### Related Party Transactions

Related parties exist when one party has the ability to directly or indirectly exercise control, joint control or significant influence over the other or is a member, or close family member of a member, of the key management personnel of the Company. Related party transactions are in the normal course of operations and are measured at the consideration established and agreed to by the parties. During the period ended June 30, 2025, in addition to key management personnel and members of the Board of Directors, the following related parties were identified:

- 102042227 Saskatchewan Ltd., a company subject to common control;
- 1189115 BC Ltd., a company subject to common control; and
- Prairie Tide Diversified (“Prairie Tide”).

#### Unsecured Loans

On March 7, 2025, ZYUS closed an unsecured loan in the amount of \$1.5 million with an independent Director of the Company (Note 6). In addition to advancement of the 2025 Loan, the unsecured loans entered into during 2024 had their maturity dates of April 1, May 5 and June 20, 2025, respectively, extended to March 28, 2027 (the “Unsecured Loan Amendments”). As consideration for providing the 2025 Loan and for providing the Unsecured Loan Amendments, the Lender was granted an aggregate of 4,875,000 common share purchase warrants (the “Warrants”) that have an expiry date two years from the date of issuance, subject to acceleration provisions. Each Warrant entitles the Lender to acquire one common share of the Company at an exercise price of \$0.80 per common share until the expiry date.

#### Assumption and Amendment of Promissory Note

On March 14, 2025, a Promissory Note Agreement having a maturity date of August 27, 2025 (the “Promissory Note”) previously entered between its wholly-owned subsidiary ZYUS Life Sciences Inc. (“ZYUS Inc.”) and an independent director of the Company (the “Lender”) was amended and replaced by a loan agreement (the “Loan”) between the Company and the Lender (Note 6). Pursuant to the Loan, the Lender agreed to advance to the Company additional cash consideration of \$0.25 million (the “Additional Proceeds”); to that amount, \$0.1 million of principal relating to a 2023 Promissory Note and \$0.025 million of accrued but unpaid interest under the Promissory Note was capitalized and added to the principal amount of the Loan for a total of \$0.375 million, increasing the principal amount owing to the Lender from \$0.1 million to \$0.375 million and extending the maturity date from August 27, 2025 to March 28, 2027 (the “Maturity Date”). The Loan bears interest at an annual rate of 12 percent, is payable on maturity and is pre-payable by the Company at any time prior to the Maturity Date without penalty or premium.

As consideration for the additional proceeds and extension of the maturity date, the Lender was granted an aggregate of 281,250 common share purchase warrants that have an expiry date two years from the date of issuance, subject to acceleration provisions. Each Warrant entitles the Lender to acquire one common share of the Company at an exercise price of \$0.80 per common share until the expiry date (the “Exercise Period”).

#### June 2025 Unit Offering Private Placement

On June 27, 2024, the Company completed a Unit Offering Private Placement (Note 7). Insiders of the Company, who are independent directors, purchased 746,267 Units pursuant to the June 2025 Unit Offering Private Placement for gross proceeds of \$0.5 million.

## ZYUS Life Sciences Corporation

### Notes to the Condensed Consolidated Interim Financial Statements

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#### Shareholder Advances

During the third quarter of 2025, an Independent Director advanced ZYUS Life Sciences Inc., a wholly owned subsidiary of the Company, \$0.2 million, \$0.3 million, \$0.5 million and \$0.5 million on August 12, August 25, September 8 and September 22, 2025, respectively. These advances were recorded at fair value and at September 30, 2025, the aggregate principal amount outstanding pursuant to the advances was \$1.5 million. Interest on the advances is payable at 12 percent. These advances were combined into a secured loan subsequent to September 30, 2025 (Note 17).

#### Private Placement

On August 26, 2024, the Company completed a Private Placement (Note 7). Insiders of the Company, who are independent directors, purchased 842,103 Units pursuant to the Private Placement for gross proceeds of \$0.8 million.

#### Revolver

During the year ended December 31, 2024, a series of drawdown notices totaling \$0.7 million were delivered to the Company's CEO (Note 6). During the third quarter of 2024, in conjunction with closing of the Private Placement, \$0.5 million of principal was repaid pursuant to the Revolver; an additional \$0.1 million of Principal and Interest was repaid pursuant to the Revolver during the fourth quarter. During the nine-months ended September 30, 2025, a series of drawdown notices totaling \$0.25 million were delivered to the Company's CEO (Note 6). At September 30, 2025, the principal amount outstanding under the Revolver was \$0.3 million (December 31, 2024 - \$0.1 million).

#### Promissory Note

On March 31, 2021, the Company entered into a promissory note agreement ("Zettl Promissory Note") with the Company's CEO (the "Lender") in the amount of \$5.0 million (the "Principal Amount"), bearing an interest rate of seven percent per annum compounding annually. On May 19, 2021, the Zettl Promissory Note was transferred to 102042227 Saskatchewan Ltd., a company wholly-owned by Mr. Zettl. During the third quarter of 2023, the Company elected to prepay \$0.25 million of principal and interest on the Promissory Note. During the third quarter of 2024, in conjunction with closing of the Private Placement, the Company elected to prepay \$2.0 million to settle a portion of the Principal and Interest outstanding pursuant to the Promissory Note (Note 6).

On December 20, 2024, the Company and the Lender agreed to amend the rate of interest on the Promissory Note from seven percent to 12 percent per annum and to amend the maturity date from December 31, 2024 to December 31, 2025. Subsequent to September 30, 2025, the Company and the Lender agreed to further the maturity date from December 31, 2025 to December 31, 2027 (Note 6, 17).

## 16. Segment Information

### Reportable Segments

Operating segments are components of the Company that engage in business activities which generate revenues and incur expenses (including intercompany revenues and expenses related to information reported to the chief operating decision maker ("CODM") for the purposes of resource allocation and assessment of segment performance focuses on the sale of biopharmaceutical operations). No operating segments have been aggregated in arriving at the reportable segments of the Company.

## ZYUS Life Sciences Corporation

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### Entity-wide Disclosures

The Company has one reportable segment: Bio-pharmaceutical Products (including medical cannabis derivatives).

### Geographic Information

The Company operates in four principal geographical areas:

- Canada;
- United States
- Australia; and
- European Union

As at September 30, 2025 <sup>(1)</sup>	Canada	United States	European Union	Total
Non-current assets	\$ 9,252	\$ -	\$ -	\$ 9,252

As at December 31, 2024 <sup>(1)</sup>	Canada	United States	European Union	Total
Non-current assets	\$ 11,299	\$ -	\$ 12	\$ 11,311

<sup>(1)</sup> The Company does not have any long-term assets in Australia.

For the three and nine months ended September 30, 2025 and September 30, 2024, all revenue is attributable to Canada.

## 17. Subsequent Events

### Closing of Secured Loan and Amendments to Prior Secured Promissory Note

On October 17, 2025, the Company announced that an independent director of the Company (the "Director Lender") advanced a CA\$1.5 million secured loan (the "Director Loan") to ZYUS Life Sciences Inc., a wholly-owned subsidiary of the Company ("ZYUS Inc."), which closed on October 16, 2025 (the "Loan"). The Loan was advanced in separate tranches of \$0.2 million, \$0.3 million, \$0.5 million and \$0.5 million on August 12, August 25, September 8 and September 22, 2025, respectively. Subject to receipt of approval from the TSX Venture Exchange (the "Exchange"), the Loan will be secured by a security interest granted under the terms of a general security agreement over all assets of ZYUS Inc. (subject to an exception in respect of certain assets). The Loan bears interest at an annual rate of 12 percent, is payable on maturity, is pre-payable by the Company at any time without penalty or premium and will mature on October 31, 2027.

As consideration for providing the Loan, the Director Lender received an aggregate of 2,173,913 common share purchase warrants (the "Warrants") which have an expiry date two years from the date of issuance, subject to acceleration as described below. Each Warrant will entitles the Director Lender to acquire one common share of the Company at an exercise price of \$0.69 per common share until the expiry date. The issuance of the Warrants was subject to approval by the Exchange, which was received on November 7, 2025.

## ZYUS Life Sciences Corporation

### Notes to the Condensed Consolidated Interim Financial Statements

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The Director Lender also committed, subject to Exchange approval, to advance an additional \$0.5 million by October 31, 2025 (the "Additional Loan") on the same terms and conditions as the Loan. Concurrently with the advance of the Additional Loan, the Director Lender will be entitled to receive additional Warrants, subject to Exchange approval. The number of additional Warrants will be determined by dividing the amount of the advance by the market price of the Company's common shares at the time of the advance. The Company proposes to seek approval of the Exchange for the Additional Loan and associated Warrants prior to October 31, 2025. The Company intends to utilize proceeds from the Loan and Additional Loan for general working capital purposes, including further advancement of the Company's clinical research activities on its Phase 2 UTOPIA clinical trial for ZYUS' lead drug candidate, Trichomylin® softgel capsules.

In connection with, as condition of the Director Loan, the Company also amended the promissory note between ZYUS Inc. and 102042227 Saskatchewan Ltd. ("102 Sask"), an entity owned and controlled by Mr. Brent Zetl, the Company's President and CEO (the "Prior Secured Promissory Note"). The Prior Secured Promissory Note was secured by (i) a security interest against the movable production and manufacturing equipment owned by the Company on the Security Date, and (ii) a mortgage of certain real property owned by the Company. The amendment extends the maturity date from December 31, 2025 to December 31, 2027 and, upon receipt of required approval from the Exchange, as consideration for the previously mentioned amendment to the Prior Secured Promissory Note, 102 Sask will receive an aggregate of 4,347,826 Warrants which have an expiry date two years from the date of issuance, subject to acceleration as described below. Each Warrant will entitle 102 Sask to acquire one common share of the Company at an exercise price of \$0.69 per common share until the expiry date. The issuance of the Warrants was subject to approval by the Exchange, which was received during the fourth quarter of 2025.

If the volume weighted average trading price (the "VWAP") of the Company's common shares on the TSX Venture Exchange is greater than \$3.00 for a period of five consecutive trading days during the exercise period of the Warrants (an "Acceleration Event"), the Company will have the right to accelerate the expiry date of the Warrants by giving notice, via a news release, to the holders of the Warrants that the Warrants' expiry date will be on the date that is 30 days following after the issuance of said news release of the Acceleration Event by the Company. In addition, if any principal amount outstanding under the Loans and or the Prior Secured Promissory Note is repaid or otherwise satisfied in full prior to October 16, 2026, then the expiry date of the Warrants shall accelerate to 12 months from the date of issuance of the Warrants without further notice to the Holder.

#### **Closing of Additional Secured Loan**

On October 20, 2025, the Company announced that an independent director of the Company (the "Director Lender") advanced an additional \$0.5 million secured loan to ZYUS Life Sciences Inc. ("ZYUS Inc."), a wholly-owned subsidiary of the Company (the "Loan"). Subject to receipt of approval from the TSX Venture Exchange (the "Exchange"), the Loan will be secured by a security interest granted under the terms of a general security agreement (subject to an exception in respect of certain assets). The Loan bears interest at an annual rate of 12 percent, is payable on maturity, is pre-payable by the Company at any time without penalty or premium and will mature on October 31, 2027. The Loan is in addition to the \$1.5 million loan from the Director Lender announced by the Company on October 17, 2025 (the "Prior Loan").

As consideration for providing the Loan, the Director Lender will receive an aggregate of 724,637 common share purchase warrants (the "Warrants") which will have an expiry date two years from the date of issuance, subject to acceleration as described below. Each Warrant will entitle the lender to acquire one common share of the Company at an exercise price of \$0.69 per common share until the expiry date. The issuance of the Warrants is subject to approval by the Exchange. The Company intends to utilize proceeds from the Loan for general working capital purposes, including further advancement of the Company's clinical research activities on its Phase 2 Clinical Trial for ZYUS' lead drug product candidate Trichomylin® softgel capsules.

## **ZYUS Life Sciences Corporation**

### Notes to the Condensed Consolidated Interim Financial Statements

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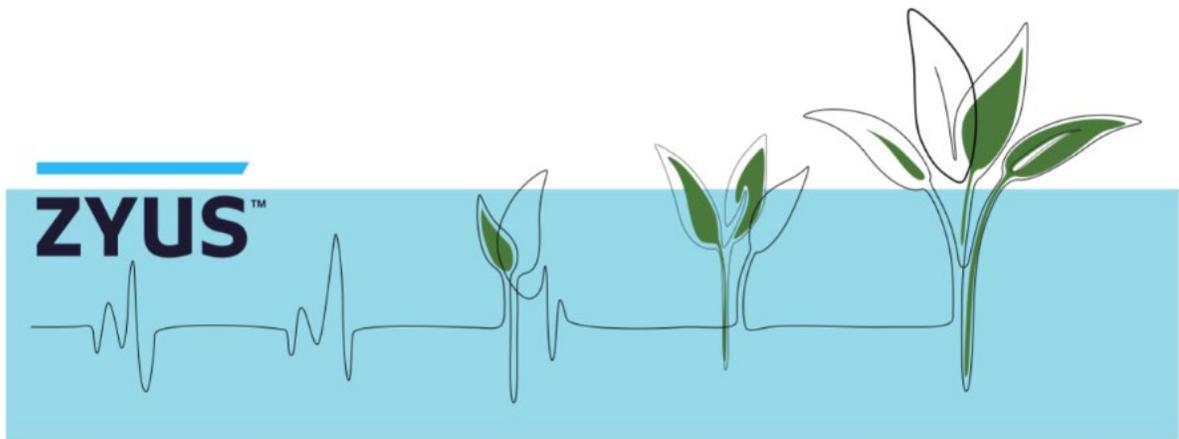
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If the volume weighted average trading price (the "VWAP") of the Company's common shares on the TSX Venture Exchange is greater than \$3.00 for a period of five consecutive trading days during the exercise period of the Warrants (an "Acceleration Event"), the Company will have the right to accelerate the expiry date of the Warrants by giving notice, via a news release, to the holders of the Warrants that the Warrants' expiry date will be on the date that is 30 days following after the issuance of said news release of the Acceleration Event by the Company. In addition, if any principal amount outstanding under the Loans is repaid or otherwise satisfied in full prior to October 20, 2026, then the expiry date of the Warrants shall accelerate to 12 months from the date of issuance of the Warrants without further notice to the Holder.

#### **Equity Issue – November 2025 Unit Offering Private Placement**

Subsequent to September 30, 2025, the Company completed a first tranche of a non-brokered Private placement (the "November 2025 Unit Offering Private Placement") of 1,923,077 units (each a "Unit") at a price of \$0.65 per Unit for aggregate gross proceeds of \$1.25 million (Note 17). Each Unit consists of one common share of the Company and one Common Share purchase warrant, whereby each Warrant entitles the holder to acquire one Common Share at a price of \$0.95 for a period of twenty-four months from the date of issuance, unless the term of the Warrant is accelerated pursuant to its terms (the "Acceleration Provision"). In accordance with the Acceleration Provision, if the volume-weighted average trading price of the Common Shares is greater than \$3.00 per a period of five consecutive trading days on the TSX Venture Exchange, the Company will have the right to accelerate the expiry of the Warrants.



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**Q3 2025**