

# **ENTHEON BIOMEDICAL CORP.**

## **CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS ENDED FEBRUARY 29, 2024 AND FEBRUARY 28,  
2023**

(Expressed in Canadian Dollars)  
(Unaudited)

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

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

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada (CPA Canada) for a review of interim financial statements by an entity's auditor.

**ENTHEON BIOMEDICAL CORP.**

Condensed Interim Consolidated Statements of Financial Position  
Expressed in Canadian Dollars

| As at                                       | November 30,<br>2023<br>(Unaudited)<br>\$ | November 30,<br>2023<br>(Audited)<br>\$ |
|---|---|---|
| <b>Assets</b>                               |   |   |
| <b>Current assets</b>                       |   |   |
| Cash and equivalents                        | 249,921                                   | 344,633                                 |
| Other receivables                           | 6,451                                     | 6,234                                   |
| Prepaid expenses                            | 30,531                                    | 45,210                                  |
|   | 286,903                                   | 396,077                                 |
| <b>Non-current assets</b>                   |   |   |
| Restricted cash                             | 5,000                                     | 5,000                                   |
|   | 291,903                                   | 401,077                                 |
| <b>Liabilities and shareholders' equity</b> |   |   |
| <b>Current liabilities</b>                  |   |   |
| Accounts payable and accrued liabilities    | 51,010                                    | 85,326                                  |
| <b>Shareholders' equity</b>                 |   |   |
| Share capital (Note 9)                      | 19,960,699                                | 19,960,699                              |
| Reserves (Note 9)                           | 1,663,366                                 | 1,663,366                               |
| Deficit                                     | (21,383,172)                              | (21,308,314)                            |
|   | 240,893                                   | 315,751                                 |
|   | 291,903                                   | 401,077                                 |

NATURE OF BUSINESS AND GOING CONCERN (Note 1)

SUBSEQUENT EVENT (Note 10)

Approved and authorized for issue on behalf of the Board on April 29, 2024:

"Timothy Ko", Director

"Christopher Gondi", Director

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

**ENTHEON BIOMEDICAL CORP.**

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

Expressed in Canadian Dollars

(Unaudited)

|   | For the three<br>months ended<br>February 29,<br>2024 | For the three<br>months ended<br>February 28,<br>2023 |
|---|---|---|
|   | \$  | \$  |
| <b>Revenue</b>  |   |   |
| Consulting (Note 4)   | -   | 120,000   |
|   | -   | 120,000   |
| <b>Operating expenses</b>                                   |   |   |
| General and administrative (Note 7)                         | 77,926  | 227,902   |
| Share-based compensation                                    | -   | 1,498   |
|   | 77,926  | 229,400   |
| <b>Other (income) expense</b>                               |   |   |
| Interest income   | (3,068)   | -   |
| (Gain) loss on investment settlement (Note 3)               | -   | (13,811)  |
|   | 74,858  | 95,589  |
| <b>Net loss and comprehensive loss</b>                      | 74,858  | 95,589  |
| <b>Net loss per share</b>                                   |   |   |
| Basic and diluted   | \$(0.01)  | \$(0.02)  |
| <b>Weighted average number of common shares outstanding</b> | 5,908,926   | 5,908,926   |

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

**ENTHEON BIOMEDICAL CORP.**

Condensed Interim Consolidated Statements of Changes in Equity

Expressed in Canadian Dollars

(Unaudited)

|                                    | <b>Common Shares</b>        |                   |                  |                     |                |
|------------------------------------|-----------------------------|-------------------|------------------|---------------------|----------------|
|                                    | <b>Number of<br/>shares</b> | <b>Amount</b>     | <b>Reserves</b>  | <b>Deficit</b>      | <b>Total</b>   |
|                                    |                             | <b>\$</b>         | <b>\$</b>        | <b>\$</b>           | <b>\$</b>      |
| <b>Balance November 30, 2022</b>   | 5,908,926                   | 19,353,525        | 2,872,230        | (21,611,183)        | 614,572        |
| Share-based compensation           | -                           | -                 | 1,498            | -                   | 1,498          |
| Options expired during the period  | -                           | -                 | (420,182)        | 420,182             | -              |
| Warrants expired during the period | -                           | -                 | (607,174)        | 607,174             | -              |
| Comprehensive loss for the period  | -                           | -                 | -                | (95,589)            | (95,589)       |
| <b>Balance, February 28, 2023</b>  | <b>5,908,926</b>            | <b>19,353,525</b> | <b>1,846,372</b> | <b>(20,679,416)</b> | <b>520,481</b> |

|                                   | <b>Common Shares</b>        |                   |                  |                     |                |
|-----------------------------------|-----------------------------|-------------------|------------------|---------------------|----------------|
|                                   | <b>Number of<br/>shares</b> | <b>Amount</b>     | <b>Reserves</b>  | <b>Deficit</b>      | <b>Total</b>   |
|                                   |                             | <b>\$</b>         | <b>\$</b>        | <b>\$</b>           | <b>\$</b>      |
| <b>Balance November 30, 2023</b>  | 5,908,926                   | 19,960,699        | 1,663,366        | (21,308,314)        | 315,751        |
| Comprehensive loss for the period | -                           | -                 | -                | (74,858)            | (74,858)       |
| <b>Balance, February 29, 2024</b> | <b>5,908,926</b>            | <b>19,960,699</b> | <b>1,663,366</b> | <b>(21,383,172)</b> | <b>240,893</b> |

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

**ENTHEON BIOMEDICAL CORP.**

Condensed Interim Consolidated Statements of Cash Flows

Expressed in Canadian Dollars

(Unaudited)

|  | For the three<br>months ended<br>February 29, 2024 | For the three<br>months ended<br>February 28, 2023 |
|--|--|--|
|  | \$   | \$   |
| <b>Cash provided by (used in):</b>           |  |  |
| <b>Operating activities</b>                  |  |  |
| Net loss from continuing operations          | (74,858)   | (95,589)   |
| Items not affecting cash:                    |  |  |
| Share-based compensation                     | -  | 1,498  |
| Unrealized (gain) on fair value adjustment   | -  | (13,811)   |
| Changes in non-cash working capital balance: |  |  |
| Other receivables                            | (217)  | (40,803)   |
| Prepaid expenses                             | 14,679   | (36,631)   |
| Accounts payable and accrued liabilities     | (34,316)   | (3,917)  |
| Cash used in operating activities            | (94,712)   | (189,253)  |
| Decrease in cash, continuing operations      | (94,712)   | (189,253)  |
| Cash, beginning of the year                  | 344,633  | 680,166  |
| Cash and equivalents, end of the period      | 249,921  | 490,913  |
| Supplemental cash flow disclosures:          |  |  |
| Income taxes paid                            | -  | -  |
| Interest paid                                | -  | -  |

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

# **ENTHEON BIOMEDICAL CORP.**

## **NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the periods ended February 29, 2023 and February 28, 2023

(Expressed in Canadian dollars)

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### **1. NATURE OF BUSINESS AND GOING CONCERN**

Entheon Biomedical Corp. ("Entheon") or ("the Company") was incorporated on April 6, 2010 under the Canadian Business Corporations Act and maintains its head office at Suite 720, 999 West Broadway, Vancouver, British Columbia, Canada, V5Z 1K5 and registered office at 10th Floor, 595 Howe Street, Vancouver, British Columbia, Canada, V6C 2T5. The Company is traded on the Canadian Securities Exchange ("CSE") under symbol ENBI.

These unaudited condensed interim consolidated financial statements are prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. At present, the Company's operations do not generate sufficient cash flow. The Company has incurred losses since inception and had an accumulated deficit of \$21,383,172 as at February 28, 2024. In order to continue as a going concern and meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has been successful in the past in obtaining financing, there is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Should the Company identify a suitable asset or business acquisition, it would be required to raise additional capital to finance the transaction.

These unaudited condensed interim consolidated financial statements do not include adjustments that would be required if the going concern assumption is not an appropriate basis for preparation of the condensed interim consolidated financial statements. These adjustments could be material.

These unaudited condensed interim consolidated financial statements were authorized for issue on April 29, 2024, by the directors of the Company.

### **2. BASIS OF PREPARATION**

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") which the Canadian Accounting Standards Board has approved for incorporation into Part 1 of the Handbook of Chartered Professional Accountants of Canada applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, Interim Financial Reporting. These condensed interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements as at and for the year ended November 30, 2023. In particular, the Company's significant accounting policies were summarized in Note 2 of the consolidated financial statements for the year ended November 30, 2023, and have been consistently applied in the preparation of these condensed interim consolidated financial statements. These unaudited condensed interim consolidated financial statements were prepared on a going concern basis.

### **3. INVESTMENTS**

On February 28, 2023, the Company received an additional 26,560 common shares in the capital of Mydecine Innovation Group Inc. ("Mydecine") in connection with the June 16, 2020 share exchange agreement between the Company, MindLeap Health Inc. and Mydecine. The fair value of the common shares issued was determined to be \$13,811 based on the market value at the time of issuance. A gain on investment settlement of \$13,811 was recognized in the condensed interim consolidated statement of comprehensive loss for the three months ended February 28, 2023.

**ENTHEON BIOMEDICAL CORP.****NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the periods ended February 29, 2023 and February 28, 2023

(Expressed in Canadian dollars)

**4. SALE OF CLINICAL RESEARCH TECHNOLOGY**

On July 8, 2022, the Company completed the sale of certain technology known as EBRX-101 to Cybin IRL Limited ("Cybin IRL"), a subsidiary of Cybin Inc. pursuant to an asset purchase agreement for a purchase price of \$1,000,000. In connection with the transaction, Cybin IRL assumed all accrued liabilities and accounts payable associated with EBRX-101. In connection with the sale, the Company entered a twelve-month consulting contract for \$40,000 per month. The consulting contract was terminated on April 28, 2023 as services had been fully rendered and fees payable by Cybin to the Company were accelerated as a result of the early termination. Upon termination of the contract, the Company received a termination fee of \$80,000.

**5. RELATED PARTY TRANSACTIONS AND BALANCES**

Key management personnel comprise the Company's Board of Directors, Chief Executive Officer, Chief Financial Officer, Chief Science Officer and Director of Operations, Chief Business Officer, and Corporate Secretary. Key management personnel compensation is comprised of the following:

|  | For the three months ended |                      |
|--|----------------------------|----------------------|
|  | February 29,<br>2024       | February 28,<br>2023 |
|  | \$                         | \$                   |
| Payroll, consulting fees, and other benefits | 28,500                     | 113,281              |

As at February 29, 2024, \$1,813 (November 30, 2023 - \$659) was due to directors and officers and companies controlled by directors and officers. The amounts are unsecured, non-interest bearing, due on demand and included in accounts payable and accrued liabilities. The share-based compensation for these related parties totaled \$nil for the three months ended February 29, 2024 (three months ended February 28, 2023 - \$1,014).

**6. SHARE CAPITAL****Authorized**

Unlimited number of common shares without par value

**Issued and outstanding**

As at February 29, 2024 and December 31, 2023 there were 5,908,926 common shares issued and outstanding.

During the three months ended February 29, 2024: The board of directors approved a 10:1 share consolidation on February 20, 2024.

During the year ended November 30, 2023: The Company did not have any share transactions.

**Stock options**

The shareholders of the Company approved a share option plan (the "Options Plan") whereby the Board of Directors may grant to directors, officers, employees and suppliers of the Company share purchase options to acquire common shares of the Company. The terms of each share purchase option are determined by the Board of Directors. Options granted pursuant to the Options Plan shall vest and become exercisable by an optionee at such time or times as may be determined by the Board.



**ENTHEON BIOMEDICAL CORP.****NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the periods ended February 29, 2023 and February 28, 2023

(Expressed in Canadian dollars)

The aggregate number of common shares reserved for issuance pursuant to this Options Plan to all Participants shall not exceed 10% of the issued and outstanding common shares at the time of grant and the maximum number of common shares, which may be reserved for issuance to any optionee, may not exceed 10% of the outstanding common shares at the time of vesting and may not exceed 10% of the outstanding common shares to insiders within a one-year period. These options will expire no later than five years after being granted.

The exercise price per share is established by the Board at the time the option is granted, but, in the event that the common shares are traded on an exchange, the exercise price shall not be less than the closing price of the common shares on the exchange on the trading day immediately preceding the date of the option grant.

A continuity schedule of outstanding share purchase options is as follows:

|                            | <b>Number<br/>Outstanding</b> | <b>Weighted Average<br/>Exercise Price</b> |
|----------------------------|-------------------------------|--|
|                            |                               | <b>\$</b>                                  |
| Balance, November 30, 2022 | 222,500                       | 6.58                                       |
| Expired                    | (82,500)                      | 7.10                                       |
| Balance, November 30, 2023 | 140,000                       | 6.28                                       |
| Balance, February 29, 2024 | 140,000                       | 6.28                                       |

During the year ended November 30, 2023, 82,500 share purchase options expired unexercised.

As at February 29, 2024, the Company had share purchase options outstanding and exercisable to acquire common shares of the Company as follows:

| <b>Grant Date</b> | <b>Expiry Date</b> | <b>Number of<br/>options</b> | <b>Exercisable</b> | <b>Exercise<br/>Price</b> |
|-------------------|--------------------|------------------------------|--------------------|---------------------------|
| December 3, 2020  | December 3, 2025   | 110,000                      | 110,000            | \$ 7.10                   |
| July 29, 2021     | July 29, 2026      | 20,000                       | 20,000             | \$ 3.30                   |
| August 25, 2021   | August 25, 2026    | 10,000                       | 10,000             | \$ 3.20                   |
|                   |                    | 140,000                      | 140,000            | \$ 6.28                   |

The share-based compensation from stock options for the three months ended February 29, 2024, totalled \$nil (2023 – \$1,498).

**Restricted share units**

The shareholders of the Company approved a restricted share unit plan (the "RSU Plan") whereby the Board of Directors may grant to directors, officers, employees and consultants of the Company restricted share units ("RSUs") to acquire common shares of the Company. The terms of each RSU are determined by the Board of Directors. The grant of an RSU shall entitle the participant to the conditional right to receive for each RSU credited to the participant's account, at the election of the Company, either one Common Share or an amount in cash, net of applicable taxes and contributions to government sponsored plans, as determined by the Board, equal to the market price of one Common Share for each RSU credited to the participant's account on the settlement date, subject to the conditions set out in the RSU Grant Letter and in the RSU Plan, and subject to all other terms of the RSU Plan.

The maximum number of Common Shares made available for issuance pursuant to the RSU Plan shall be determined from time to time by the Board, but in any case, shall not exceed 10% of the Common Shares issued and outstanding from time to time, less any Common Shares reserved for issuance under all other Share Compensation Arrangements, subject to adjustments as provided in the RSU Plan.

**ENTHEON BIOMEDICAL CORP.****NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the periods ended February 29, 2023 and February 28, 2023

(Expressed in Canadian dollars)

A continuity schedule of outstanding share RSUs is as follows:

|                            | <b>Number<br/>Outstanding</b> |
|----------------------------|-------------------------------|
| Balance, November 30, 2022 | 115,000                       |
| Balance, November 30, 2023 | 115,000                       |
| Balance, February 29, 2024 | 115,000                       |

The share-based compensation from RSUs for the year ended November 30, 2023, totaled \$nil (2023 - \$nil).

**Share purchase warrants**

A continuity schedule of outstanding share purchase warrants is as follows:

|                            | <b>Number<br/>Outstanding</b> | <b>Weighted Average<br/>Exercise Price</b> |
|----------------------------|-------------------------------|--|
|                            |                               | <b>\$</b>                                  |
| Balance, November 30, 2022 | 231,150                       | 9.80                                       |
| Expired                    | (231,150)                     | 9.80                                       |
| Balance, November 30, 2023 | -                             | -  |
| Balance, February 29, 2024 | -                             | -  |

During the year ended November 30, 2023, 231,150 share purchase warrants expired unexercised.

As at February 29, 2024, the Company had no share purchase warrants outstanding and exercisable to acquire common shares of the Company.

**7. GENERAL AND ADMINISTRATIVE EXPENSE**

General and administrative expenses consist of the following:

|                                 | <b>For the three months ended</b> |                          |
|---------------------------------|-----------------------------------|--------------------------|
|                                 | <b>February 29, 2024</b>          | <b>February 28, 2023</b> |
|                                 | <b>\$</b>                         | <b>\$</b>                |
| Management, consulting, payroll | 38,693                            | 129,781                  |
| Professional fees               | 14,040                            | 52,434                   |
| Office and insurance            | 14,745                            | 38,853                   |
| Transfer agent and filing fees  | 10,447                            | 6,834                    |
|                                 | <b>77,925</b>                     | <b>227,902</b>           |

**8. CAPITAL MANAGEMENT**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern.

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new common shares, sell assets, reduce debt or increase its debt. The capital of the Company comprises the shareholders' equity. The Company is not subject to any externally imposed capital requirements.

**ENTHEON BIOMEDICAL CORP.****NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the periods ended February 29, 2023 and February 28, 2023

(Expressed in Canadian dollars)

**9. FINANCIAL INSTRUMENTS**Fair Values and Classification

The Company's financial instruments consist of cash and restricted cash, investments in equity securities, and accounts payable. Financial instruments are classified into one of the following categories: FVTPL, FVTOCI, or amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

| <b>Financial Instrument</b>           | <b>Category</b> | <b>February 29,<br/>2024</b> | <b>November 30,<br/>2023</b> |
|---------------------------------------|-----------------|------------------------------|------------------------------|
| Cash, equivalents and restricted cash | FVTPL           | \$ 249,921                   | \$ 349,633                   |
| Accounts payable                      | Amortized cost  | 51,010                       | 85,326                       |

IFRS 9 Financial Instruments: Disclosures establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value 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); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Cash, equivalents and restricted cash of \$254,921 is recorded at fair value and classified as level 1. The carrying amounts of the Company's accounts payable are a reasonable approximation of their fair values based on current market rates for similar financial instruments.

Financial instrument risk exposure

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk, and market risk.

(a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company has exposure to credit risk through its cash and cash equivalents. The Company manages credit risk, in respect of cash, by maintaining the majority of cash at highly rated financial institutions.

The Company's maximum exposure to credit risk at the end of any period is equal to the carrying amount of these financial assets as recorded in the statement of financial position. At February 29, 2024 and November 30, 2023, no amounts were held as collateral.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows required by its operating, investing and financing activities. The Company had cash and equivalents at February 29, 2024, in the amount of \$249,921 and working capital of \$235,893 in order to meet short-term business requirements. Accounts payable have contractual maturities of approximately 30 to 90 days or are due on demand and are subject to normal trade terms.

The maturity profiles of the Company's contractual obligations and commitments as at February 29,

**ENTHEON BIOMEDICAL CORP.****NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the periods ended February 29, 2023 and February 28, 2023

(Expressed in Canadian dollars)

2024, are summarized as follows:

|                  | Total     | Less Than<br>1 Year | 1-5 years | More Than 5<br>Years |
|------------------|-----------|---------------------|-----------|----------------------|
| Accounts payable | \$ 51,010 | \$ 51,010           | \$ -      | \$ -                 |
| Total            | \$ 51,010 | \$ 51,010           | \$ -      | \$ -                 |

(c) Market Risk

Market risk consists of interest rate risk, foreign currency risk and price risk. These are discussed further below.

Interest Rate Risk

Interest rate risk consists of two components:

- (i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
- (ii) To the extent that changes in prevailing market rates differ from the interest rates on the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

In management's opinion, the Company is not exposed to significant interest rate risk as the risk is primarily on cash and cash equivalents.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is not subject to significant foreign exchange risk.

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk.

The Company is exposed not exposed to any significant price risk.

## 10. SUBSEQUENT EVENTS

On April 18, 2024, the Company closed a private placement by issuing 2,950,000 units at \$0.05 for \$147,500. Each unit was comprised of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.10 for a period of 5 years. An officer of the Company subscribed for 100,000 units generating gross proceeds of \$5,000.