

# **FENDX TECHNOLOGIES INC.**

CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED JUNE 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	June 30, 2025 (unaudited) \$	December 31, 2024 \$
<b>ASSETS</b>			
Current			
Cash		13,159	43,926
Sales taxes and other receivables	4	16,338	108,944
Prepaid expenses	5	348,239	135,913
<b>Total assets</b>		<b>377,736</b>	<b>288,783</b>
<b>LIABILITIES</b>			
Current			
Accounts payable	7	978,474	667,036
Accrued liabilities	7	285,562	135,343
Loans payable	7,8	227,015	78,656
<b>Total liabilities</b>		<b>1,491,051</b>	<b>881,035</b>
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>			
Share capital	9	10,436,292	9,665,406
Obligation to issue shares	9	73,215	53,959
Reserves	9	1,707,138	1,337,862
Deficit		(13,329,960)	(11,649,479)
<b>Total shareholders' equity (deficiency)</b>		<b>(1,113,315)</b>	<b>(592,252)</b>
<b>Total liabilities and shareholders' equity</b>		<b>377,736</b>	<b>288,783</b>

Nature of operations and going concern [Note 1]

Subsequent events [Note 12]

These financial statements were approved for issuance by the Board of Directors on August 29, 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.*

## FENDX TECHNOLOGIES INC.

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

	<b>Note</b>	<b>Three months ended June 30, 2025 \$</b>	<b>Three months ended June 30, 2024 \$</b>	<b>Six months ended June 30, 2025 \$</b>	<b>Six months ended June 30, 2024 \$</b>
<b>Expenses</b>					
Consulting fees		142,114	235,501	410,969	521,766
Directors' fees	7	13,750	13,750	27,500	27,500
General and administration		10,212	30,738	19,555	62,779
Investor relations		25,455	642,349	69,929	849,403
Management fees	7	109,000	170,031	226,750	348,591
Marketing		289,839	20,396	294,257	82,124
Professional fees	10	30,655	152,315	70,088	233,684
Research and development	10	114,959	118,328	197,335	271,294
Salaries and benefits		28,725	30,571	57,972	60,715
Share-based payment	7,9	39,293	15,357	444,079	35,011
Transfer agent, listing and filing fees		16,279	15,197	27,522	26,386
		820,281	1,444,533	1,845,956	2,519,253
Loss before other income/expense		(820,281)	(1,444,533)	(1,845,956)	(2,519,253)
<b>Other income/expense</b>					
Foreign exchange gain (loss)		11,846	(10,528)	10,469	(11,086)
Interest income		9	6,290	11	9,193
Gain (loss) on debt settlement	9	28,000	(60,000)	28,000	(97,500)
		39,855	(64,238)	38,480	(99,393)
<b>Net loss and comprehensive loss</b>		(780,426)	(1,508,771)	(1,807,476)	(2,618,646)
Basic and diluted loss per common share		(0.10)	(0.21)	(0.24)	(0.40)
Weighted average number of common shares outstanding – basic and diluted		7,951,890	7,158,188	7,698,470	6,466,336

*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
Share issuance costs (Note 9)	-	(269,799)	-	-	-	(269,799)
Shares issued - exercise of broker warrants (Note 9)	2,360	10,195	-	(3,115)	-	7,080
Share based payment (Note 9)	-	-	-	35,011	-	35,011
Broker warrants, net (Note 9)	-	-	-	129,199	560	129,759
Net loss for the period	-	-	-	-	(2,618,646)	(2,618,646)
<b>Balance, June 30, 2024</b>	7,278,171	9,491,548	-	696,859	(9,641,004)	547,403
Shares issued - RSU vesting (Note 7,9)	66,667	173,858	-	(173,858)	-	-
Share based payment (Note 9)	-	-	-	814,861	-	814,861
Obligation to issue shares (Note 9)	-	-	53,959	-	-	53,959
Net loss for the period	-	-	-	-	(2,008,475)	(2,008,475)
<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
Shares issued - debt settlement (Note 9)	40,000	40,000	-	-	-	40,000
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)	-	-	-	444,079	-	444,079
Obligation to issue shares (Note 9)	-	-	19,256	-	-	19,256
Broker warrants, net (Note 9)	-	-	-	(110,489)	126,995	16,506
Net loss for the period	-	-	-	-	(1,807,476)	(1,807,476)
<b>Balance, June 30, 2025</b>	7,998,868	10,436,292	73,215	1,707,138	(13,329,960)	(1,113,315)

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

## FENDX TECHNOLOGIES INC.

### CONDENSED INTERIM STATEMENTS OF CASH FLOWS

*(Unaudited, Expressed in Canadian dollars)*

	<b>Six months Ended June 30, 2025</b>	<b>Six months Ended June 30, 2024</b>
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Net loss	(1,807,476)	(2,618,646)
Add items not affecting cash:		
Depreciation of equipment	-	1,167
Obligation to issue shares	22,976	100,000
(Gain) loss on debt settlements	(28,000)	97,500
Shares issued - license fee	85,000	-
Share based payment	444,079	35,011
Foreign exchange	(5,361)	-
	(1,288,782)	(2,384,968)
Changes in non-cash working capital items relating to operations:		
Sales taxes and other receivables	92,606	(12,242)
Prepaid expenses	(212,326)	(282,139)
Accounts payable and accrued liabilities	529,657	(29,528)
<b>Cash used in operating activities</b>	<b>(878,845)</b>	<b>(2,708,877)</b>
<b>FINANCING ACTIVITIES</b>		
Issuance of common shares, net of issuance costs	698,078	2,776,680
Loans payable	150,000	-
<b>Cash provided by financing activities</b>	<b>848,078</b>	<b>2,776,680</b>
Increase (decrease) in cash during period	(30,767)	67,803
Cash, beginning	43,926	266,791
<b>Cash, ending</b>	<b>13,159</b>	<b>334,594</b>
Interest received:	11	9,913
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 issued	26,853	99,640
Issuance of common shares for settlement of accounts payable	40,000	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. 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.

The Company was formed to advance a platform technology that was licensed from McMaster University (“McMaster”) of Hamilton, Ontario, Canada, pursuant to a License Agreement (as herein defined) effective February 5, 2021 (Note 6). The Company has expanded its technology portfolio with the addition of a spray formulation licensed from McMaster pursuant to a Spray License Agreement effective May 16, 2023 (Note 6) and is evaluating advancement of an eco-friendly sponge (Note 6). The Company is a research and development-stage technology company focused on developing surface protection coatings and products that help reduce the spread of harmful pathogens in everyday environments.

**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 June 30, 2025, the Company had an accumulated deficit of \$13,329,960 and its current liabilities exceed its current assets by \$1,113,315. 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 August 29, 2025.

**[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.

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

[d] Critical accounting estimates and judgments (continued)

*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.

*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.

**FENDX TECHNOLOGIES INC.****NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS***For the six months ended June 30, 2025 and 2024**(Unaudited, Expressed in Canadian dollars)***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 June 30, 2025 \$	As at December 31, 2024 \$
Sales and other taxes receivable	16,338	11,257
Other receivables <sup>(1)</sup>	-	97,687
<b>Total</b>	<b>16,338</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.

**5. PREPAID EXPENSES**

	As at June 30, 2025 \$	As at December 31, 2024 \$
Prepaid insurance	283	6,751
Prepaid research project expenses <sup>(1)</sup>	102,648	92,072
Prepaid investor relations expenses <sup>(2)</sup>	216,000	-
Prepaid expense – other	29,308	37,090
<b>Total</b>	<b>348,239</b>	<b>135,913</b>

<sup>(1)</sup> Pursuant to the CRA, Spray CRA and Catheter Coating CRA (each defined in Note 6), 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 six-month period ended June 30, 2025, for which services had not commenced as of June 30, 2025.

**6. LICENSE AND COLLABORATIVE RESEARCH AGREEMENTS***License Agreement and CRA*

The Company and McMaster 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 business, which grants the Company an exclusive worldwide license to the Licensed Technology. In addition, the Company entered into a collaborative research agreement between the Company and McMaster 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 ending December 31, 2024 for the development milestone funding.

## FENDX TECHNOLOGIES INC.

### NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months ended June 30, 2025 and 2024

(Unaudited, Expressed in Canadian dollars)

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

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, 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 - \$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	\$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.

## FENDX TECHNOLOGIES INC.

### NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months ended June 30, 2025 and 2024

(Unaudited, Expressed in Canadian dollars)

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

##### *Spray License Agreement and Spray CRA*

On May 16, 2023, the Company and McMaster entered into a license agreement, as amended July 20, 2023, (the “Spray License Agreement”) which provided the Company with an exclusive worldwide license to certain technology for a bifunctional spray coating formulation (the “Spray Technology”). Pursuant to the Spray 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 of the Spray Technology.

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 “Spray CRA”), with a term of two years from the effective date, expiring July 1, 2025, which the Company intends to extend, that allows the Company to work with McMaster to advance the Spray Technology and sets out a schedule for the development milestone funding for the funding commitments set out in the Spray License Agreement, as follows:

<b>Proposed Invoice Date</b>	<b>Maximum Amount</b>
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 yet received)	\$42,116.90

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

##### *IP License Agreement and Supply Agreement*

The Company entered into an IP license agreement (the “IP License Agreement”) dated April 23, 2025 with Scott Smith and US BioSolutions LLC to license three patent applications and a trademark in consideration for the issuance of 100,000 common shares of FendX. On May 2, 2025, the Company issued 100,000 common shares to Mr. Smith as consideration pursuant to the IP License Agreement (Note 9). The Company and US BioSolutions LLC also entered into a supply agreement dated April 23, 2025 for the supply of rolls of Open-Cell foam to be supplied by US BioSolutions LLC manufactured using their proprietary trade secrets, which FendX will evaluate for further manufacturing into eco-friendly sponge products.

## FENDX TECHNOLOGIES INC.

### NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months ended June 30, 2025 and 2024

(Unaudited, Expressed in Canadian dollars)

#### 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 June 30, 2025, were amounts totaling \$533,455 (December 31, 2024 – \$319,412) due to related parties. Included in loans payable as at June 30, 2025, were amounts totaling \$227,015 (December 31, 2024 – \$78,656) due to a related party (Note 8).

The following related party fees were incurred:

	<b>Three months ended June 30, 2025</b>	<b>Three months ended June 30, 2024</b>	<b>Six months ended June 30, 2025</b>	<b>Six months ended June 30, 2024</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Directors' fees	13,750	13,750	27,500	27,500
Management fees	109,000	170,031	226,750	348,591
Share based payment	30,814	12,719	302,510	27,954
Total	153,564	196,500	556,760	404,045

On March 25, 2024, two officers and a director participated in the Company's non-brokered private placement and subscribed for an aggregate of 20,000 units, for gross proceeds of \$40,000 to the Company (Note 9).

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, 2024 (Note 9).

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).

#### 8. LOANS PAYABLE

On September 27, 2024, the Company entered into a loan agreement with an officer of the Company who provided unsecured loans to the Company during the year ended December 31, 2024 totaling \$47,000 and US\$22,000. During the six months ended June 30, 2025, the Company received additional loans of \$150,000 from the same officer. The loans are unsecured, non-interest bearing and due on demand with no fixed terms of repayment. As at June 30, 2025, \$227,015 is outstanding (December 31, 2024 - \$78,656). On July 18 2025, these loans were settled through the issuance of units (Note 12).

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

Unlimited number of common shares without par value.

**[b] Issued**

As at June 30, 2025, 7,998,868 common shares were issued and outstanding. As at June 30, 2025, 495,001 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 six months ended June 30, 2025:

- i. 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 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 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 an exercise price of \$1.70.
- ii. During the six months ended June 30, 2025, the Company issued an aggregate of 80,584 common shares pursuant to the vesting of 80,584 RSUs (see Note 7).
- iii. 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.
- iv. 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 with Scott Smith and US BioSolutions LLC (Note 6).

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

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

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 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.

## FENDX TECHNOLOGIES INC.

### NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months ended June 30, 2025 and 2024

(Unaudited, Expressed in Canadian dollars)

#### 9. SHARE CAPITAL (CONTINUED)

[b] Issued (continued)

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 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 100% vesting on date of grant. The options were valued using the Black-Scholes pricing 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, such that all options fully vest over 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 June 30, 2025 is as follows:

	<b>Number of Options</b>	<b>Weighted Average Exercise Price \$</b>
Balance, December 31, 2023	274,167	2.50
Granted	395,000	2.90
Cancelled/ forfeited	(95,000)	2.70
Balance, December 31, 2024	574,167	2.70
Granted	292,500	1.70
Balance, June 30, 2025	866,667	2.40
Vested and exercisable at June 30, 2025	784,167	2.32

**FENDX TECHNOLOGIES INC.****NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS***For the six months ended June 30, 2025 and 2024**(Unaudited, Expressed in Canadian dollars)***9. SHARE CAPITAL (CONTINUED)**

[c] Options (continued)

A summary of the Company's options outstanding as at June 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>
April 22, 2027	1.50	84,167	1.81	84,167
December 24, 2027	3.00	30,000	2.48	30,000
January 24, 2028	3.00	130,000	2.57	130,000
July 18, 2029	2.90	330,000	4.05	247,500
March 21, 2030	1.70	292,500	4.73	292,500
		866,667	3.79	784,167

During the six months ended June 30, 2025, the Company recognized share-based payments of \$334,046 (June 30, 2024 - \$35,011) relating to options granted and vested during the period.

[d] Warrants

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

	<b>Number</b>	<b>Weighted Average Exercise Price \$</b>
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	417,650	4.00
Expired	(666,900)	(5.00)
Balance, June 30, 2025	1,430,150	4.00

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

<b>Date of Expiry</b>	<b>Number of Warrants Outstanding</b>	<b>Exercise Price \$</b>
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
	1,430,150	

The weighted average remaining contractual life of the warrants outstanding as at June 30, 2025 is 2.02 years.

**FENDX TECHNOLOGIES INC.****NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS***For the six months ended June 30, 2025 and 2024**(Unaudited, Expressed in Canadian dollars)***9. SHARE CAPITAL (CONTINUED)**

[e] Broker warrants and compensation warrants

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

	<b>Number</b>	<b>Weighted Average Exercise Price \$</b>
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	2.90
Issued	38,608	2.60
Expired <sup>(2)</sup>	(96,192)	(3.00)
Balance, June 30, 2025	158,448	2.80

<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.

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

<b>Expiry Date</b>	<b>Number Outstanding</b>	<b>Exercise Price \$</b>
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 June 30, 2025 is 1.97 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 June 30, 2025 415,000 Bonus Shares (December 31, 2024 – 415,000 Bonus Shares) have been reserved for issuance, and no Bonus Shares have been issued. The Company has not recognized any share-based payment expense in connection with these Bonus Shares as the likelihood of achieving the milestones was not considered probable and as of December 31, 2024, the CRA, which set out the development work related to the milestones, expired.

## FENDX TECHNOLOGIES INC.

### NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months ended June 30, 2025 and 2024

(Unaudited, Expressed in Canadian dollars)

#### 9. SHARE CAPITAL (CONTINUED)

##### [g] Restricted Share Units

On March 21, 2025, the Company granted 50,000 RSUs 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, such that all RSUs fully vest over 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 of 1,833 RSUs vesting on August 19, 2024, 1,833 RSUs vesting on September 19, 2024 and 1,834 RSUs vesting on 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 RSUs vesting on December 17, 2024, 1,833 RSUs vesting on December 20, 2024 and 1,834 RSUs vesting on January 18, 2025.

During the six months ended June 30, 2025, the Company recognized \$110,033 as share-based payments related to RSUs (June 30, 2024 – \$nil). As at June 30, 2025, 28,750 RSUs are outstanding (December 31, 2024 – 59,334).

##### [h] Obligation to Issue Shares

As at June 30, 2025, \$73,215 (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:

	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
	\$	\$	\$	\$
Audit fees	11,799	38,488	23,049	50,488
Legal fees – general corporate	15,013	32,942	35,969	74,654
Legal fees – intellectual property and other	3,843	80,885	11,070	108,542
Total	30,655	152,315	70,088	233,684

## FENDX TECHNOLOGIES INC.

### NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months ended June 30, 2025 and 2024

(Unaudited, Expressed in Canadian dollars)

#### 10. OPERATING EXPENSES (CONTINUED)

Research and development expenses are comprised of the following:

	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
	\$	\$	\$	\$
Research and development	29,959	118,328	102,335	261,294
License and royalty fees	85,000	-	95,000	10,000
Total	114,959	118,328	197,335	271,294

#### 11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

##### *Fair Value*

The Company's financial instruments at June 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 June 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.

**11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)****[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 six months ended June 30, 2025, there can be no assurance of continued access to significant equity funding. As June 30, 2025 the Company's current liabilities exceed its current assets by \$1,113,315. As at June 30, 2025, the Company's financial liabilities were comprised of accounts payable, accrued liabilities and loans payable totaling \$1,491,051, all of which have contractual maturities of less than 3 months.

**[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 June 30, 2025, the Company held \$13,159 (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 June 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 \$7,119 (December 31, 2024 - \$528) on the Company's results of financial position based on the Company's net exposure as at June 30, 2025 and December 31, 2024.

	<b>June 30, 2025</b>	<b>December 31, 2024</b>
	<b>US\$</b>	<b>US\$</b>
Accounts receivable	-	67,890
Cash	10	-
Accounts payable	30,189	42,217
Loans payable	22,000	22,000

**11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)****[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 six months ended June 30, 2025 and year ended December 31, 2024.

**12. SUBSEQUENT EVENTS**

On July 3, 2025, the Company granted an aggregate of 75,000 stock options to two consultants at \$1.70 per share expiring July 3, 2026.

In July 2025, an officer advanced an aggregate of \$75,000 to the Company. The loans are unsecured, non-interest bearing and due on demand with no fixed terms of repayment.

On July 18, 2025, the Company issued 124,903 common shares at \$0.82 per share to settle \$102,420 of debt with a creditor, and 878,198 units at \$0.60 per unit to settle an aggregate of \$526,918.20 of debt with various creditors, including payables and/or loans due to insiders of the Company. 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.