WPD Pharmaceuticals Inc.

Condensed Interim Financial Statements
For the Three Months Ended March 31, 2024 and 2023
(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying condensed interim financial statements of WPD Pharmaceuticals Inc. have been prepared by and are the responsibility of the Company's management. The Company's independent auditors have not performed a review or audit of these interim financial statements.

WPD PHARMACEUTICALS INC.
Condensed Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	Note		As at March 31, 2024		As at December 31, 2023
ASSETS					
Current assets					
Cash		$	10,840	$	85,861
Receivables	4		37,388		32,573
Prepaids and deposits			3,500		3,500
			51,728		121,934
NON CURRENT ASSETS					
Investment	5		224,473		224,473
TOTAL ASSETS		**$**	**276,201**	**$**	**346,407**
LIABILITIES AND SHAREHOLDERS’ DEFICIENCY					
Current liabilities					
Accounts payable and accrued liabilities	6,8	$	651,621	$	582,290
Due to related parties	8		16,177		16,177
TOTAL CURRENT LIABILITIES			**667,798**		**598,467**
Non-current liabilities					
Convertible debentures	7		321,976		303,898
TOTAL LIABILITIES			**989,774**		**902,365**
Shareholders’ deficiency					
Share capital	9	$	17,084,266	$	17,084,266
Reserves	9		4,369,929		4,369,929
Equity compnent of convertible debentures	7		2,916		2,916
Deficit			(22,170,684)		(22,013,069)
TOTAL SHAREHOLDERS' DEFICIENCY			**(713,573)**		**(555,958)**
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY		**$**	**276,201**	**$**	**346,407**

Nature and continuance of operations (Note 1)
Subsequent events (Note 13)

Approved and authorized by the Board of Directors on May 24, 2024.

“Constantine Carmichel”	*“Teresa Rzepczyk”*
Constantine Carmichel, Director	*Teresa Rzepczyk, Director*

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

WPD PHARMACEUTICALS INC.
Condensed Interim Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	Notes	For the three months ended March 31, 2024	2023
Expenses			
Administration and supplies		$ 691	$ 1,222
Amortization and depreciation	7	2,706	-
Consultants		31,108	-
Foreign exchange loss		2,107	-
Interest expense	7	15,373	-
Professional fees		61,505	30,030
Regulatory, transfer agent and shareholder info		44,125	6,717
Net loss for the period		**(157,615)**	**(37,969)**
Loss per share - basic and diluted		**$ (0.00)**	**$ (0.00)**
Weighted average number of common shares outstanding for the period- basic and diluted		**113,438,244**	**113,438,244**

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

WPD PHARMACEUTICALS INC.
Condensed Interim Statements of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

	For the three months ended March 31, 2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	$ (157,615)	$ (37,969)
Items not affecting cash:		
Amortization and depreciation	2,706	-
Interest expense	15,373	-
Non-cash working capital item changes:		
Receivables	(4,815)	(1,492)
Accounts payable and accrued liabilities	69,330	18,685
Net cash used in operating activities	(75,021)	(20,776)
Change in cash	(75,021)	(776)
Cash, beginning of the period	85,861	23,794
Cash, end of the period	**$ 10,840**	**$ 23,018**
SUPPLEMENTARY CASH FLOW INFORMATION		
Transaction cost relating to convertible debentures remaining to be amortized over the remaining term of these debentures	$ 23,457	$ -

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

WPD PHARMACEUTICALS INC.
Condensed Interim Statements of Changes in Shareholders' Deficiency
(Unaudited - Expressed in Canadian Dollars)

	Share Capital										
	Number		Amount		Reserves		Equity component of convertible debentures		Deficit		Total
Balance, December 31, 2022	**113,438,244**	**$**	**17,084,266**	**$**	**4,369,929**	**$**	**-**	**$**	**(21,932,987)**	**$**	**(478,792)**
Net loss for the period	-		-		-		-		(37,969)		(37,969)
Balance at March 31, 2023	**113,438,244**	**$**	**17,084,266**	**$**	**4,369,929**	**$**	**-**	**$**	**(21,970,956)**	**$**	**(516,761)**
Balance at December 31, 2023	**113,438,244**	**$**	**17,084,266**	**$**	**4,369,929**	**$**	**2,916**	**$**	**(22,013,069)**	**$**	**(555,958)**
Net loss for the period	-		-		-		-		(157,615)		(157,615)
Balance at March 31, 2024	**113,438,244**	**$**	**17,084,266**	**$**	**4,369,929**	**$**	**2,916**	**$**	**(22,170,684)**	**$**	**(713,573)**

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

1. NATURE AND CONTINUANCE OF OPERATIONS

WPD Pharmaceuticals Inc. (the "Company") was incorporated under the Provincial Laws of British Columbia on July 4, 2006. During the year ended December 31, 2022, the Company was determined to have lost control of the previously consolidated subsidiary WPD Pharmaceuticals Sp. Z.o.o. ("WPD Poland") on November 25, 2022 ("Date of Deconsolidation") and was deconsolidated accordingly effective that date.

The Company is listed on the Canadian Securities Exchange (the "Exchange") under the symbol "WBIO". The Company is currently not carrying on any active business since the Date of Deconsolidation. Prior to that, the Company operated its business primarily through WPD Poland, the operating branch of the Company and a subsidiary until November 25, 2022. WPD Poland is a biotechnology research and development company with a focus on oncology, namely research and development of medicinal products involving biological compounds and small molecules.

The head office and the registered address of the Company is 700 – 595 Burrard Street, Vancouver, British Columbia, Canada, V7X 1S8.

These condensed interim financial statements have been prepared in accordance with IFRS Accounting Standards with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. During the three months ended March 31, 2024, the Company had a net loss of $157,615 (three months ended March 31, 2023 - net loss of $37,969) and, as of that date, the Company had a working capital deficit of $616,070 (December 31, 2023 – working capital deficit of $476,533). While the Company has been successful in obtaining its required funding in the past, there is no assurance that such future financing will be available or be available on favorable terms. An inability to raise additional financing may impact the future assessment of the Company as a going concern. These events and conditions indicate that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern.

These condensed interim financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Such adjustments may be material. Continued operations of the Company are dependent on the Company's ability to receive financial support, necessary financings, or generate profitable operations in the future.

2. BASIS OF PREPARATION

Statement of Compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. They do not include all the information required for full annual financial statements. These condensed interim financial statements should be read in conjunction with the audited annual consolidated financial statements for the years ended December 31, 2023, and 2022, which have been prepared in accordance with IFRS as issued by the IASB.

(Unaudited- Expressed in Canadian Dollars)

2. BASIS OF PREPARATION (continued)

Basis of Measurement

These condensed interim financial statements have been prepared on a historical cost basis, except for certain financial instruments, which are carried at fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Material Accounting Judgments and Estimates

The preparation of these condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and key sources of estimation uncertainty were the same as those that were applied to the audited annual consolidated financial statements for the years ended December 31, 2023 and 2022.

3. SIGNIFICANT ACCOUNTING POLICIES

The preparation of these condensed interim financial statements is based on accounting principles and practices consistent with those used in the preparation of the audited annual consolidated financial statements for the years ended December 31, 2023 and 2022.

4. RECEIVABLES

	March 31, 2024	December 31, 2023
Tax receivables	$ 37,388	$ 32,573

Tax receivables are comprised of GST in Canada.

5. INVESTMENT

WPD Poland

On March 31, 2024, the Company held 8,000 shares or 6.15% (December 31, 2023 - 8,000 shares or 6.91%) of WPD Poland.

On February 9, 2022, the Company's board of directors (the "Board") approved a plan to restructure (the "Restructuring") the outstanding capitalization of WPD Poland. Due to the occurrence of negative shareholders' equity in WPD Poland, under Polish corporate law, WPD Poland is obligated to convene an extraordinary general meeting of its shareholders to vote on the implementation of a recovery plan or file a bankruptcy proceeding. As the Company was sole shareholder of WPD Poland on February 9, 2022, the Board approved a recovery plan of WPD Poland, being the Restructuring.

(Unaudited- Expressed in Canadian Dollars)

5. INVESTMENT (continued) WPD Poland (continued)

Under the Restructuring, the first step was that the outstanding share capital of WPD Poland was reduced through a voluntary redemption of 53,384 shares of WPD Poland by the Company for no cash consideration, which was affected on February 7, 2022, thereby increasing the supplementary and reserve capitals of WPD Poland. Simultaneously, the Company purchased an additional 2,000 shares of WPD Poland, at a par value of PLN 50 per share, resulting in company continuing to own 100% of the 8,000 shares issued, paid up and outstanding of WPD Poland's paid-up share capital as of that date of PLN 400,000. Under the second step, on November 25, 2022, WPD Poland raised PLN 1.7 million by issuing 34,000 of its common shares to a third party based in the US, an entity which is controlled by a significant shareholder of the Company. This brought down the Company's ownership in WPD Poland to 19.05%.

In 2023, WPD Poland further issued 73,698 shares to various third parties, thereby reducing the Company's ownership to 6.91%.

On February 5, 2024, WPD Poland received the third tranche of funds from ACRX and issued to ACRX 14,400 shares at a par value of PLN 50 each for total consideration paid to WPD Poland of PLN 1,199,952 ($402,129), As a result of the issuance of the shares to ACRX, the percentage equity ownership of WPD Poland shares by the Company decreased from 6.91% to 6.15%.

At March 31, 2024 and at December 31, 2023, the Company determined that its investment in WPD Poland had a fair value of $224,473, based on Level 2.

6. ACCOUNTS PAYABLE

		March 31, 2024		December 31, 2023
Accounts payable	$	607,310	$	532,827
Accrued liabilities		28,348		33,500
Accrued interest		15,963		15,963
	$	**651,621**	**$**	**582,290**

7. CONVERTIBLE DEBENTURES

		March 31, 2024		December 31, 2023
Balance, opening	$	303,898	$	296,726
Transaction costs		-		(32,477)
Interest		15,372		33,335
Amortization of tranaction costs		2,706		6,314
Balance, ending	**$**	**321,976**	**$**	**303,898**

<u>Convertible debentures</u>

On June 2, 2023, the Company closed a private placement (the "Private Placement") of unsecured convertible debentures (the "Debentures") pursuant to which the Company raised an aggregate principal amount of $300,000. The Debentures bear interest at the rate of 18% per annum compounded monthly until maturity and after default until the principal amount and all accrued interest on the principal amount is repaid in full or the purchased debenture is converted in its entirety.

7. CONVERTIBLE DEBENTURES (continued)

The fair value of the convertible debentures was $296,726 calculated by discounting the future cash payments at a market rate of 20%. The company also incurred transaction costs of $32,835 in relation to issuance of these convertible debentures, which was allocated to debt and equity portions of convertible debentures amounting to $32,477 and $358, respectively. During the three months ended March 31, 2024, $2,706 (March 31, 2023 - $Nil) of these transaction costs has been amortized in profit and loss.

Interest for the three months ended March 31,2024 includes $164 (three months ended March 31,2023 - $Nil) of interest accretion costs.

The principal amount and all interest accrued under the purchased debenture will be convertible at the sole option of the subscriber at any time while any balance remains outstanding, for no additional consideration, in whole or in part, into units (each a "Conversion Unit") at a conversion price (the "Conversion Price") of $0.05 per Conversion Unit, subject to compliance with applicable Canadian Securities Exchange policies. Each Conversion Unit will consist of one common share and one share purchase warrant exercisable to purchase one additional common share at a price of $0.05 for three years from the date of issuance of the Unit. The Debentures will mature on June 2, 2026.

8. RELATED PARTY TRANSACTIONS

Key management personnel include those people who have authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Board and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

The Company did not have any related party transactions during the three months ended March 31, 2024 and 2023.

As at March 31, 2024, current liabilities include $214,432 (December 31, 2023 – $214,432) payable to current and former key management personnel and other related parties.

As at March 31, 2024, the Company has $16,177 (December 31, 2023 - $16,177) owing to WPD Poland, a former subsidiary.

Amounts due to related parties included in accounts payable and accrued liabilities and in due to related parties are unsecured, non-interest-bearing and are without fixed terms of repayment.

9. SHAREHOLDERS' DEFICIENCY

Authorized

The Company is authorized to issue an unlimited number of voting common shares without par value.

Issued share capital.

As at March 31, 2024, the Company has 113,438,244 (December 31, 2023 – 113,438,244) common shares issued and outstanding.

There were no shares issued during the three months ended March 31, 2024.

(Unaudited- Expressed in Canadian Dollars)

9. SHAREHOLDERS' DEFICIENCY (continued)

Stock Options

The Company adopted an incentive stock option plan (the "Plan"), which provides that the Board of Directors of the Company may from time to time, at its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees, and consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Stock options and charitable options will be exercisable for a year of up to 10 years from the date of grant. Options granted the Plan vest immediately or over a period of time at the discretion of the Board of Directors.

In connection with the foregoing, the number of common shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to all consultants will not exceed two percent (2%) of the issued and outstanding common shares. Options may be exercised no later than 90 days, or, in the case of an optionee providing investor relations activities, the 30th day following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship, or consulting arrangement was by reason of death, the option may be exercised within a maximum year of six months after such death, subject to the expiry date of such option.

There were no stock options granted during the three months ended March 31, 2024 and December 31, 2023.

The following table summarizes the Company's stock options activity during the three months ended March 31, 2024 and December 31, 2023:

	Number of options		Weighted average exercise price	Weighted average remaining life (years)
Outstanding, March 31,2024 and December 31, 2023	2,515,000	$	0.86	0.95

As at March 31, 2024, the Company had the following options outstanding:

Expiry date	Number of options outstanding	Number of options exercisable	Weighted average exercise price ($)	Remaining life of options (Years)
January 13, 2025	2,015,000	2,015,000	0.86	0.79
November 4, 2025	500,000	500,000	0.86	1.60
	2,515,000	**2,515,000**	**0.86**	**0.95**

During the three months ended March 31, 2024, and 2023, the Company recorded share-based payments expense of $Nil.

10. SEGMENT INFORMATION

The Company operated in one reportable operating segment until November 25, 2022 (the date of de-consolidation of WPD Poland), being the research and development of innovative medicinal products in the field of oncology. Since deconsolidating WPD Poland, the Company has been evaluating opportunities to acquire an interest in an operating business. The Company's long-lived assets as at March 31, 2024, was $224,473 (December 31,2023 - $224,473) and consisted only of its investment in WPD Poland.

11. FINANCIAL AND CAPITAL RISK MANAGEMENT

Fair value

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies.

Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Quoted market prices for an identical asset or liability represent a Level 1 valuation. When quoted market prices are not available, the Company maximizes the use of observable inputs within valuation models.

When all significant inputs are observable, the valuation is classified as Level 2. Valuations that require the use of significant unobservable inputs are considered Level 3.

Fair value (continued)

The carrying value of receivables, accounts payable and accrued liabilities approximates fair value due to the short-term nature of the financial instruments. Convertible debentures approximate their fair value because they are discounted using a market discount rate. Cash is valued at a Level 1 fair value measurement and is classified as fair value through profit or loss. Receivables and convertible debentures are classified as amortized cost.

Investments are measured at fair value using Level 2 inputs.

During the year ended 2023, WPD Poland closed an investment agreement, which provided a reliable reference point to determine the fair value of the Company's investment in WPD Poland. Accordingly, the fair value measurement of the investment in WPD Poland is categorized within Level 2 of the fair value hierarchy based on this recent financing price, whereas at December 31, 2022, the investment was classified as Level 3.

11. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

Risk management

Financial instruments

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash and receivables. The Company's receivables are primarily due to other receivables and value added taxes. The Company limits its exposure to credit loss by placing its cash with major financial institutions. Credit risk with respect to value added taxes is minimal as the amounts are due from government agencies. The Company's maximum exposure to credit risk comprises of the carrying value of cash and receivables.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2024, the Company had a working capital deficit of $616,070 (December 31, 2023 – working capital deficit of $476,533). The Company does not generate revenue and will be reliant on external financing to fund operations and repay the debt. Debt and equity financing are dependent on market conditions and may not be available on favorable terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

As at March 31, 2024, the Company has cash balances which are interest bearing. Interest income is not significant to the Company's projected operational budget and related interest rate fluctuations are not significant to the Company's risk assessment.

The Company's convertible debentures are interest-bearing debt at a fixed rate and therefore not subject to interest rate risk.

b) Foreign currency risk

The Company's foreign currency risk exposure relates to net monetary assets denominated in US Dollar. A 10% change in the foreign exchange rate for the three months ended March 31, 2024, between the Canadian and US Dollar would result in a fluctuation of approximately $8,840 in the statements of comprehensive loss. The Company does not currently engage in hedging activities.

11. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

c) Price risk

The Company is not exposed to any price risk.

Capital management

The Company considers its capital to include loans payable and the components of shareholders' deficiency. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new equity if available on favorable terms. Future financings are dependent on market conditions and the ability to identify sources of investment. There can be no assurance the Company will be able to raise funds in the future.

Management reviews its capital management approach on an ongoing basis and 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 three months ended March 31, 2024. The Company is not subject to externally imposed capital requirements.

12. COMMITMENTS AND CONTINGENCIES

On May 26, 2023, Michael Malana resigned as the Company's Chief Financial Officer. On December 22, 2023, Michael Malana filed a Notice of Claim against the Company (the "Claim") in the Supreme Court of British Columbia alleging that the Company owed him approximately $200,000 in unpaid compensation. The Company intends to vigorously defend against the Claim. On January 24, 2024, the Company filed a Response to the Claim denying the Claim and also filed a Counterclaim against Mr. Malana for breach of his fiduciary duties and breach of contract.

13. SUBSEQUENT EVENTS

On May 7, 2024, the Company filed its audited consolidated financial statements for the year ended December 31, 2023.

On May 15, 2024, the British Columbia Securities Commission (the "BCSC") and the Ontario Securities Commission (the "OSC") issued revocation orders fully revoking the dual cease trade orders issued by the BCSC and the OSC on July 8, 2022, which had ceased the trading and issuance of all securities of the Company.

The Company's common shares were reinstated for trading on the Canadian Securities Commission on May 24, 2024 under the trading symbol "WBIO".