

# **BioNxt Solutions Inc.**

**Management's Discussion and Analysis**

**For the Nine Months Ended September 30, 2025**

## **BIONXT SOLUTIONS INC.**

Management's Discussion and Analysis  
September 30, 2025

### **1. INTRODUCTION**

The following Management Discussion and Analysis ("MD&A") of the operating results and financial position of BioNxt Solutions Inc. (the "Company" or "BioNxt") is prepared as of November 28, 2025, and provides information concerning the Company's financial condition for the nine months ended September 30, 2025. The MD&A should be read in conjunction with the Company's audited consolidated financial statements, including the notes thereto, as at December 31, 2024 and for the year then ended, and the unaudited condensed consolidated interim financial statements, including the notes thereto, as at September 30, 2025 and for the nine months ended.

The referenced condensed consolidated interim financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars.

### **2. DESCRIPTION OF BUSINESS**

The Company, formally known as Cannabunker Development Corp. and XPhyto Therapeutics Corp., was incorporated under the *Business Corporations Act* (British Columbia) on December 12, 2017. Effective November 14, 2022, the Company changed its name to BioNxt Solutions Inc. The principal business of the Company is to focus on next generation drug formulations and delivery systems. The Company trades on the Canadian Securities Exchange ("CSE") under the symbol "BNXT", on the OTC Pink under the symbol "BNXTF" and on the Frankfurt exchange under the symbol "4XT".

### **3. CAUTIONARY NOTE REGARDING FORWARDING-LOOKING STATEMENTS**

This MD&A contains certain statements that may constitute "forward-looking statements". Forward-looking statements include, but are not limited to, statements regarding future anticipated business developments and the timing thereof, regulatory compliance, sufficiency of working capital, and business and financing plans. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward-looking statements as a result of various factors, including, but not limited to, the Company's ability to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies.

### **4. OVERALL PERFORMANCE**

To September 30, 2025, the Company has an accumulated deficit of \$69,480,887. During the nine months ended September 30, 2025, the Company raised total gross proceeds of \$4,640,400 from convertible debentures, \$1,383,000 from the exercise of share purchase warrants and \$540,000 from the exercise of stock options.

Management is continuing to leverage its scientific expertise and operations in North America and Europe with an operational focus in Germany. BioNxt's strategy is to develop a portfolio of generic and hybrid-generic drug products. The Company is reviewing its development pipeline for selection of its next near-term drug formulation candidate.

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### 5. SELECTED ANNUAL INFORMATION

The following table summarizes selected information from the Company's audited consolidated financial statements for the past three fiscal years:

| For the Year Ended December 31     | 2024<br>\$   | 2023<br>\$   | 2022<br>\$   |
|------------------------------------|--------------|--------------|--------------|
| Total revenue                      | 26,985       | 372,247      | 297,442      |
| Comprehensive loss for the year    | (5,437,504)  | (7,771,677)  | (12,526,238) |
| Loss per share (basic and diluted) | (0.05)       | (0.06)       | (0.15)       |
| Cash dividends per share           | Nil          | Nil          | Nil          |
|                                    |              |              |              |
| Total assets                       | 569,355      | 1,267,557    | 1,612,590    |
| Long-term financial liabilities    | 1,553,056    | -            | 3,723,644    |
| Accumulated deficit                | (64,688,321) | (59,928,427) | (55,546,795) |

All financial information is prepared in accordance with IFRS. All dollar amounts are expressed in Canadian dollars.

### 6. SUMMARY OF KEY EVENTS

#### Year Ended December 31, 2024

- a) In January 2024, the Company closed the second and third tranches of a non-brokered private placement and issued 1,200,000 and 720,000 units, respectively, at \$0.40 per unit for gross proceeds of \$768,000. Each unit consisted of one common share and one-half of one share purchase warrant, with each warrant exercisable into one additional common share at a price of \$0.70 for a period of two years from closing. The Company paid finders' fees of \$61,440 and issued 96,000 finders' warrants to purchase an aggregate 96,000 common shares at a price of \$0.55 per share for a period of two years from closing and 57,600 finders' warrants to purchase an aggregate 57,600 common shares at a price of \$0.67 per share for a period of two years from closing, respectively.
- b) In February 2024, the Company announced the results of a toxicity study for its oral dissolvable ("ODF") -based proprietary Cladribine product for the treatment of Multiple Sclerosis ("MS"). The study was unanimously successful with positive results in all study participants with no adverse clinical abnormalities or indications of toxicity observed in the study after consecutive days of dosing.
- c) In February 2024, the Company entered into an agreement to settle an aggregate \$282,415 of accounts payable to a vendor through the issuance of common shares. The shares will be issued in three installments of \$94,138 worth of shares, based on the closing price of the Company's common shares on the CSE on the day prior to issuance. The three installments will be on or about the following dates: September 15, 2024, October 15, 2024 and February 15, 2025.
- d) In March 2024, the Company announced the results of comparative pharmacokinetic ("PK") study for its ODF-based proprietary Cladribine product for the treatment of MS. The animal PK study results are highly promising and demonstrated comparable rapid absorption and systemic exposure between the Company's ODF product and the name brand reference drug in all samples.
- e) In April 2024, the Company announced that its Cladribine program is advancing to human comparative bioavailability studies in Europe. The Company is reviewing proposals from several contract research organizations to carry out the studies in accordance with European Union ("EU") medical regulatory guidelines.

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- f) In May 2024, the Company closed the first tranche of a non-brokered private placement and issued 1,000,000 common shares at \$0.27 per share for gross proceeds of \$270,000. The Company paid finders' fees of \$21,600 and issued 80,000 finders' warrants to purchase an aggregate 80,000 common shares at a price of \$0.36 per share for a period of two years from closing.
- g) In June 2024, the Company closed the second and third tranches of a non-brokered private placement and issued 1,000,000 and 1,500,000 common shares, respectively, at \$0.27 per share for gross proceeds of \$675,000. The Company paid finders' fees of \$21,600 and issued 80,000 finders' warrants to purchase an aggregate 80,000 common shares at a price of \$0.36 per share for a period of two years from closing.
- h) In July 2024, the Company signed a master services agreement ("MSA") with a German-based international contract research, development and manufacturing organization (the "CRDMO"). The MSA will serve as the foundation for BioNxt's future product development, particularly its pipeline of ODF drug formulations. The Company signed a statement of work with the CRDMO focussing on the Cladribine ODF development program.
- i) In August 2024, the Company and the CRDMO signed a non-binding letter of intent that includes, but is not limited to, intellectual property and prototype development for new pharmaceutical products; clinical trial planning and batch manufacturing; laboratory, equipment and office collaboration; business development; and thin film commercial manufacturing.
- j) In November 2024, the Company closed two tranches of a non-brokered convertible debenture private placement for gross proceeds of \$710,000. The Company paid finders' fees of \$56,800 and issued 227,200 finders' warrants to purchase an aggregate 227,200 common shares at a price of \$0.25 per share for a period of two years from closing.
- k) In December 2024, the Company closed its third tranche of a non-brokered convertible debenture private placement for gross proceeds of \$1,400,000. The Company paid finders' fees of \$112,000 and issued 448,000 finders' warrants to purchase an aggregate 448,000 common shares at a price of \$0.25 per share for a period of two years from closing. The Company also extended the maturity date of \$2,600,000 of convertible debentures by one year and repaid \$1,033,280 upon maturity of convertible debentures.

### Nine Months Ended September 30, 2025

- a) In January 2025, the Company closed its fourth and final tranche of a non-brokered convertible debenture private placement for gross proceeds of \$890,000. The Company paid finders' fees of \$71,200 and issued 284,800 finders' warrants to purchase an aggregate 284,800 common shares at a price of \$0.25 per share for a period of two years from closing.
- b) In February 2025, the Company closed its first tranche of 3,200,000 unsecured convertible debenture units for gross proceeds of \$1,600,000 pursuant to a non-brokered private placement over two tranches. The Company paid finders' fees of \$128,000 and issued 256,000 finders' warrants to purchase an aggregate 256,000 common shares at a price of \$0.50 per share for a period of two years from closing.
- c) In March 2025, the Company closed its second and final tranche of 1,800,000 unsecured convertible debenture units for gross proceeds of \$900,000 pursuant to a non-brokered private placement over two tranches. The Company paid finders' fees of \$72,000 and issued 144,000 finders' warrants to purchase an aggregate 144,000 common shares at a price of \$0.50 per share for a period of two years from closing.
- d) In May 2025, the Company announced that its first national level patent filing has been accepted by the Eurasian Patent Organization ("EAPO"). The EAPO has confirmed the Company's core

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patent claims, namely: novelty, inventive step and industrial applicability. BioNxt's flagship patent filing, which received a positive international examination report from the European Patent Office, reported September 9, 2024, is a comprehensive patent application for sublingual delivery of anticancer drugs for the treatment of autoimmune neurodegenerative diseases. This patent family provides numerous proprietary product development and commercialization opportunities, including BioNxt's lead product, BNT23001, a sublingual thin-film formulation of Cladribine for the treatment of MS.

- e) In July 2025, the Company closed its first tranche of 1,682,000 unsecured convertible debenture units for gross proceeds of \$1,009,200 pursuant to a non-brokered private placement over two tranches. The Company paid finders' fees of \$80,736 and issued 134,560 finders' warrants to purchase an aggregate 134,560 common shares at a price of \$0.60 per share for a period of two years from closing.
- f) In August 2025, the Company closed its second and final tranche of 402,000 unsecured convertible debenture units for gross proceeds of \$241,200 pursuant to a non-brokered private placement over two tranches. The Company paid finders' fees of \$19,296 and issued 32,160 finders' warrants to purchase an aggregate 32,160 common shares at a price of \$0.60 per share for a period of two years from closing.

## 7. RESULTS OF OPERATIONS

### Three Months Ended September 30, 2025

During the three months ended September 30, 2025, the Company recorded revenues of \$11,256 (2024 - \$17,098) and a comprehensive loss of \$1,754,073 (2024 - \$1,647,962). Revenue for the three months ended September 30, 2025 and 2024 was nominal.

Operating expenses for the three months ended September 30, 2025 decreased to \$1,193,255 from \$1,232,798 for the comparable three months. Significant variances in operating expenses for the three months ended September 30, 2025, as compared to the same period in the prior year, include the following:

- Consulting fees of \$47,782 (2024 - \$236,055) decreased in the current period due to certain consultants and management being compensated through restricted share units ("RSUs");
- Depreciation and amortization of \$5,547 (2024 - \$22,992) decreased, as there were no additions subject to depreciation during the current period;
- Marketing and advertising of \$699,671 (2024 - \$13,934) increased in the current period due to increased promotional activity;
- Office and miscellaneous of \$40,794 (2024 - \$9,796) increased due to an increase in activity compared to the prior period;
- Professional fees of \$145,117 (2024 - \$97,195) increased due to increased legal fees compared to the prior period;
- Regulatory fees of \$27,596 (2024 - \$77,419) decreased due to a decrease in corporate filings compared to the prior period;
- Rent and utilities of \$55,042 (2024 - \$37,346) increased due to an increase in operating costs related to facilities rentals compared to the prior period;
- Research and lab fees of \$137,703 (2024 - \$477,842) were lower in the current period due to cost-controlling measures;
- Salaries, benefits and other remuneration of \$3,533 (2024 - \$49,145) were lower in the current period due to certain consultants and management being compensated through RSUs; and
- Share-based compensation of \$137,582 (2024 - \$391,694) decreased, as there were stock options granted in the prior period compared to only vesting of stock options in the current period.

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The Company had other income (expenses) of:

- Finance costs of \$380,640 (2024 - \$250,475) increased due to an increase in the amount of convertible debt carried;
- Gain on disposal of property and equipment \$15,106 (2024 - \$nil) increased due to a sale of equipment during the period; and
- Change in fair value of contingent share obligation of \$56,100 (loss) (2024 - \$nil) increased, as the Company's share price increased during the period.

### Nine Months Ended September 30, 2025

During the nine months ended September 30, 2025, the Company recorded revenues of \$11,256 (2024 - \$22,419) and a comprehensive loss of \$5,557,621 (2024 - \$4,207,688). Revenue for the three months ended September 30, 2025 and 2024 was nominal.

Operating expenses for the nine months ended September 30, 2025 increased to \$3,683,001 from \$3,317,929 for the comparable nine months. Significant variances in operating expenses for the nine months ended September 30, 2025, as compared to the same period in the prior year, include the following:

- Consulting fees of \$84,795 (2024 - \$564,643) decreased in the current period due to certain consultants and management being compensated through RSUs;
- Depreciation and amortization of \$6,413 (2024 - \$68,975) decreased, as there were no additions subject to depreciation during the current period and the amount was offset by an adjustment;
- Marketing and advertising of \$1,495,014 (2024 - \$422,988) increased in the current period due to increased promotional activity;
- Office and miscellaneous of \$113,178 (2024 - \$96,246) increased due to an increase in activity compared to the prior period;
- Professional fees of \$328,594 (2024 - \$182,240) increased due to increased legal fees compared to the prior period;
- Regulatory fees of \$84,299 (2024 - \$102,429) decreased due to a decrease in corporate filings compared to the prior period;
- Rent and utilities of \$103,062 (2024 - \$99,409) was comparable to the prior period;
- Research and lab fees of \$610,242 (2024 - \$1,200,955) were lower in the current period due to cost-controlling measures;
- Salaries, benefits and other remuneration of \$11,261 (2024 - \$323,794) were lower in the current period due to certain consultants and management being compensated through RSUs; and
- Share-based compensation of \$1,433,198 (2024 - \$436,568) increased, as there was an increase in RSUs and stock options issued compared to the prior period.

The Company had other income (expenses) of:

- Finance costs of \$1,018,269 (2024 - \$719,712) increased due to an increase in the amount of convertible debt carried;
- Loss on settlement of convertible debt of \$121,388 (2024 - \$nil) increased due to the settlement of convertible debt with common shares during the period;
- Gain on disposal of property and equipment \$19,535 (2024 - \$nil) increased due to a sale of equipment during the period; and
- Change in fair value of contingent share obligation of \$86,700 (loss) (2024 - \$nil) increased, as the Company's share price increased during the period.

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**8. SUMMARY OF QUARTERLY RESULTS**

The following selected financial information is a summary of the eight most recently completed quarters up to September 30, 2025:

|                                  | <b>September 30,<br/>2025</b> | <b>June 30,<br/>2025</b> | <b>March 31,<br/>2025</b> | <b>December 31,<br/>2024</b> |
|----------------------------------|-------------------------------|--------------------------|---------------------------|------------------------------|
|                                  | <b>\$</b>                     | <b>\$</b>                | <b>\$</b>                 | <b>\$</b>                    |
| Total revenue                    | 11,256                        | -                        | -                         | 4,566                        |
| Comprehensive loss               | (1,754,073)                   | (1,537,870)              | (2,265,678)               | (1,229,816)                  |
| Basic and diluted loss per share | (0.01)                        | (0.01)                   | (0.02)                    | (0.01)                       |
|                                  | <b>September 30,<br/>2024</b> | <b>June 30,<br/>2024</b> | <b>March 31,<br/>2024</b> | <b>December 31,<br/>2023</b> |
|                                  | <b>\$</b>                     | <b>\$</b>                | <b>\$</b>                 | <b>\$</b>                    |
| Total revenue                    | 17,098                        | 1,185                    | 4,136                     | 19,589                       |
| Comprehensive loss               | (1,647,962)                   | (983,844)                | (1,575,882)               | (2,577,925)                  |
| Basic and diluted loss per share | (0.01)                        | (0.01)                   | (0.01)                    | (0.02)                       |

In terms of comparative and trend discussion from quarter to quarter, the Company's operations are still in their early stages, and the Company is continuing to grow in both Canada and Germany. As a result, large variances from quarter to quarter may occur. Below are a few highlights discussing the comparable quarterly results.

**Q3 2025 to Q2 2025**

Comprehensive loss for Q3 2025 was \$1,754,073, as compared to \$1,537,870 in Q2 2025. In Q3 2025, the difference was primarily due to an increase in marketing and advertising costs, partially offset by decreased research and lab fees and share-based compensation.

**Q2 2025 to Q1 2025**

Comprehensive loss for Q2 2025 was \$1,537,870, as compared to \$2,265,678 in Q1 2025. In Q2 2025, the difference was primarily due to a decrease in share-based compensation and marketing and advertising expenses, partially offset by increased research and lab fees and finance costs.

**Q1 2025 to Q4 2024**

Comprehensive loss for Q1 2025 was \$2,265,678, as compared to \$1,229,816 in Q4 2024. In Q1 2025, the difference was primarily due to an increase in cumulative translation adjustment and an increase in share-based compensation, partially offset by an increase in foreign exchange gain and decreases in consulting fees, research and lab fees, and salaries, benefits and other remuneration.

**Q4 2024 to Q3 2024**

Comprehensive loss for Q4 2024 was \$1,229,816, as compared to \$1,647,962 in Q3 2024. In Q4 2024, the difference was primarily due to gain on settlement of convertible debt and a decrease in consulting fees, research and lab fees, and share-based compensation. Revenue decreased from Q3 2024 to Q4 2024 due to a one-time sale during Q3 2024.

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### **Q3 2024 to Q2 2024**

Comprehensive loss for Q3 2024 was \$1,647,962, as compared to \$983,844 in Q2 2024. In Q3 2024, the difference was primarily due to an increase in consulting fees, research and lab fees, and share-based compensation. Revenue increased from Q2 2024 to Q3 2024 due to a one-time sale.

### **Q2 2024 to Q1 2024**

Comprehensive loss for Q2 2024 was \$983,844, as compared to \$1,575,882 in Q1 2024. In Q2 2024, the difference was primarily due to a decrease in consulting fees, marketing and advertising, and research and lab fees. Revenue was not materially different from Q1 2024 to Q2 2024.

### **Q1 2024 to Q4 2023**

Comprehensive loss for Q1 2024 was \$1,575,882, as compared to \$2,577,925 in Q4 2023. In Q1 2024, the difference was primarily due to a decrease in research and lab fees, loss on extinguishment of convertible debt, loss on disposal of property and equipment, and impairment of property and equipment. Revenue decreased from Q4 2023 to Q1 2024 due to a one-time sale in Q4 2023.

### **Q4 2023 to Q3 2023**

Comprehensive loss for Q4 2023 was \$2,577,925, as compared to \$1,349,966 in Q3 2023. In Q3 2023, the difference was primarily due to an increase in marketing and advertising, professional fees, and research and lab fees. Revenue increased in Q4 2023 from Q3 2023 due to a one-time sale in Q4 2023.

## **9. LIQUIDITY AND CAPITAL RESOURCES**

The Company's primary sources of capital include the issuance of equity, exercise of common share warrants and stock options by their holders, and debt financing. The Company had a working capital deficit of \$3,055,073, which included cash of \$468,758, at September 30, 2025, compared to a working capital deficit of \$6,714,067, which included cash of \$32,352, at December 31, 2024.

Cash increased by \$436,406 to \$468,758 during the nine months ended September 30, 2025. The Company's operations consumed \$4,100,113 of cash during the nine months ended September 30, 2025, as compared to \$1,949,516 during the nine months ended September 30, 2024. See **Results of Operations** for details on the increase in 2025.

Investing activities during the nine months ended September 30, 2025 provided cash of \$133,631 from the disposal of equipment, as compared to \$56,211 during the nine months ended September 30, 2024. The Company also paid a \$50,000 deposit in the form of a promissory note receivable during the nine months ended September 30, 2025.

Financing activities provided a cash inflow of \$4,451,584 during the nine months ended September 30, 2025, as compared to \$1,608,360 during the nine months ended September 30, 2024. During the nine months ended September 30, 2025, certain financing activities included the Company issuing 2,766,000 common shares in connection with the exercise of warrants, for proceeds of \$1,383,000, issuing 2,030,000 common shares in connection with the exercise of stock options, for proceeds of \$540,000, and issuing convertible debt for net proceeds of \$4,236,584 after transaction costs, less repayments of \$1,708,000. During the nine months ended September 30, 2024, the Company issued 5,420,000 common shares for gross proceeds of \$1,713,000 in connection with non-brokered private placements.

The Company has forecasted its cash requirements for the next fiscal year and believes it will not have sufficient cash resources and liquidity to sustain its current planned activities. This assessment is based on the Company's budget, its available cash and future planned financing activities. The Company will be

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required to raise additional capital during the 2025 fiscal year. For the foreseeable future, the Company intends to finance its operations through the issuance of shares and debentures, and cash from the exercise of warrants and options by their holders.

Subsequent to September 30, 2025, the Company issued further securities for cash. See **Events Subsequent to September 30, 2025**.

### 10. OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

### 11. PROPOSED TRANSACTIONS

The Company does not have any proposed transactions as at September 30, 2025.

### 12. RELATED PARTY TRANSACTIONS

Key management personnel are persons responsible for planning, directing and controlling the activities of the Company, and include both executive and non-executive directors and entities controlled by such persons. The Company considers its directors, chief executive officer ("CEO") and chief financial officer ("CFO") of the Company, and its managing directors of the German subsidiaries to be key management personnel.

The following is a summary of the Company's key management compensation.

|  | September 30,<br>2025<br>\$ | September 30,<br>2024<br>\$ |
|--|-----------------------------|-----------------------------|
| Compensation and short-term benefits – Hugh Rogers, CEO and director | 7,187                       | 141,904                     |
| Consulting fees – David Waterhouse, director                         | 20,000                      | -                           |
| Consulting fees – Wolfgang Probst, CFO and director                  | -                           | 133,056                     |
| Consulting fees – Joseph Meagher, former CFO and director            | 12,500                      | 72,000                      |
| Research and lab fees – Dr. Raimar Löbenberg, director               | -                           | 45,000                      |
| Share-based compensation   | 987,681                     | -                           |

As at September 30, 2025, \$122,817 (December 31, 2024 - \$392,832) payable to related parties and \$159,088 (December 31, 2024 - \$105,382) payable to former related parties are included in accounts payable and accrued liabilities.

### 13. OUTLOOK

Since incorporation, the Company has evolved into a diversified life science technology accelerator through acquisition, partnership, and organic in-house research and development. Through its wholly owned subsidiaries and exclusive research, development and commercialization agreements, BioNxt is focused on alternative drug delivery systems and related formulations.

#### Alternative Delivery Drug Formulations

In Q4 2023, BioNxt's German subsidiary signed a definitive agreement with a European-based pharmaceutical developer for the acquisition of 100% of the intellectual property rights (formerly shared 50/50) and joint development of an ODF drug reformulation using the active pharmaceutical ingredient ("API") Cladribine. The Company has filed several Cladribine-related provisional patent applications in Europe with various national level patent filings commenced in early 2025 in the EU, Japan, Canada, Australia, and New Zealand, as well as a Track One priority filing in the United States.

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On November 14, 2025, BioNxt was granted a patent by the Eurasian Patent Organization ("EAPO"), valid in its member states, including Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Turkmenistan, until June 14, 2043 for sublingual delivery of anti-cancer drugs for the treatment of autoimmune and neurodegenerative diseases. This patent includes Bionxt's lead product candidate BNT23001, a sublingual thin-film formulation of cladribine for MS.

Cladribine is approved for use in over 75 countries, including by the United States FDA (Food and Drug Administration) and the EMA (European Medicines Agency), for several indications, namely highly active forms of relapsing-remitting MS and certain forms of leukemia. MS represents the largest market segment for the sale of Cladribine with approximately 2.3 million people living with MS worldwide, with the highest prevalence in North America and Europe. The global MS drug market is expected to top US\$41 billion by 2033 according to *Market.us*.

The parties have initiated joint development work, including parallel preclinical and clinical activities related to the Cladribine ODF product in accordance with a mutually agreed upon development plan. As consideration for the intellectual property rights and development contributions, the Company has agreed to pay the following consideration:

- a cash fee of €150,000, payable in two equal installments, being €75,000 on execution of the agreement (paid) and €75,000 on completion of the first pilot study;
- a monthly management fee of €15,000, which will be increased to €20,000 upon completion of the pilot study related to the Cladribine ODF;
- license fees in the event the Company grants licenses to any product using the Cladribine ODF or other film developed in performance of the joint development activities; and
- 100,000 common shares on execution of the agreement (issued and valued at \$25,000) and up to 2,500,000 additional shares upon the occurrence of certain specified milestones (150,000 common shares issued and valued at \$57,000).

The Company has recognized a contingent liability associated with the potential obligation to issue common shares upon certain milestones being met. As at September 30, 2025, the contingent share obligation is \$151,300 (December 31, 2024 - \$64,600) on the condensed consolidated interim statements of financial position. The Company estimated the fair value of the obligation on signing of the contract at \$80,000, which has been recorded in research and lab fees in the condensed consolidated interim statements of loss and comprehensive loss. On April 15, 2024, the Company issued 150,000 shares, which extinguished \$57,000 of the contingent liability. The change in fair value for the nine months ended September 30, 2025 of \$86,700 (increase) has been recorded as change in fair value of contingent share obligation in the condensed consolidated interim statements of loss and comprehensive loss.

In Q3 2024, BioNxt signed several agreements with German-based international contract research, development and manufacturing company, Gen-Plus GmbH & Co. KG ("Gen-Plus"). The agreements include:

- MSA, which serves as the foundation for BioNxt's future product development, particularly its pipeline of ODF drug formulations;
- Statement of Work, which sets out a number of Cladribine deliverables, including, but not limited to, technology transfer and implementation, evaluation batch production (material under good manufacturing practice ("GMP") conditions), stability testing, cGMP (current GMP) manufacturing of clinical study samples and preparation of the PK study investigational medical product dossier for EU submission; and
- Non-binding letter of intent, which recognizes a number of areas of potential cooperation between the parties, including, but not limited to, intellectual property and prototype development for new pharmaceutical products; clinical trial planning and batch manufacturing; laboratory, equipment and office collaboration; business development; and thin film commercial manufacturing. The Company will provide further details on specific cooperation programs as they progress.

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Gen-Plus, a part of Conscio Group, has a head office in Munich, Germany, and through the Conscio Group operates within an international network of pharmaceutical service providers with facilities in five countries and over 500 employees. It offers good clinical practice/good laboratory practice/GMP/ISO/IEC-certified services and GMP-certified manufacturing of clinical trial supplies (phases 1 to 3) with a specialization in solids, semi-solids, liquids, oral films and TDS (transdermal drug delivery system) patches, as well as integrated lab analytical services during development and GMP manufacturing, including API characterization, method development, optimization, validation, permeation studies and stabilities studies.

BioNxt has engaged with Gen-Plus to outsource its core research and development functions to streamline operations while maintaining laboratory scalability.

In Q1 2021, the Company announced that Vektor Pharma TF GmbH ("Vektor") had been made subject to a declaratory action by a former client in relation to alleged breach of the terms of a development agreement. Vektor has filed a notice of defence in the respective German court. On April 22, 2021, the Company filed a statement of defence in reply to the complaint. The matter was set to be heard in July 2021 in the Regional Court of Dusseldorf, but has been postponed due to a request from the plaintiff. A new date has not been set.

### **Other Programs**

The Company filed a family of patents related to psychedelic derivative compounds and will continue to maintain the related intellectual property and review opportunities for development.

## **14. CRITICAL ACCOUNTING ESTIMATES**

The preparation of the condensed consolidated interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated interim financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can 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 revision and further periods if the review affects both current and future periods.

### **Key Sources of Estimation Uncertainty**

The significant assumptions about the future and other major sources of estimation uncertainty as at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amounts of the Company's assets and liabilities are as follows:

#### *Share-based compensation*

Share-based compensation expense is estimated using the Black-Scholes option pricing model as measured on the grant date to estimate the fair value of stock options. This model involves the input of highly subjective assumptions, including the expected price volatility of the Company's common shares, the expected life of the options, and the estimated forfeiture rate. Changes in these subjective input assumptions can materially affect the fair value estimate.

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### *Deferred tax assets*

Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate sufficient taxable earnings in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in 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 tax assets recorded at the reporting date could be impacted.

### *Convertible debentures*

The equity component of the convertible debenture is calculated using a discounted cash flow method, which requires management to make an estimate on an appropriate discount rate. Changes in the discount rate can materially affect the calculation of the equity component.

### *Contingent share obligation*

The financial liability is calculated by taking the Company's share price at period-end and the expected number of shares to be issued. Management applies judgment when determining the likelihood of achieving certain milestones.

## **Significant Judgments in Applying Accounting Policies**

The critical judgments that the Company's management has made in the process of applying the Company's accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognized in the Company's condensed consolidated interim financial statements are as follows:

### *Determination of functional currency*

The Company determines the functional currency through an analysis of several indicators, such as expenses and cash flow, financing activities, retention of operating cash flows and frequency of transactions within the reporting entity.

## **15. NEW ACCOUNTING STANDARDS**

Accounting standards or amendments to existing accounting standards that have been issued, but have future effective dates, are either not applicable or not expected to have a significant impact on the Company's condensed consolidated interim financial statements.

## **16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

### **Fair Value**

The carrying values of cash, amounts receivable, accounts payable and accrued liabilities, and contingent share obligation approximate their fair values due to the short-term nature of these instruments. The carrying value of convertible debt approximates fair value, as there has not been any significant changes in interest rates since initial recognition.

The Company records certain of its financial instruments at fair value using various techniques. These include estimates of fair values based on prevailing market prices (bid and ask prices, as appropriate) for instruments with similar characteristics and risk profiles or internal and external valuation models, such as discounted cash flow analyses, using, to the extent possible, observable market-based inputs.

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The financial instruments have been characterized on a fair value hierarchy based on whether the inputs to those valuation techniques are observable (inputs reflect market data obtained from independent sources) or unobservable (inputs reflect the Company's market assumptions).

The three levels of fair value estimation are:

Level 1 – quoted prices in active markets for identical instruments.

Level 2 – quoted prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.

Level 3 – valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The Company's contingent share obligation is a Level 3 financial instrument. The Company has estimated the fair value by taking the Company's share price at period-end divided by the number of shares granted at each milestone factoring in the probability of that milestone being achieved.

### **Financial Risk Management**

The Company has exposures to risks of varying degrees of significance that could affect its ability to achieve its strategic objectives. The type of risk exposure and the way in which such exposure is managed is provided as follows:

#### *Credit risk*

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's maximum exposure to credit risk at September 30, 2025 under its financial instruments is approximately \$601,000.

Most of the Company's cash is held with a major financial institution in Canada and management believes the exposure to credit risk with respect to such institution is not significant. The Company actively monitors its amounts receivable and believes the exposure to credit risk is insignificant.

#### *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company currently has no debt subject to variable interest rates. Accordingly, the Company has limited exposure to interest rate movements.

#### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. The Company has a planning and budgeting process in place by which it projects the funds required to support its operations.

Management and the board of directors are actively involved in the review, planning and approval of significant expenditures and commitments.

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The Company's contractual payment maturities at September 30, 2025 are as follows:

| <b>Contractual Payments</b>              | <b>Not Later Than<br/>One Month<br/>\$</b> | <b>Later Than<br/>One Month But<br/>Not Later Than<br/>1 Year<br/>\$</b> | <b>Later Than 1<br/>Year But Not<br/>Later Than 3<br/>Years<br/>\$</b> | <b>Total<br/>\$</b> |
|--|--|--|--|---------------------|
| Accounts payable and accrued liabilities | 1,052,898                                  | -  | -  | 1,052,898           |
| Convertible debt                         | 117,862                                    | 2,690,929  | 7,802,823  | 10,611,614          |
|  | 1,170,760                                  | 2,690,929  | 7,802,823  | 11,664,512          |

### *Foreign exchange rate risk*

The Company operates in Canada and Germany and is, therefore, exposed to foreign exchange risk arising from transactions denominated in a foreign currency. The operating results and the financial position of the Company are reported in Canadian dollars. The fluctuations of the operating currencies in relation to the Canadian dollar will, consequently, have an impact upon the reporting results of the Company, and may also affect the value of the Company's assets and liabilities. The Company has not entered into any agreements or purchased any instruments to hedge possible currency exchange risks at this time.

The Company is exposed to foreign exchange risk through the following financial assets and liabilities held in euros (translated to Canadian dollars):

|  | <b>September 30,<br/>2025<br/>\$</b> | <b>December 31,<br/>2024<br/>\$</b> |
|--|--------------------------------------|-------------------------------------|
| Cash   | 7,114                                | 14,867                              |
| Amounts receivable                           | 97,092                               | 24,301                              |
| Total financial assets                       | 104,206                              | 39,168                              |
| Accounts payable and accrued liabilities     | (772,285)                            | (983,905)                           |
| Net statement of financial position exposure | (668,079)                            | (944,737)                           |

At September 30, 2025, a 10% appreciation (depreciation) in the value of the euro against the Canadian dollar, with all other variables held constant, would result in approximately a \$67,000 increase (decrease) in the Company's net loss for the period.

## 17. EVENTS SUBSEQUENT TO SEPTEMBER 30, 2025

Subsequent to September 30, 2025, the Company issued 660,000 common shares for proceeds of \$394,250 in connection with the exercise of 660,000 warrants.

## 18. RISKS AND UNCERTAINTIES

### Conflicts of Interest

Certain directors of the Company also serve as directors and/or officers of other companies involved in other business ventures. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

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### Negative Operating Cash Flows

As the Company is an early-stage start-up it may continue to have negative operating cash flows. Without the injection of further capital and the development of revenue streams from its business, the Company may continue to have negative operating cash flows until it can realize stable cash flow from operations.

### Risks Related as a Going Concern

The ability of the Company to continue as a going concern is uncertain and dependent upon its ability to achieve profitable operations, obtain additional capital and receive continued support from its shareholders. Management of the Company will have to raise capital through private placements or debt financing and proposes to continue to do so through future private placements and offerings. The outcome of these matters cannot be predicted at this time.

### Reliance on Key Personnel and Advisors

The Company relies heavily on its officers and directors. The loss of their services may have a material adverse effect on the business of the Company. There can be no assurance that one or all of the employees of, and contractors engaged by, the Company will continue in the employ of, or in a consulting capacity to, the Company or that they will not set up competing businesses or accept positions with competitors. There is no guarantee that certain employees of, and contractors to, the Company who have access to confidential information will not disclose the confidential information.

### Management's Responsibility for the Financial Statements

The information provided in this report is the responsibility of management. In the preparation of these condensed consolidated interim financial statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying condensed consolidated interim financial statements.

### Global Factors

There are many external factors that can adversely affect general workforces, economies and financial markets globally, including, but not limited to, political conflict in other regions. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and their effect on the Company's business or ability to raise funds.

### Risk Factors

#### *Market risk for securities*

There can be no assurance that an active trading market for our common shares will be sustained. The market price for our common shares could be subject to wide fluctuations. Factors such as government regulation, interest rates, share price movements of peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of our securities. The stock market has from time to time experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance of particular companies.

#### *Uninsured or uninsurable risk*

We may become subject to liability for risks against which we cannot insure or against which we may elect not to insure due to the high cost of insurance premiums or other factors. The payment of any such liabilities

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would reduce the funds available for our usual business activities. Payment of liabilities for which we do not carry insurance may have a material adverse effect on our financial position and operations.

### *Key personnel risk*

Our success will depend on our directors and officers to develop our business and manage our operations, and on our ability to attract and retain key quality assurance, scientific, sales, public relations and marketing staff or consultants once operations begin. The loss of any key person or the inability to find and retain new key persons could have a material adverse effect on our business. Competition for qualified technical, sales and marketing staff, as well as officers and directors, can be intense and no assurance can be provided that we will be able to attract or retain key personnel in the future, which may adversely impact our operations.

### *No established market for shares risk*

There is currently no established trading market through which common shares in our authorized capital may be sold. Even if a trading market develops, there can be no assurance that such market will continue in the future. An investor may lose their entire investment.

### *Dividend risk*

We have not paid dividends in the past and do not anticipate paying dividends in the near future. We expect to retain any earnings to finance further growth and, when appropriate, retire debt.

### *Share price volatility risk*

External factors outside of our control, such as announcements of quarterly variations in operating results, revenues and costs, and sentiments toward the cannabis sector stocks may have a significant impact on the market price of our common shares. Global stock markets, including the exchanges on which the Company trades, have from time to time experienced extreme price and volume fluctuations that have often been unrelated to the operations of particular companies. There can be no assurance that an active or liquid market will develop or be sustained for the common shares.

### *The Company's actual financial position and results of operations may differ materially from the expectations of the Company's management.*

The Company's actual financial position and results of operations may differ materially from management's expectations. As a result, the Company's revenue, net income (loss) and cash flows may differ materially from the Company's projected revenue, net income (loss) and cash flows. The process for estimating the Company's revenue, net income (loss) and cash flows requires the use of judgment in determining the appropriate assumptions and estimates. These estimates and assumptions may be revised as additional information becomes available and as additional analyses are performed. In addition, the assumptions used in planning may not prove to be accurate, and other factors may affect the Company's financial condition or results of operations.

## **Nature of the Business Model**

### *Probable lack of business diversification*

Because the Company will be focused on developing its business ancillary to the cannabis industry, and potentially directly in the cannabis industry, the prospects for the Company's success will be dependent upon the future performance and market acceptance of the Company's intended facilities, products, processes and services. Unlike certain entities that have the resources to develop and explore numerous product lines, operating in multiple industries or multiple areas of a single industry, the Company does not anticipate the ability to immediately diversify or benefit from the possible spreading of risks or offsetting of

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losses. Again, the prospects for the Company's success may become dependent upon the development or market acceptance of a very limited number of facilities, products, processes or services.

*The Company expects to incur significant ongoing costs and obligations related to its investment in infrastructure, growth, regulatory compliance and operations.*

The Company expects to incur significant ongoing costs and obligations related to its investment in infrastructure and growth and for regulatory compliance, which could have a material adverse impact on the Company's results of operations, financial condition and cash flows. In addition, future changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company. The Company's efforts to grow its business may be costlier than the Company expects, and the Company may not be able to increase its revenue enough to offset its higher operating expenses. The Company may incur significant losses in the future for a number of reasons and unforeseen expenses, difficulties, complications and delays, and other unknown events. If the Company is unable to achieve and sustain profitability, the market price of the common shares may significantly decrease.

*There is no assurance that the Company will turn a profit or generate immediate revenues.*

There is no assurance as to whether the Company will be profitable, earn revenues or pay dividends. The Company has incurred and anticipates that it will continue to incur substantial expenses relating to the development and initial operations of its business.

The payment and amount of any future dividends will depend upon, among other things, the Company's results of operations, cash flows, financial condition, and operating and capital requirements. There is no assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividends.

*The Company may not be able to effectively manage its growth and operations, which could materially and adversely affect its business.*

The Company has grown by acquisition. If the Company implements its business plan as intended, it may in the future experience rapid growth and development in a relatively short period of time. The management of this growth will require, among other things, continued development of the Company's financial and management controls, management information systems, stringent control of costs, the ability to attract and retain qualified management personnel, and the training of new personnel. The Company intends to utilize outsourced resources and hire additional personnel to manage its expected growth and expansion. Failure to successfully manage its possible growth and development could have a material adverse effect on the Company's business and the value of the common shares.

*The Company may be unable to adequately protect its proprietary and intellectual property rights.*

The Company's ability to compete may depend on the superiority, uniqueness and value of any intellectual property and technology that it may develop. To the extent the Company is able to do so, to protect any proprietary rights of the Company, the Company intends to rely on a combination of patent, trademark, copyright and trade secret laws, confidentiality agreements with its employees and third parties, and protective contractual provisions. Despite these efforts, any of the following occurrences may reduce the value of any of the Company's intellectual property:

- Patents in the cannabis industry involve complex legal and scientific questions, and patent protection may not be available for some or any products; the Company's applications for trademarks and copyrights relating to its business may not be granted, and, if granted, may be challenged or invalidated;

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- Issued patents, trademarks and registered copyrights may not provide the Company with competitive advantages; the Company's efforts to protect its intellectual property rights may not be effective in preventing misappropriation of any of its products or intellectual property;
- The Company's efforts may not prevent the development and design by others of products or marketing strategies similar to or competitive with or superior to those the Company develops;
- Another party may assert a blocking patent and the Company would need to either obtain a license or design around the patent in order to continue to offer the contested feature or service in its products; or
- The expiration of patent or other intellectual property protections for any assets owned by the Company could result in significant competition, potentially at any time and without notice, resulting in a significant reduction in sales. The effect of the loss of these protections on the Company and its financial results will depend, among other things, upon the nature of the market and the position of the Company's products in the market from time to time, the growth of the market, the complexities and economics of manufacturing a competitive product, and regulatory approval requirements, but the impact could be material and adverse.

*The Company may be forced to litigate to defend its intellectual property rights, or to defend against claims by third parties against the Company relating to intellectual property rights.*

The Company may be forced to litigate to enforce or defend its intellectual property rights, to protect its trade secrets or to determine the validity and scope of other parties' proprietary rights. Any such litigation could be very costly and could distract its management from focusing on operating the Company's business. The existence and/or outcome of any such litigation could harm the Company's business. Further, because the content of much of the Company's intellectual property concerns cannabis and other activities that are not legal in some US state jurisdictions or under US federal law, the Company may face additional difficulties in defending its intellectual property rights.

*The Company may become subject to litigation, including for possible product liability claims, which may have a material adverse effect on the Company's reputation, business, results from operations and financial condition.*

The Company may be named as a defendant in a lawsuit or regulatory action. The Company may also incur uninsured losses for liabilities, which arise in the ordinary course of business, or which are unforeseen, including, but not limited to, employment liability and business loss claims. Any such losses could have a material adverse effect on the Company's business, results of operations, sales, cash flow or financial condition.

*The Company faces competition from other companies where it will conduct business that may have higher capitalization, more experienced management or may be more mature as a business.*

An increase in the number of companies competing in this industry could limit the ability of the Company to expand its operations. Current and new competitors may have better capitalization, a longer operating history, more expertise and be able to develop higher quality equipment or products, at the same or a lower cost. The Company cannot provide assurances that it will be able to compete successfully against current and future competitors. Competitive pressures faced by the Company could have a material adverse effect on its business, operating results and financial condition.

*If the Company is unable to attract and retain key personnel, it may not be able to compete effectively in the market.*

The Company's success has depended and continues to depend upon its ability to attract and retain key management, including the Company's CEO, CFO and technical experts. The Company will attempt to enhance its management and technical expertise by continuing to recruit qualified individuals who possess desired skills and experience in certain targeted areas. The Company's inability to retain employees and attract and retain sufficient additional employees or engineering and technical support resources could have

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a material adverse effect on the Company's business, results of operations, sales, cash flow or financial condition. Shortages in qualified personnel or the loss of key personnel could adversely affect the financial condition of the Company, results of operations of the business, and could limit the Company's ability to develop and market its cannabis-related products. The loss of any of the Company's senior management or key employees could materially adversely affect the Company's ability to execute the Company's business plan and strategy, and the Company may not be able to find adequate replacements on a timely basis, or at all. The Company does not maintain key person life insurance policies on any of the Company's employees.

*There is no assurance that the Company will obtain and retain any relevant licenses.*

If obtained, any licenses are expected to be subject to ongoing compliance and reporting requirements. Failure by the Company to comply with the requirements of licenses or any failure to maintain licenses would have a material adverse impact on the business, financial condition and operating results of the Company.

*The size of the Company's target market is difficult to quantify, and investors will be reliant on their own estimates on the accuracy of market data.*

Because the cannabis industry is in an early stage with uncertain boundaries, there is a lack of information about comparable companies available for potential investors to review in deciding about whether to invest in the Company and few, if any, established companies whose business model the Company can follow or upon whose success the Company can build. Accordingly, investors will have to rely on their own estimates in deciding about whether to invest in the Company. There can be no assurance that the Company's estimates are accurate or that the market size is sufficiently large for its business to grow as projected, which may negatively impact its financial results. The Company regularly purchases and follows market research.

*The Company's industry is experiencing rapid growth and consolidation that may cause the Company to lose key relationships and intensify competition.*

The cannabis industry and businesses ancillary to and directly involved with cannabis businesses are undergoing rapid growth and substantial change, which has resulted in an increase in competitors, consolidation and formation of strategic relationships. Acquisitions or other consolidating transactions could harm the Company in a number of ways, including by losing strategic partners if they are acquired by or enter into relationships with a competitor, losing customers, revenue and market share, or forcing the Company to expend greater resources to meet new or additional competitive threats, all of which could harm the Company's operating results. As competitors enter the market and become increasingly sophisticated, competition in the Company's industry may intensify and place downward pressure on retail prices for its products and services, which could negatively impact its profitability. The Company continues to sell shares for cash to fund operations, capital expansion, mergers and acquisitions that will dilute the current shareholders.

There is no guarantee that the Company will be able to achieve its business objectives. The continued development of the Company will require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or the Company going out of business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of common shares. The Company's articles permit the issuance of an unlimited number of common shares, and shareholders will have no pre-emptive rights in connection with such further issuances. The directors of the Company have discretion to determine the price and the terms of issue of further issuances. Moreover, additional common shares will be issued by

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the Company on the exercise of options under the stock option plan and upon the exercise of outstanding warrants. In addition, from time to time, the Company may enter into transactions to acquire assets or the shares of other companies. These transactions may be financed wholly or partially with debt, which may temporarily increase the Company's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. The Company may require additional financing to fund its operations to the point where it is generating positive cash flow. Negative cash flow may restrict the Company's ability to pursue its business objectives.

*The Company could be liable for fraudulent or illegal activity by its employees, contractors and consultants resulting in significant financial losses to claims against the Company.*

The Company is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to the Company that violate government regulations. It is not always possible for the Company to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Company to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Company from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against the Company, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on the Company's business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of the Company's operations, any of which could have a material adverse effect on the Company's business, financial condition and results of operations.

*The Company will be reliant on information technology systems and may be subject to damaging cyberattacks.*

The Company has not experienced any material losses to date relating to cyberattacks or other information security breaches, but there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated due to, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access is a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

*In certain circumstances, the Company's reputation could be damaged.*

Damage to the Company's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content, and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views regarding the Company and its activities, whether true or not. Although the Company believes that it operates in a manner that is respectful to all stakeholders and that it takes care in protecting its image and reputation, the Company does not ultimately have direct control over how it is perceived by others. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to the Company's overall ability to advance its projects, thereby having a material adverse impact on financial performance, financial condition, cash flows and growth prospects.

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### *No guarantee on the use of available funds by the Company*

The Company cannot specify with certainty the particular uses of available funds. Management has broad discretion in the application of its proceeds. Accordingly, a holder of common shares will have to rely upon the judgment of management with respect to the use of available funds, with only limited information concerning management's specific intentions. The Company's management may spend a portion or all of the available funds in ways that the Company's shareholders might not desire, that might not yield a favourable return and that might not increase the value of a purchaser's investment. The failure by management to apply these funds effectively could harm the Company's business. Pending use of such funds, the Company might invest the available funds in a manner that does not produce income or that loses value.

### *Currency fluctuations*

A significant portion of the Company's German subsidiary expenses are expected to be denominated in euros, and therefore, may be exposed to significant currency exchange fluctuations. Recent events in the global financial markets have been coupled with increased volatility in the currency markets. Fluctuations in the exchange rate between the euro and the Canadian dollar may have a material adverse effect on the Company's business, financial condition and operating results. The Company may, in the future, establish a program to hedge a portion of its foreign currency exchange exposure with the objective of minimizing the impact of adverse foreign currency exchange movements. However, even if the Company develops a hedging program, there can be no assurance that it will effectively mitigate currency exchange risks.

## **19. OUTSTANDING SHARE DATA**

Authorized and issued share capital as at November 28, 2025:

| <b>Class</b> | <b>Par Value</b> | <b>Authorized</b> | <b>Issued Number</b> |
|--------------|------------------|-------------------|----------------------|
| Common       | No par value     | Unlimited         | 121,810,259          |

- As at November 28, 2025, there were 7,120,000 stock options outstanding.
- As at November 28, 2025, there were 9,202,280 warrants outstanding.

## **20. OTHER INFORMATION**

Additional information on the Company is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).