

# **FENDX TECHNOLOGIES INC.**

CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

*(UNAUDITED, EXPRESSED IN CANADIAN DOLLARS)*

**NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

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

The accompanying unaudited condensed interim financial statements of FendX Technologies Inc. (the “Company”) have been prepared by and are the responsibility of management.

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

# FENDX TECHNOLOGIES INC.

## CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (Unaudited, Expressed in Canadian dollars)

As at	Note	September 30, 2025 (unaudited) \$	December 31, 2024 \$
<b>ASSETS</b>			
Current			
Cash		25,296	43,926
Sales taxes and other receivables	4	6,102	108,944
Prepaid expenses	5	305,478	135,913
<b>Total assets</b>		<b>336,876</b>	<b>288,783</b>
<b>LIABILITIES</b>			
Current			
Accounts payable	7	867,791	667,036
Accrued liabilities	7	310,680	135,343
Loans payable	7,8	75,000	78,656
<b>Total liabilities</b>		<b>1,253,471</b>	<b>881,035</b>
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>			
Share capital	9	11,238,772	9,665,406
Obligation to issue shares	9	20,000	53,959
Reserves	9	2,117,435	1,337,862
Deficit		(14,292,802)	(11,649,479)
<b>Total shareholders' equity (deficiency)</b>		<b>(916,595)</b>	<b>(592,252)</b>
<b>Total liabilities and shareholders' equity</b>		<b>336,876</b>	<b>288,783</b>

Nature of operations and going concern [Note 1]

Subsequent events [Note 13]

These financial statements were approved for issuance by the Board of Directors on November 28, 2025 and signed on its behalf by:

"Stephen Randall"  
Director

"Carolyn Myers"  
Director

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

**CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
*(Unaudited, Expressed in Canadian dollars)*

		<b>Three months ended September 30, 2025</b>	<b>Three months ended September 30, 2024</b>	<b>Nine months ended September 30, 2025</b>	<b>Nine months ended September 30, 2024</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Expenses</b>					
Consulting fees		160,457	124,649	571,426	646,415
Directors' fees	7	13,750	13,750	41,250	41,250
General and administration		10,079	20,299	29,634	83,078
Investor relations		45,075	276,796	115,004	1,126,199
Management fees	7	98,000	121,297	324,750	469,888
Marketing		6,318	20,025	300,575	102,149
Professional fees	10	81,719	52,661	151,807	286,345
Research and development	10	31,184	88,205	228,519	359,499
Salaries and benefits		28,038	26,693	86,010	87,408
Share-based payment	7,9	50,021	674,999	494,100	710,010
Transfer agent, listing and filing fees		15,711	14,827	43,233	41,213
		540,352	1,434,201	2,386,308	3,953,454
Loss before other income/expense		(540,352)	(1,434,201)	(2,386,308)	(3,953,454)
<b>Other income/expense</b>					
Foreign exchange gain (loss)		(2,515)	(229)	7,954	(11,315)
Interest income		1,019	1,217	1,030	10,410
Loss on debt settlements	9	(533,417)	-	(505,417)	(97,500)
Other income	12	112,423	-	112,423	-
		(422,490)	988	(384,010)	(98,405)
<b>Net loss and comprehensive loss</b>		(962,842)	(1,433,213)	(2,770,318)	(4,051,859)
Basic and diluted loss per common share		(0.11)	(0.19)	(0.35)	(0.59)
Weighted average number of common shares outstanding – basic and diluted		8,816,613	7,322,778	8,075,280	6,753,900

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

**FENDX TECHNOLOGIES INC.**
**CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)**
*(Unaudited, Expressed in Canadian dollars)*

	Share Capital		Obligation to	Reserves	Deficit	Total
	Number	\$	Issue Shares	\$	\$	\$
<b>Balance, December 31, 2023</b>	5,328,491	6,531,512	-	535,764	(7,022,918)	44,358
Units issued - private placement (Note 7,9)	1,012,500	2,025,000	-	-	-	2,025,000
Units issued - finders' shares (Note 9)	49,820	99,640	-	-	-	99,640
Shares issued - debt settlement (Note 9)	100,000	310,000	-	-	-	310,000
Shares issued - exercise of warrants (Note 9)	785,000	785,000	-	-	-	785,000
Shares issued - exercise of broker warrants (Note 9)	2,360	10,195	-	(3,115)	-	7,080
Shares issued - RSU vesting	59,333	159,741	-	(159,741)	-	-
Share issuance costs (Note 9)	-	(269,799)	-	-	-	(269,799)
Share based payment (Note 9)	-	-	-	710,010	-	710,010
Broker warrants, net (Note 9)	-	-	-	129,199	560	129,759
Net loss for the period	-	-	-	-	(4,051,859)	(4,051,859)
<b>Balance, September 30, 2024</b>	7,337,504	9,651,289	-	1,212,117	(11,074,217)	(210,811)
Shares issued - RSU vesting (Note 7,9)	7,334	14,117	-	(14,117)	-	-
Share based payment (Note 9)	-	-	-	139,862	-	139,862
Obligation to issue shares (Note 9)	-	-	53,959	-	-	53,959
Net loss for the period	-	-	-	-	(575,262)	(575,262)
<b>Balance, December 31, 2024</b>	7,344,838	9,665,406	53,959	1,337,862	(11,649,479)	(592,252)
Units issued - private placement (Note 9)	417,650	542,945	-	167,060	-	710,005
Units issued - finders' shares (Note 9)	15,796	20,535	-	6,318	-	26,853
Units issued - debt settlement (Note 9)	878,198	702,558	-	360,276	-	1,062,834
Shares issued - debt settlement (Note 9)	164,903	139,922	-	-	-	139,922
Shares issued - license agreement (Note 9)	100,000	85,000	-	-	-	85,000
Shares issued - RSU vesting (Note 7,9)	80,584	137,692	-	(137,692)	-	-
Share issuance costs (Note 9)	-	(55,286)	-	-	-	(55,286)
Share based payment (Note 9)	-	-	-	494,100	-	494,100
Obligation to issue shares (Note 9)	-	-	(33,959)	-	-	(33,959)
Broker warrants, net (Note 9)	-	-	-	(110,489)	126,995	16,506
Net loss for the period	-	-	-	-	(2,770,318)	(2,770,318)
<b>Balance, September 30, 2025</b>	9,001,969	11,238,772	20,000	2,117,435	(14,292,802)	(916,595)

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

**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**
*(Unaudited, Expressed in Canadian dollars)*

	<b>Nine months Ended September 30, 2025 \$</b>	<b>Nine months Ended September 30, 2024 \$</b>
<b>OPERATING ACTIVITIES</b>		
Net loss	(2,770,318)	(4,051,859)
Add items not affecting cash:		
Depreciation of equipment	-	1,167
Obligation to issue shares	20,000	-
Consulting fees paid through issuance of shares	-	100,000
Loss on debt settlements	505,417	97,500
Shares issued - license fee	85,000	-
Share based payment	494,100	710,010
Foreign exchange	(5,235)	-
	(1,671,036)	(3,143,182)
Changes in non-cash working capital items relating to operations:		
Sales taxes and other receivables	102,842	11,169
Prepaid expenses	(169,565)	(17,673)
Accounts payable and accrued liabilities	796,051	172,094
<b>Cash used in operating activities</b>	<b>(941,708)</b>	<b>(2,977,592)</b>
<b>FINANCING ACTIVITIES</b>		
Issuance of common shares, net of issuance costs	698,078	2,776,680
Loans payable	225,000	51,698
<b>Cash provided by financing activities</b>	<b>923,078</b>	<b>2,828,378</b>
Decrease in cash during period	(18,630)	(149,214)
Cash, beginning	43,926	266,791
<b>Cash, ending</b>	<b>25,296</b>	<b>117,577</b>
Interest received:	1,030	10,410
Supplemental disclosures with respect to cash flows:		
Fair value of broker warrants issued	16,506	129,759
Fair value of broker warrants expired unexercised	126,995	(560)
Fair value of finder shares and warrants issued	26,853	99,640
Fair value of warrants issued – debt settlements	360,276	-
Issuance of common shares – debt settlements	842,480	310,000
Issuance of common shares for license fee	85,000	-

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

**1. NATURE OF OPERATIONS AND GOING CONCERN**

FendX Technologies Inc. (“FendX” or the “Company”) was incorporated under the British Columbia *Business Corporations Act*. The Company’s head office is currently located at 1500-701 West Georgia Street, Vancouver, BC V7Y 1C6. The Company is an early-stage technology company focused on research and development of advanced surface protection solutions to help reduce the spread of pathogens. On March 20, 2023 the Company’s common shares were listed and commenced trading on the Canadian Securities Exchange (the “CSE”) under the symbol “FNDX”. The Company’s common shares commenced trading on the OTCQB Venture Market on May 30, 2023 under the symbol “FDXTD” and commenced trading on the Frankfurt Stock Exchange on May 31, 2023 under the symbol “E8D0”. In August 2025, the Company consolidated its share capital based on one post-consolidation common share for every ten pre-consolidation common shares. All common share and per-share amounts have been restated to reflect the share consolidation.

**Going Concern**

These unaudited condensed interim financial statements have been prepared under the assumption that the Company will continue as a going concern. The going concern basis of presentation assumes that the Company will be able to meet its obligations and continue its operations for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

As of September 30, 2025, the Company had an accumulated deficit of \$14,292,802 and its current liabilities exceed its current assets by \$916,595. The Company’s operations are dependent on obtaining additional financing to further develop its technologies and generate cash flow from operations in the future. These factors form a material uncertainty, which may cast significant doubt about the Company’s ability to continue as a going concern. Management’s plans to meet the Company’s current and future obligations may include raising capital through the issuance of equity and/or debt securities, relying on the financial support of its shareholders and related parties and cashflow from operations if the Company is successful in commercially launching its technologies. There is no assurance that additional funding will be available on a timely basis or on terms acceptable to the Company. These unaudited condensed interim financial statements do not give effect to any adjustments that would be necessary should the Company be unable to continue as a going concern, and therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business. Such adjustments can be material.

**2. BASIS OF PRESENTATION****[a] Statement of compliance**

These unaudited condensed interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as applicable to interim financial reports, including International Accounting Standard 34 Interim Financial Reporting.

Therefore, these unaudited condensed interim financial statements do not include all the information and note disclosures required by IFRS for annual financial statements and should be read in conjunction with the Company’s financial statements for the year ended December 31, 2024 (“Annual Financial Statements”), which have been prepared in accordance with IFRS.

These unaudited condensed interim financial statements were approved for issue by the Company’s Board of Directors on November 28, 2025.

**2. BASIS OF PRESENTATION (CONTINUED)****[b] Basis of measurement**

These unaudited condensed interim financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable.

**[c] Functional and foreign currency**

These unaudited condensed interim financial statements are presented in Canadian dollars, which is the Company's functional currency. Foreign currency transactions are translated into Canadian dollars using the exchange rate at the date of the transaction. Foreign exchange gains or losses resulting from the settlement of transactions and from the translation at year-end rates of monetary assets and liabilities denominated in foreign currencies are recognized in net income or loss.

**[d] Critical accounting estimates and judgments**

The preparation of these unaudited condensed interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the unaudited condensed interim financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These unaudited condensed interim financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates may be pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company reviews its estimates and underlying assumptions on an ongoing basis.

*Critical Judgments*

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

- i. Research costs and license costs are recognized as an expense when incurred, but development costs may be capitalized as intangible assets if certain conditions are met, as described in International Accounting Standard ("IAS") 38 *Intangible Assets*. Management has determined that development costs do not meet the conditions for capitalization under IAS 38, and all research and development costs and license costs have been expensed.
- ii. Management is required to determine whether the going concern assumption is appropriate for the Company at the end of each reporting period. Considerations taken into account include available information about the future, including the availability of financing and revenue projection, as well as the current working capital balance and future commitments of the Company.

## FENDX TECHNOLOGIES INC.

### NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months ended September 30, 2025 and 2024

(Unaudited, Expressed in Canadian dollars)

#### 2. BASIS OF PRESENTATION (CONTINUED)

[d] Critical accounting estimates and judgments (continued)

##### *Estimation uncertainty*

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

- i. Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxation authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.
- ii. The fair value of accrued liabilities at the time of initial recognition is made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors.
- iii. The cost of equity-settled transactions, such as stock options or warrants, is determined by calculating the fair value at the date when the equity award is granted or issued using the Black-Scholes Option Pricing Model. The inputs to the Black-Scholes Option Pricing Model require significant estimation. Expected volatility is estimated based on historical stock price observations of the Company's common shares and comparable companies. The risk-free interest rate for the expected term of the award is based on the yields of government bond. The Company uses historic data to estimate the timing of option exercises and forfeiture rates, which may not be representative of future results. Changes in these assumptions, especially the volatility and the expected life determination, could have a material impact on the statement of loss and comprehensive loss.

#### 3. MATERIAL ACCOUNTING POLICY INFORMATION

These unaudited condensed interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's Annual Financial Statements.

#### 4. SALES TAXES AND OTHER RECEIVABLES

	As at September 30, 2025 \$	As at December 31, 2024 \$
Sales and other taxes receivable	6,102	11,257
Other receivables <sup>(1)</sup>	-	97,687
<b>Total</b>	<b>6,102</b>	<b>108,944</b>

<sup>(1)</sup> During the year ended December 31, 2024, an agreement with a service provider expired and the unused funds previously advanced were refunded to the Company in January 2025.

## FENDX TECHNOLOGIES INC.

### NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months ended September 30, 2025 and 2024

(Unaudited, Expressed in Canadian dollars)

#### 5. PREPAID EXPENSES

	As at September 30, 2025 \$	As at December 31, 2024 \$
Prepaid insurance	2,086	6,751
Prepaid research project expenses <sup>(1)</sup>	72,647	92,072
Prepaid investor relations expenses <sup>(2)</sup>	196,000	-
Prepaid expense – other	34,745	37,090
Total	305,478	135,913

<sup>(1)</sup> The Company advances funds to McMaster to conduct research work to further develop its technologies (see Note 6).

<sup>(2)</sup> The Company entered into one investor relations services agreement during the nine-month period ended September 30, 2025, for which services had not been completed as of September 30, 2025.

#### 6. LICENSE AND COLLABORATIVE RESEARCH AGREEMENTS

##### *License Agreement and CRA*

The Company and McMaster University (“McMaster”) of Hamilton, Ontario, Canada entered into a license agreement (the “License Agreement”) dated February 5, 2021, and amended July 14, 2021, July 15, 2022 and March 3, 2024, in respect of certain protective surface coating film technology and patents (the “Licensed Technology”) which formed the primary basis of the Company’s initial business, which grants the Company an exclusive worldwide license to the Licensed Technology. In addition, the Company and McMaster entered into a collaborative research agreement with an effective date of August 1, 2021 and amended on April 11, 2023 with an effective date of January 1, 2023 (the “CRA”), which allowed the Company to work with McMaster to advance the Licensed Technology related to the REPELWRAP™ film project and set out a schedule over the term of the CRA ending December 31, 2024 for the development milestone funding.

Pursuant to the License Agreement, the Company agreed to the following:

- the issuance to McMaster of common shares equal to 5% of its fully diluted share capital on achievement of certain funding thresholds of which 143,500 common shares have been issued in full satisfaction thereof;
- payment of a 4% royalty on net sales;
- a minimum annual royalty commencing in the first 12-month period ending on the anniversary of the date of the License Agreement as to \$5,000 in the first and second years, \$10,000 in the third and fourth years and \$20,000 in the fifth and subsequent years; and
- provide funding for development milestones totaling \$650,000 (fully paid), of which \$350,000 was required in year one and minimum funding of \$150,000 per year was required for two years starting twelve (12) months after the effective date of the License Agreement.

The CRA set out a detailed funding schedule to satisfy the development milestone funding requirements of \$650,000 (fully paid) pursuant to the License Agreement, upon receipt of invoices from McMaster and provided the research aims are approved by the Company with proposed invoice date and amounts (all paid) as follows: November 24, 2021 - \$175,000, August 25, 2022 - \$87,500, January 1, 2023 –

## FENDX TECHNOLOGIES INC.

### NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months ended September 30, 2025 and 2024

(Unaudited, Expressed in Canadian dollars)

#### 6. LICENSE AND COLLABORATIVE RESEARCH AGREEMENTS (CONTINUED)

\$87,500, March 1, 2023 - \$75,000, May 1, 2023 - \$37,500, July 1, 2023 - \$37,500, September 1, 2023 - \$75,000, January 1, 2024 - \$37,500 and May 1, 2024 - \$37,500. The CRA term expired December 31, 2024.

##### *Catheter Coating CRA*

In addition, the Company and McMaster entered into a collaborative research agreement dated December 12, 2023 with an effective date of December 1, 2023 (the “Catheter Coating CRA”), with a term of two years from the effective date, which sets out the maximum payment terms upon receipt of invoices from McMaster to provide research funding related to research and development activities related to the development of a catheter coating formulation using the Licensed Technology. In the first and second year of the term, maximum research funding to McMaster will be \$150,547 each year, as follows:

<b>Proposed Invoice Date</b>	<b>Amount</b>
On signing (paid)	\$37,637
March 1, 2024 (paid)	\$37,637
June 1, 2024 (paid)	\$37,637
September 1, 2024 (partially paid)	\$37,637
December 1, 2024 (unpaid) <sup>(1)</sup>	\$37,637
March 1, 2025 (unpaid) <sup>(2)</sup>	\$37,637
June 1, 2025 (unpaid) <sup>(3)</sup>	\$37,637
September 1, 2025 (invoice not received)	\$37,637

<sup>(1)</sup> Invoice received dated January 14, 2025 with a due date of February 13, 2025.

<sup>(2)</sup> Invoice received dated March 6, 2025 with a due date of April 5, 2025.

<sup>(3)</sup> Invoice received dated June 10, 2025 with a due date of July 9, 2025.

##### *Nano-Coating License Agreement and Nano-Coating CRA*

On May 16, 2023, the Company and McMaster entered into a license agreement, as amended July 20, 2023, (the “Nano-Coating License Agreement”, formerly referred to as the Spray License Agreement) which provided the Company with an exclusive worldwide license to certain technology for a bifunctional liquid coating formulation (formerly referred to as a spray formulation) (the “Nano-Coating Technology”). Pursuant to the Nano-Coating License Agreement, the Company will be required to pay:

- a 4% royalty on net sales of a commercialized product;
- no minimum annual royalty as long as the License Agreement is still in effect; and
- commit maximum research funding to McMaster of \$85,169 for 2023 and \$168,468 for 2024 upon receipt of invoices from McMaster, to support continued research and development activities.

In addition, the Company entered into a collaborative research agreement dated July 20, 2023 with an effective date of July 1, 2023 and amended effective August 7, 2024 (the “Nano-Coating CRA”) (formerly referred to as the Spray CRA), with a term of two years from the effective date, expiring July 1, 2025, that allows the Company to work with McMaster to advance the Nano-Coating Technology and do R&D work for the Company and sets out a schedule for the development milestone funding for the funding commitments set out in the Nano-Coating License Agreement, as follows:

## FENDX TECHNOLOGIES INC.

### NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months ended September 30, 2025 and 2024

(Unaudited, Expressed in Canadian dollars)

#### 6. LICENSE AND COLLABORATIVE RESEARCH AGREEMENTS (CONTINUED)

Proposed Invoice Date	Maximum Amount
On signing (paid)	\$28,389.67
October 15, 2023 (paid)	\$28,389.67
December 31, 2023 (paid)	\$28,389.67
March 31, 2024 (paid)	\$42,116.90
June 30, 2024 (paid)	\$42,116.90
September 30, 2024 (unpaid) <sup>(1)</sup>	\$42,116.90
June 30, 2025 (invoice not received)	\$42,116.90

<sup>(1)</sup> Invoice due date April 30, 2025.

#### 7. RELATED PARTY DISCLOSURE

##### *Transactions with related parties*

Related parties of the Company include key management personnel and companies controlled by key management personnel. Key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any directors (whether executive or otherwise) of the Company.

Amounts due to related parties, including amounts due to key management personnel are unsecured, interest-free, due on demand and settlement generally occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. Included in accounts payable and accrued liabilities as at September 30, 2025, were amounts totaling \$430,939 (December 31, 2024 – \$319,412) due to related parties. Included in loans payable as at September 30, 2025, were amounts totaling \$75,000 (December 31, 2024 – \$78,656) due to a related party (Note 8).

The following related party fees were incurred:

	Three months ended September 30, 2025 \$	Three months ended September 30, 2024 \$	Nine months ended September 30, 2025 \$	Nine months ended September 30, 2024 \$
Directors' fees	13,750	13,750	41,250	41,250
Management fees	98,000	121,297	324,750	469,888
Share based payment	31,153	531,777	333,663	559,731
<b>Total</b>	<b>142,903</b>	<b>666,824</b>	<b>699,663</b>	<b>1,070,869</b>

On July 23, 2024, an aggregate of 37,500 common shares were issued to two officers pursuant to the vesting of RSUs granted on July 18, 2025 and on April 21, 2025, an aggregate of 18,750 common shares were issued to two officers pursuant to the vesting of RSUs granted on July 18, 2024 (Note 9).

On July 18, 2025, an aggregate of \$435,043 of management fees payable and loans payable owed to related parties was settled through the issuance of an aggregate of 725,073 units (Note 8 and 9).

**8. LOANS PAYABLE**

The Company entered into a loan agreement dated September 27, 2024, as amended, with an officer of the Company who provided unsecured loans to the Company. During the year ended December 31, 2024 loans totaling \$47,000 and US\$22,000 were advanced. During the nine months ended September 30, 2025, the Company received loans of \$225,000 from the officer. On July 18, 2025, the Company issued 378,406 units comprising 378,406 shares and 378,406 warrants to settle loans payable of \$227,043 (Note 9). The loans are unsecured, non-interest bearing and due on demand with no fixed terms of repayment. As at September 30, 2025, \$75,000 of loans are outstanding (December 31, 2024 - \$78,656).

**9. SHARE CAPITAL****[a] Authorized**

Unlimited number of common shares without par value.

**[b] Issued**

As at September 30, 2025, 9,001,969 common shares were issued and outstanding. As at September 30, 2025, 247,501 common shares are subject to voluntary pooling and/or escrow restrictions as follows: 1,650,001 common shares are subject to voluntary pooling agreements such that 55% of these shares are released on the date that is 18 months from March 20, 2023 (the "Listing Date"), and further 15% releases on the dates that are 24, 30 and 36 months from the Listing Date.

During the nine months ended September 30, 2025:

- i. On July 18, 2025, the Company issued 124,903 common shares with a fair value of \$99,922 to an arms length creditor to settle accounts payable owing, recording a gain on settlement of \$2,498.
- ii. On July 18, 2025 the Company issued an aggregate of 878,198 units with a fair value of \$702,558 to related parties and an arms length creditor to settle accounts payable and loans, recording a loss on settlement of \$175,639. Each unit consists of one common share and one warrant with each warrant exercisable at \$1.00 per warrant share for 36 months, subject to an acceleration clause. The Company recorded a loss on settlement of \$360,276 for the fair value of the 878,198 warrants using the Black-Scholes pricing model under the following assumptions: a risk-free rate of 2.83%, an estimated annualized volatility of 86.2% using comparable companies, an expected life of 3 years, a nil dividend yield, and an exercise price of \$1.00.
- iii. On March 13, 2025, the Company raised gross proceeds of \$710,005 pursuant to the issuance of 417,650 units at \$1.70 per unit for gross proceeds of \$710,005. Each unit consists of one common share and one warrant. Each warrant entitles the holder to purchase an additional common share at an exercise price of \$4.00 per share for a period of three years following the closing date, subject to an acceleration right. The Company recorded the gross proceeds as \$542,945 allocated to share capital and \$167,060 allocated to reserves based on the residual method. The Company paid finders fees to eligible finders comprised of \$11,927 in cash and issued 15,796 finder units in lieu of cash and issued 22,812 broker warrants. Each finder unit has the same terms as each unit. Each broker warrant is exercisable into one common share at an exercise price of \$1.70 for 36 months from the closing date. The Company recorded share issuance costs totaling \$55,286 comprised of \$11,927 for

**9. SHARE CAPITAL (CONTINUED)**

[b] Issued (continued)

the cash finders fees; \$26,853 for the fair value of the 15,796 finders' units; and \$16,506 for the fair value of the 22,812 broker warrants using the Black-Scholes pricing model under the following assumptions: a risk-free rate of 2.57%, an estimated annualized volatility of 96.33% using comparable companies, an expected life of 3 years, a nil dividend yield, and exercise price of \$1.70.

- iv. During the nine months ended September 30, 2025, the Company issued an aggregate of 80,584 common shares pursuant to the vesting of 80,584 RSUs (see Note 7).
- v. On April 16, 2025, the Company issued 40,000 common shares with a fair value of \$40,000 to an arms' length vendor to settle advisory fees incurred, recording a gain on settlement of \$28,000.
- vi. On May 2, 2025, the Company issued 100,000 common shares at a deemed price of \$0.85 per share pursuant to an IP license agreement.

During the year ended December 31, 2024:

- i. On February 2, 2024, the Company completed the closing of a first tranche of a 2024 private placement and issued 262,500 units (each a "Unit") at \$2.00 per Unit for gross proceeds of \$525,000. Each Unit consisted of one common share and one warrant. Each warrant entitles the holder to purchase an additional common share at an exercise price of \$4.00 per share for a period of three years following the closing date, subject to an acceleration right. The Company paid finders fees to eligible finders comprised of \$8,000 in cash and issued 17,000 finder units in lieu of cash, and issued 21,000 finder warrants. Each finder unit is comprised of one common share and one warrant, with each warrant exercisable into one common share at \$4.00 per share for three years following the closing date, subject to an acceleration right. Each finder warrant is exercisable into one common share at an exercise price of \$2.00 for 36 months from the closing date. The Company recorded share issuance costs totaling \$72,873 comprised of: \$8,000 for the cash finders fees; \$34,000 for the fair value of the 17,000 finders' units; and \$30,873 for the fair value of the 21,000 broker warrants using the Black-Scholes pricing model under the following assumptions: a risk-free rate of 3.84%, an estimated annualized volatility of 82.77% using comparable companies, an expected life of 3 years, a nil dividend yield, and exercise price of \$2.00.
- ii. During 2024, the Company received aggregate proceeds of \$785,000 from the exercise of 785,000 warrants at \$1.00 per share and issued an aggregate of 785,000 common shares pursuant to the warrant exercises.
- iii. On March 12, 2024, the Company issued 50,000 common shares with a fair value of \$150,000 to a vendor to settle advisory fees incurred in 2023 that were recorded as accrued liabilities as at December 31, 2023. A loss of \$37,500 was recorded on the date of settlement.
- iv. On March 25, 2024, the Company completed a second closing of its 2024 private placement and issued 487,500 Units at \$2.00 per Unit for gross proceeds of \$975,000. Pursuant to this closing, the Company paid finders fees of \$32,400 in cash and issued 12,620 finder units in lieu of cash, and 28,820 broker warrants. Each finder unit has the same terms as each Unit. Each broker warrant is

**9. SHARE CAPITAL (CONTINUED)****[b] Issued (continued)**

exercisable into one common share at an exercise price of \$2.00 for 36 months from the closing date. The Company recorded share issuance costs totaling \$105,965 comprised of: \$32,400 for the cash finders fees; \$25,240 for the fair value of the 12,620 finders' units; and \$48,325 for the fair value of the 28,820 broker warrants using the Black-Scholes pricing model under the following assumptions: a risk-free rate of 3.87%, an estimated annualized volatility of 82.55% using comparable companies, an expected life of 3 years, a nil dividend yield, and an exercise price of \$2.00.

- v. On April 8, 2024, the Company issued 50,000 common shares with a fair value of \$160,000 to a vendor to settle advisory fees incurred and payable, recording a loss on settlement of \$60,000.
- vi. On May 8, 2024, the Company completed a third closing of 2024 private placement and issued 262,500 Units at \$2.00 per Unit for gross proceeds of \$525,000. The Company paid finders fees to eligible finders comprised of 20,200 finder units in lieu of cash and issued 20,200 broker warrants. Each finder unit has the same terms as each Unit. Each broker warrant is exercisable into one common share at an exercise price of \$2.00 for 36 months from the closing date. The Company recorded share issuance costs totaling \$90,961 comprised of: \$40,400 for the fair value of the 20,200 finders' units; and \$50,561 for the fair value of the 20,200 broker warrants using the Black-Scholes pricing model under the following assumptions: a risk-free rate of 4.06%, an estimated annualized volatility of 82.39% using comparable companies, an expected life of 3 years, a nil dividend yield, and an exercise price of \$2.00.
- vii. On May 17, 2024, the Company issued 2,360 common shares pursuant to the exercise of 2,360 broker warrants at \$3.00 per common share for proceeds of \$7,080.
- viii. During 2024, the Company issued an aggregate of 66,667 common shares pursuant to the vesting of 66,667 RSUs (See Note 7).

**[c] Options**

The Company has an equity incentive plan dated October 19, 2021 (the "Plan") under which it is authorized to grant stock options, restricted share units, performance share units or deferred share units (the "Plan Securities") which may be denominated or settled in common shares, cash, a combination thereof or in such other form as provided herein at the discretion of the Company's board of directors up to a maximum of 20% of the issued and outstanding common shares of the Company from time to time.

On July 3, 2025, the Company granted an aggregate of 75,000 stock options to two consultants at an exercise price of \$1.70 expiring one year from the date of grant and vesting 100% on the date of grant. The options were valued using the Black-Scholes pricing model under the following assumptions: a risk-free rate of 2.70%, an estimated annualized volatility of 85.11% using comparable companies, an expected life of 1 year, a nil dividend yield, and an exercise price of \$1.70.

On March 21, 2025, the Company granted an aggregate of 292,500 stock options to certain directors, officers, employees and consultants at an exercise price of \$1.70 expiring five years from the date of grant and vesting 100% on the date of grant. The options were valued using the Black-Scholes pricing

**FENDX TECHNOLOGIES INC.****NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

*For the nine months ended September 30, 2025 and 2024  
(Unaudited, Expressed in Canadian dollars)*

**9. SHARE CAPITAL (CONTINUED)**

[c] Options (continued)

model under the following assumptions: a risk-free rate of 2.66%, an estimated annualized volatility of 96.36% using comparable companies, an expected life of 5 years, a nil dividend yield, and an exercise price of \$1.70.

On July 18, 2024, the Company granted an aggregate of 395,000 stock options to certain directors, officers, employees and consultants at an exercise price of \$2.90 expiring five years from the date of grant. The options are subject to vesting provisions of 1/2 vesting on the date of grant and 1/4 vesting on each of the dates that is 9 months and 18 months from the date of grant. The options were valued using the Black-Scholes pricing model under the following assumptions: a risk-free rate of 3.34%, an estimated annualized volatility of 93.06% using comparable companies, an expected life of 5 years, a nil dividend yield, and an exercise price of \$2.90.

The continuity of options to September 30, 2025 is as follows:

	<b>Number of Options</b>	<b>Weighted Average Exercise Price \$</b>
Balance, December 31, 2023	274,167	2.46
Granted	395,000	2.90
Cancelled/ forfeited	(95,000)	2.70
Balance, December 31, 2024	574,167	2.72
Granted	367,500	1.70
Balance, September 30, 2025	941,667	2.32
Vested and exercisable at September 30, 2025	859,167	2.27

A summary of the Company's options outstanding as at September 30, 2025 is as follows:

<b>Expiry Date</b>	<b>Exercise Price \$</b>	<b>Number Outstanding</b>	<b>Remaining Life of Options (Years)</b>	<b>Number Exercisable</b>
July 3, 2026	1.70	75,000	0.76	75,000
April 22, 2027	1.50	84,167	1.56	84,167
December 24, 2027	3.00	30,000	2.23	30,000
January 24, 2028	3.00	130,000	2.32	130,000
July 18, 2029	2.90	330,000	3.80	247,500
March 21, 2030	1.70	292,500	4.47	292,500
		941,667	3.31	859,167

During the nine months ended September 30, 2025, the Company recognized share-based payments of \$371,059 (September 30, 2024 - \$503,194) relating to options granted and vested during the period.

## FENDX TECHNOLOGIES INC.

### NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months ended September 30, 2025 and 2024  
(Unaudited, Expressed in Canadian dollars)

#### 9. SHARE CAPITAL (CONTINUED)

[d] Warrants

A summary of the warrant activity to September 30, 2025 is as follows:

	Number	Weighted Average Exercise Price \$
Balance, December 31, 2023	1,461,900	2.80
Issued	1,012,500	4.00
Expired	(10,000)	(1.00)
Exercised	(785,000)	(1.00)
Balance, December 31, 2024	1,679,400	4.40
Issued	1,295,848	1.97
Expired	(666,900)	(5.00)
Balance, September 30, 2025	2,308,348	2.86

Details of warrants outstanding as at September 30, 2025 are as follows:

Date of Expiry	Number of Warrants	
	Outstanding	Exercise Price \$
February 2, 2027	262,500	4.00
March 25, 2027	487,500	4.00
May 8, 2027	262,500	4.00
March 13, 2028	417,650	4.00
July 18, 2028	878,198	1.00
	2,308,348	

The weighted average remaining contractual life of the warrants outstanding as at September 30, 2025 is 2.16 years.

[e] Broker warrants and compensation warrants

A summary of the broker warrant and compensation warrant activity to September 30, 2025 is as follows:

	Number	Weighted Average Exercise Price \$
Balance, December 31, 2023	99,352	3.00
Issued	119,840	2.90
Expired <sup>(1)</sup>	(800)	(1.50)
Exercised	(2,360)	(3.00)
Balance, December 31, 2024	216,032	2.91
Issued	38,608	2.64
Expired <sup>(2)</sup>	(96,192)	(3.00)
Balance, September 30, 2025	158,448	2.79

<sup>(1)</sup> \$560 transferred from reserves to deficit related to expiry of these broker warrants.

<sup>(2)</sup> \$126,995 transferred from reserves to deficit related to expiry of these broker warrants.

## FENDX TECHNOLOGIES INC.

### NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months ended September 30, 2025 and 2024  
(Unaudited, Expressed in Canadian dollars)

#### 9. SHARE CAPITAL (CONTINUED)

[d] Warrants (continued)

Details of broker warrants and compensation warrants outstanding as at September 30, 2025 are as follows:

Expiry Date	Number Outstanding	Exercise Price \$
February 2, 2027	21,000	2.00
February 2, 2027	17,000	4.00
March 25, 2027	28,820	2.00
March 25, 2027	12,620	4.00
May 8, 2027	20,200	2.00
May 8, 2027	20,200	4.00
March 13, 2028	22,812	1.70
March 13, 2028	15,796	4.00
	158,448	

The weighted average remaining contractual life of the broker warrants and compensation warrants outstanding as at September 30, 2025 is 1.72 years.

[f] Bonus Shares

On June 19, 2021 the Company entered into agreements with each of the two lead researchers at McMaster (the “Lead Researchers”) related to work on the Licensed Technology under the CRA. Pursuant to the agreements, each of the two Lead Researchers may be entitled to receive up to 207,500 common shares (the “Bonus Shares”) should certain milestones related to the development of the Licensed Technology under the CRA be achieved. As at September 30, 2025 and December 31, 2024 no Bonus Shares have been issued. The Company has not recognized any share-based payment expense in connection with these Bonus Shares as the CRA, which set out the development work related to the milestones, expired as of December 31, 2024 and no milestones were met.

[g] Restricted Share Units

On March 21, 2025, the Company granted 50,000 RSUs to a consultant which vested on the grant date.

On July 18, 2024, the Company granted an aggregate of 115,000 RSUs to two officers and a consultant. The RSUs are subject to vesting provisions of 50% vesting on the date of grant and 25% vesting on the date that is 9 months and 18 months from the date of grant.

On July 23, 2024, the Company granted 5,500 RSUs to a consultant. The RSUs are subject to vesting provisions with 1,833 vesting on each of August 19, 2024 and September 19, 2024 and 1,834 RSUs vesting October 18, 2024.

On December 17, 2024, the Company granted 5,500 RSUs to a consultant. The RSUs are subject to vesting provisions of 1,833 vesting on each of December 17, 2024 and December 20, 2024 and 1,834 RSUs vesting on January 18, 2025.

**FENDX TECHNOLOGIES INC.****NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

*For the nine months ended September 30, 2025 and 2024  
(Unaudited, Expressed in Canadian dollars)*

**9. SHARE CAPITAL (CONTINUED)**

[g] Restricted Share Units (continued)

During the nine months ended September 30, 2025, the Company recognized \$123,041 as share-based payments related to RSUs (September 30, 2024 – \$206,816). As at September 30, 2025, 28,750 RSUs are outstanding (December 31, 2024 – 59,334).

[h] Obligation to Issue Shares

As at September 30, 2025, \$20,000 (December 31, 2024– \$53,959) of consulting fees were payable through the issuance of common shares.

[i] Reserves

The reserve records items recognized as share-based compensation expense and other share-based payments until such time that the RSUs, options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

**10. OPERATING EXPENSES**

Professional fees are comprised of the following:

	<b>Three months ended September 30, 2025</b>	<b>Three months ended September 30, 2024</b>	<b>Nine months ended September 30, 2025</b>	<b>Nine months ended September 30, 2024</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Audit fees	11,250	17,500	34,299	67,988
Legal fees – general corporate	28,964	16,764	64,933	91,418
Legal fees – intellectual property and other	41,505	18,397	52,575	126,939
<b>Total</b>	<b>81,719</b>	<b>52,661</b>	<b>151,807</b>	<b>286,345</b>

Research and development expenses are comprised of the following:

	<b>Three months ended September 30, 2025</b>	<b>Three months ended September 30, 2024</b>	<b>Nine months ended September 30, 2025</b>	<b>Nine months ended September 30, 2024</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Research and development	31,184	88,205	133,519	349,499
License and royalty fees	-	-	95,000	10,000
<b>Total</b>	<b>31,184</b>	<b>88,205</b>	<b>228,519</b>	<b>359,499</b>

**11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT***Fair Value*

The Company's financial instruments at September 30, 2025 include cash, accounts payable and loans payable. The fair values of these instruments approximate their carrying values due to their short-term nature.

IFRS 13 *Fair Value Measurement* establishes a fair value hierarchy for financial instruments measured at fair value that reflects the significance of inputs used in making fair value measurements as follows:

Level 1 - quoted prices 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., from derived prices); and

Level 3 - inputs for the asset or liability that are not based upon observable market data.

The fair value of cash is based on Level 1 inputs. The carrying values of accounts payable and loans payable approximate their respective fair values due to the short-term nature of these items.

**[a] Credit risk**

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises for the Company from its cash and accounts receivables. The Company has adopted practices to mitigate the deterioration of principal, to enhance the Company's ability to meet its liquidity needs and to optimize yields within those parameters. The Company regularly reviews the collectability of its accounts receivable and would establish an allowance account for credit losses based on its best estimate of any potentially uncollectible accounts receivable. As of September 30, 2025, the balance of the allowance account for credit losses was \$nil (December 31, 2024 - \$nil). The Company's cash is deposited in bank accounts held with major banks in Canada and in cashable guaranteed investment certificates. As most of the Company's cash is held with Canadian Schedule 1 chartered banks there is a concentration of credit risk. This risk is managed by using major banks that are high quality financial institutions as determined by rating agencies.

**[b] Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company's exposure to liquidity risk is dependent on its purchasing commitments and obligations and its ability to raise funds to meet commitments and sustain operations. The Company manages liquidity risk by continuously monitoring its actual and forecasted working capital requirements, and actively managing its financing activities. The Company's main source of funding has been the issuance of equity securities, primarily through private placements. Although the Company received gross proceeds of \$710,005 from the closing of private placements during the nine months ended September 30, 2025, there can be no assurance of continued access to significant equity funding. As September 30, 2025 the Company's current liabilities exceed its current assets by \$916,595. As at September 30, 2025, the Company's financial liabilities were comprised of accounts payable, accrued liabilities and loans payable totaling \$1,253,471, all of which have contractual maturities of less than 3 months.

**11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)**

## [c] Market risk

## i. Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in the market interest rates. The Company has cash balances held in Canadian banks. The Company's excess cash is invested based on the Company's policy to invest the excess cash in high interest savings accounts and guaranteed investment certificates issued by its banking institutions. As at September 30, 2025, the Company held \$25,296 (December 31, 2024 - \$43,926) in cash.

## ii. Currency risk

The Company is exposed to financial risk related to the fluctuation of foreign exchange rates. The Company has a portion of its operating expenses in US dollars and Euros. The Company has not entered into foreign exchange derivative contracts.

As at September 30, 2025 and December 31, 2024, the Company had the following assets and liabilities denominated in US dollars. A 10% change in the currency exchange rate between the Canadian dollar relative to the US dollar could have a gain or loss of approximately \$4,639 (December 31, 2024 - \$528) on the Company's results of financial position based on the Company's net exposure as at September 30, 2025 and December 31, 2024.

	<b>September 30, 2025</b>	<b>December 31, 2024</b>
	<b>US\$</b>	<b>US\$</b>
Accounts receivable	-	67,890
Cash	10	-
Prepaid expenses	8,700	-
Accounts payable	42,033	42,217
Loans payable	-	22,000

## [d] Capital disclosure

The Company's objective when managing capital is to ensure its ability to continue as a going concern in order to pursue the development of its product candidates for ultimate sale or sub-licensing. The Company attempts to maximize return to shareholders by minimizing shareholder dilution and, when possible, utilizing non-dilutive funding arrangements, such as collaborative partnership arrangements.

The Company defines its capital as share capital and reserves. The Company has financed its capital requirements primarily through equity share issuances since inception.

The Company manages its capital structure and adjusts it based on changes in economic conditions and risk characteristics of the underlying assets. The Company may issue new securities. The Company is not subject to any externally imposed capital requirements. There were no changes to the Company's capital management during the nine months ended September 30, 2025 and year ended December 31, 2024.

**12. OTHER INCOME**

During the period ended September 30, 2025, the Company received refundable investment tax credits for qualifying scientific research and experimental development (“SR&ED”) expenses of \$112,423 related to its prior year Canadian income tax return (September 30, 2024 - nil).

**13. SUBSEQUENT EVENTS**

Subsequent to September 30, 2025, an officer advanced an aggregate of \$120,000 to the Company. The loans are unsecured, non-interest bearing and due on demand with no fixed terms of repayment.

On November 21, 2025, the Company announced its intention to settle outstanding debts with two arms-length creditors totaling approximately \$25,560 for consulting fees that were payable through the issuance of shares, which will be settled through the issuance of an aggregate of 34,540 shares at a deemed price of \$0.74 per share, subject to CSE approval.