Management's Discussion and Analysis of Financial Condition and Operations

The following Management's Discussion and Analysis ("**MD&A**"), of **Theralase® Technologies Inc**. ("**Theralase®**" or the "**Company**") should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three-month period ended March 31, 2026

This MD&A has been filed in accordance with the provisions of National Instrument 51-102 (*Continuous Disclosure Obligations*). Additional information relating to the Company can be found on Sedar at www.sedar.com .

This MD&A is prepared as of May 29, 2026.

The Company's common shares are listed for trading on the TSX Venture Exchange (**Symbol: TLT**) and trade on the OTCQB marketplace (**Symbol: TLTFF).**

Forward Looking Statements

The information provided herein is intended to provide a review of the operations of the Company. *This document contains certain Forward-Looking Statements ("**FLS**") within the meaning of applicable securities laws. FLS are statements and information that are not historical facts, but instead; include, financial projections and estimates; statements regarding plans, strategies, goals, objectives, intentions or expectations with respect to Theralase®'s future business, operations, research and development; including: anticipated timelines for the commencement or completion of certain activities, enrolment of patients in clinical studies or other information in future periods. FLS, which may be identified by words; including, without limitation, "**believe**", "**anticipate**", "**should**", "**could**", "**would**", "**estimate**", "**expect**", "**plan**", "**will**", "**intend**", "**may**", "**pending**", "**objective**", "**exploring**", "**potential**", "**project**", "**possible**", other similar expressions and the negative of such expressions, are intended to provide information about management's current plans and expectations regarding future operations.*

FLS in this MD&A; include, but are not limited to, statements with respect to: future revenue projections, business initiatives or their timing; the competitive environment; business strategic objectives; research, development or commercialization plans, licensing or acquisition of assets; acquisition or disposition of assets; preclinical or clinical studies: status, timing or strategies; the supply or demand of products or services; the ability to meet current or future financial obligations; the ability to execute on business or growth strategies; management's assessment of business strategies or operations.

Readers are cautioned not to place undue reliance on FLS since there can be no assurance that the plans, intentions or expectations, upon which they are based will occur. By their nature, FLS involve numerous assumptions, known or unknown, risks or uncertainties, both general or specific, that contribute to the possibility that the predictions, forecasts, projections or other things contemplated by the FLS will not occur. Such FLS or information are based on a number of assumptions, which may prove to be incorrect; including, those assumptions listed below or those discussed elsewhere in this MD&A. Some of the assumptions made by Theralase®, upon which such FLS are based, include; but are not limited to, assumptions about: the ability to continue as a going concern, the business operations continuing on a basis consistent with prior years; the ability to access financing from time to time on favourable terms or at all; the continuation of executive management, operating management, key personnel or key consultants or the non-disruptive replacement of them on reasonable terms; the ability of Theralase® to maintain reasonably stable operating or general administrative expenses; current or future success of research, development or commercialization initiatives; the ability to achieve development or commercialization milestones; market competition; the ability to secure all required regulatory, government or certification approvals; geographic protection over the intellectual property in the markets in which Theralase® does business; market acceptance or revenue generation of products under development; the stability of current economic or business conditions, international tariffs, reciprocal tariffs or the threat of them, the strength and/or stability of the economy in Canada, the United States or elsewhere; currency, exchange or interest rates or commodity prices being reasonably stable at current rates.

FLS reflect current expectations of management regarding future events or operating performance as of the date of this MD&A. Such information involves significant risks or uncertainties; should not be read as guarantees of future performance or results; or will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the FLS; including, but not limited to, the risks related to: limited operating history; working capital or capital resources; ability to retain key personnel; protection of intellectual property; competition; implementation delays; strategic alliances; trade secret protection; product deficiencies; dependence on third party suppliers; volatility of share price; regulatory risks; early stage of product development; reliance on third parties; clinical study risk; clinical study timing delays; patient enrolment; failure to achieve milestones; currency risk; material weakness in internal controls over financial reporting; credit risk; product liability or clinical study liability. See "Risk and Uncertainties".

Although the FLS Contained in this MD&A Are Based Upon What Theralase®'s Management Believes to Be Reasonable Assumptions, Theralase® Cannot Assure Readers that Actual Results Will Be Consistent with Such Information. FLS Reflect Management's Current Beliefs and Are Based on Information Currently Available to Theralase®. Readers of this MD&A Are Cautioned Not to Place Undue Reliance on Theralase®'s FLS Because a Number of Factors, such as those Referred to in the Paragraphs Above, Could Cause Actual Future Results, Conditions, Actions or Events to Differ Materially from the Targets, Expectations, Estimates or Intentions Expressed in the FLS Contained in this MD&A. The FLS Are Made as of the Date of this MD&A and Theralase® Assumes No Obligation to Update or Revise Such Information to Reflect New Events or Circumstances, Except as May Be Required by Applicable Law.

Company Profile

Theralase® is a clinical stage pharmaceutical company dedicated to the research, development and commercialization of energy-activated small molecules and their associated drug formulations for the safe and effective destruction of cancer, bacteria or viruses. The Company in its Drug Division conducts preclinical research and clinical development of these small molecules, primarily in the treatment of cancer, with assistance from its Device Division to develop medical lasers to activate them. The Company in its Device Division designs, develops, manufactures and markets proprietary super-pulsed Cool Laser Therapy ("**CLT**") systems indicated and cleared by Health Canada and the Food and Drug Administration ("**FDA**") for the treatment of chronic knee pain and in off-label use for treating numerous nerve, muscle and joint conditions.

Private Placement

On March 10, 2026, the Company closed a non-brokered private placement of units. On closing, the Company issued an aggregate of 4,230,770 units at a price of $0.26 per unit for gross proceeds of $1,100,000 of which 100,000 Units were purchased by certain insiders of the Company. Each Unit consisted of 1 common share of the Company and 1 non-transferable common share purchase warrant. Each whole warrant entitles the holder to acquire an additional common share at a price of $0.36, expiring on March 10, 2031.

On April 10, 2026, the Company closed a non-brokered private placement of units. On closing, the Company issued an aggregate of 6,404,700 units at a price of $0.26 per unit for gross proceeds of $1,665,222 of which 937,400 Units were purchased by certain insiders of the Company. Each Unit consisted of 1 common share of the Company and 1 non-transferable common share purchase warrant. Each Warrant entitles the holder to acquire an additional Common Share at a price of $0.36, expiring on April 10, 2031.

On May 20, 2026, the Company closed a brokered private placement of units under the listed issuer financing exemption. On closing, the Company issued an aggregate of 19,166,667 units at a price of $0.24 per Unit for aggregate gross proceeds of approximately $4,600,000. Each Unit consisted of one common share of the Company and one non-transferable common share purchase warrant. Each Warrant entitles the holder to acquire an additional Common Share at a price of $0.32 for a period of 5 years following the date of issuance.

On May 20, 2026, the Company closed a non-brokered private placement of units. On closing, the Company issued an aggregate of 673,624 units at a price of $0.24 per Unit for aggregate gross proceeds of approximately $161,669 of which 155,289 Units were purchased by certain related parties of the Company. Each Unit consisted of one common share of the Company and one non-transferable common share purchase warrant. Each Warrant entitles the holder to acquire an additional Common Share at a price of $0.32 for a period of 5 years following the date of issuance.

The Company has raised approximately $CAN 14.3 million over the last 2 years through brokered and non-brokered private placements in support of it research and development programs. It is working with a full-service investment bank in Canada for future financings and a full-service investment bank in the United States to advise on potential financings and US listing opportunities. Information on any future financings will be released once available in accordance with applicable securities laws.

Warrant Exercise

On April 29, 2026 the Company issued 120,000 common shares for exercises of warrants and received $25,200 in consideration.

Collaborative Clinical Development Agreement

On January 12, 2026, the Company announced that it had entered into a collaborative clinical development agreement dated January 9, 2026 with Ferring Pharmaceuticals, expanding the Company's existing Phase II NMIBC clinical program (NCT03945162) through the addition of a new cohort evaluating Ruvidar® (TLD-1433) in combination with Adstiladrin® (nadofaragene firadenovec-vncg) for adult patients diagnosed with high-risk Bacillus Calmette-Guérin ("**BCG**")-Unresponsive Non-Muscle Invasive Bladder Cancer ("**NMIBC**") Carcinoma In-Situ ("**CIS**") with or without papillary disease (±Ta/T1) ("**Study II**"). Under the terms of the agreement, the Company will remain the sponsor of the study, with both parties providing clinical oversight through a joint development committee. The new cohort is expected to be enrolled and treated initially in the United States and, subject to written agreement, may expand into Canada or other jurisdictions.

Advancing the Theralase® Technology Platform

The Company is focused on advancing its Drug Division, which is dedicated to preclinical research, clinical development and commercialization of innovative energy-activated small molecules. These small molecules are being developed to safely and effectively, preferentially target and destroy cancer, bacteria and viruses.

At the forefront of this effort is Theralase®'s patented lead investigational drug, Ruvidar®, currently undergoing late-stage clinical investigation in a Phase II registrational clinical study for the treatment of BCG-Unresponsive NMIBC CIS (with or without resected Ta/T1) in Study II.

The trade name Ruvidar® was chosen by the Company to reflect the drug's origins and purpose:

- "Ru" for Ruthenium, the rare platinum-group metal on which the molecule is based
- "vita", Latin for life
- "dar", Russian for gift

Together, the name can be interpreted as "Ruthenium, the gift of life." Ruthenium, along with iron and osmium, belongs to Group 8 transition metals of the periodic table, sharing similar chemical characteristics, with all possessing eight electrons in their outermost shell, which includes the 5s and 4d orbitals.

Ruvidar® has been demonstrated preclinically to bind with transferrin, a human glycoprotein, forming the compound referred to as Rutherrin®. Transferrin is utilized by the human body to transport molecular iron to every cell in the body. Various cancer cells, in peer-reviewed publications, have demonstrated significantly more transferrin receptors versus healthy cells; thus, allowing the preferential deposition of the Ruvidar® payload inside the cancer cell, versus a healthy cell, through endocytosis. When energy-activated, Ruvidar® has demonstrated an ability to destroy cancer cells through the production of singlet oxygen, a form of Reactive Oxygen Species ("**ROS**"), inducing oxidative stress, leading to Immunogenic Cell Death ("**ICD**"). ICD has been shown to activate the innate and adaptive immune system, as a secondary response to the destruction of cancer cells.

The Drug Division is in the preclinical research and development of:

- Rutherrin® as an injectable form of Ruvidar®, for the treatment of Glio Blastoma Multiforme ("**GBM**"), a deadly form of brain cancer, Non-Small Cell Lung Cancer ("**NSCLC**"), pancreatic cancer, colorectal cancer and Muscle Invasive Bladder Cancer ("**MIBC**").
- Ruvidar® as a topical treatment for Herpes Simplex Virus-1 ("**HSV-1**") lesions.
- Ruvidar® as an extracorporeal treatment for Lymphoma, Leukemia and Multiple Myeloma.

There are no commercial and/or financial benefits of the Drug Division for the Company at the present time, resulting in zero revenue, sales or commercial distribution of this technology.

Theralase® conducts its own research and development in the Drug Division, as well as enlisting the support of external scientific, research, regulatory and Clinical Research Organizations ("**CROs**").

Phase II NMIBC Clinical Study ("Study II")

Study Design and Scope

Study II (NCT03945162) is a Phase II, open-label, single-arm, multi-center study conducted in Canada and the United States, evaluating the safety and efficacy of Ruvidar® activated by the TLC-3200 Medical Laser System (collectively the "**Study Procedure**").

The Study is designed to enroll 90 patients presenting with persistent or recurrent CIS with or without resected Ta/T1 disease diagnosed within 12 months of completion of adequate BCG therapy (BCG-Unresponsive) or who are intolerant to BCG therapy.

Patients are treated intravesically with Ruvidar® (0.70 mg/cm², equivalent to 0.65 mg/cm² of active drug moiety), followed by activation using the TLC-3200 Medical Laser System, (520 nm, 90 J/cm²).

Clinical Study Sites

The Company has launched 16 Clinical Study Sites ("**CSSs**") across Canada and the United States CSSs (6 in Canada and 10 in the US). Seven US and one Canadian based CSSs have been closed to enrollment or are in the process of being closed, resulting in a total of 8 active CSSs (5 in Canada and 3 in the US).

As of April 30, the following CSSs are eligible to enroll into Study II and provide the primary Study Procedure to patients:

Clinical Study Sites	Location	Commenced
University Health Network ("**UHN**")	Toronto, Ontario, Canada	April 25, 2019
McGill University Health Centre ("**MUHC**")	Montreal, Quebec, Canada	July 30, 2019
London Health Sciences Centre ("**LHSC**")	London, Ontario, Canada	October 7, 2019
University of British Columbia ("**UBC**")	Vancouver, British Columbia, Canada	December 7, 2020
Carolina Urologic Research Center ("**CURC**")	Myrtle Beach, South Carolina, United States	January 27, 2021
University of Wisconsin-Madison ("**UWM**")	Madison, Wisconsin, United States	February 24, 2021
University of Chicago ("**UC**")	Chicago, Illinois, United States	June 11, 2021
St. Joseph's Healthcare Hamilton ("**SJHH**")	Hamilton, Ontario, Canada	December 5, 2024

Table 1: Study II Clinical Study Sites

Study II Objectives

Primary Efficacy, evaluated by Complete Response ("**CR**") at any point in time in patients diagnosed with CIS (with or without resected papillary disease (Ta / T1)) during the screening process.

CR is defined by at least one of the following:

- Negative cystoscopy and negative (including atypical) urine cytology
- Positive cystoscopy with biopsy-proven benign or low-grade NMIBC and negative cytology
- Negative cystoscopy with positive urine cytology, if urothelial cancer is suspected in the upper tract or prostatic urethra and random bladder biopsies are negative

Patients with Indeterminate Response ("**IR**") can be re-classified as CR patients, if they have a confirmatory negative bladder biopsy or subsequent assessments of CR can be carried back.

IR is defined as:

- Negative cystoscopy with positive urine cytology, without a confirmatory negative bladder biopsy at the assessment visit

Secondary Duration of CR at 12 months, post initial CR.

Patients who achieve CR or IR at 90 days and continue to demonstrate a CR or IR response at 450 days will be followed to assess the duration of their CR or IR up to 1080 days.

Tertiary Safety, evaluated by the incidence and severity of Adverse Events ("**AEs**"), Grade 4 or higher that do not resolve within 450 days post treatment (Grade 1 = Mild, Grade 2 = Moderate, Grade 3 = Severe, Grade 4 = Life-threatening or disabling, Grade 5 = Death).

Study Procedure Protocol

1. Intravesical instillation of Ruvidar® for approximately 60 minutes.
2. Activation of Ruvidar® by TLC-3200 for approximately 60 minutes (up to 180 minutes depending on bladder volume).

On February 9, 2024 the following optimizations were incorporated into the Study II Procedure:

1. Extended Monitoring:
   Patients with CR or IR (collectively Total Response ("**TR**")) at Day 450 will be monitored up to 1080 days to evaluate long-term durability

2. Optional Maintenance Treatments:
   - Originally, a maintenance procedure was mandated at Day 180
   - Now, re-induction Study Procedures are based on clinical response, with a CR or IR not receiving a re-induction Study Procedure; however, a No Response ("**NR**") is eligible for up to two re-induction Study Procedures within 450 days
   - Patients with sustained CR or IR require no further treatment, unless recurrence occurs at follow-up (Day 90, 180, 270, 360, or 450)

3. Central Pathology Review:
   - All local pathology results are validated via a central pathology lab to ensure consistency and accuracy

Regulatory Approvals

Health Canada:
A Clinical Trial Application ("**CTA**") for Ruvidar® and an Investigational Testing Authorization ("**ITA**") for the TLC-3200 Device was issued in 2018. On October 23, 2023, Health Canada issued a No Objection Letter ("**NOL**") approving a CTA Amendment ("**CTA-A**") permitting Study optimization.

FDA:
On February 9, 2024, the FDA approved an Investigational New Drug ("**IND**") application for the optimization of Study II.

Study Commencement, Duration and Estimated Cost

Study II commenced in April 2019 and is anticipated to have an estimated duration of approximately eight years, with a projected total cost of approximately $CAN 100 million. These estimates are subject to significant variation due to a range of operational and clinical factors; including, but not limited to:

(i) the number of Clinical Study Sites ("**CSSs**") actively enrolling and treating patients
(ii) the overall and CSS specific patient enrollment rates
(iii) patient compliance with the Study II protocol
(iv) the extent to which the primary, secondary and tertiary objectives of Study II are successfully achieved.

Study II Interim Clinical Data

Cohort 1

Theralase® has completed enrollment in Study II, with the CSSs enrolling and providing the primary Study Procedure to 92 patients. Additional patients may be enrolled, until all CSSs have been closed to enrollment.

According to the clinical study design, a patient is considered to have completed Study II, if they received the Study Procedure and have been assessed by the Principal Investigator ("**PI**") for up to 15 months or they have been prematurely removed from the clinical study by the PI for failure to respond or failure to comply with the clinical study design.

According to this definition, 82 patients have completed Study II (with 10 patients on study pending clinical data), resulting in the following interim clinical data in support of the Study II endpoints:

A total of 92 patients have been enrolled and treated in the study. Of these patients, 81% were ≥ 65 years of age, 81% male and 83% white. Tumour stage was distributed as follows: pure 81% CIS; 12% CIS + T1; and 7% CIS + Ta. 98% were classified as BCG-Unresponsive with 2% BCG-Intolerant. The median number of BCG instillations was 15.5.

As of April 30, 2026, 89 patients have been assessed for response outcomes, evaluable for the primary endpoint analysis.

Primary Endpoint Performance (Complete Response at any Point in Time)

The primary endpoint of Study II is the achievement of Complete Response ("**CR**") at any point in time following administration of the Study Procedure. Interim analysis demonstrates that 65.2% (58 out of 89) evaluable patients achieved CR.

Primary Endpoint Performance (CR at any Point in Time)			
	#	%	Confidence Interval (95%)
Complete Response ("CR")	58/89	65.2%	[49.4, 80.9]
Total Response (CR and IR)	65/89	73.0%	[56.4, 89.7]

Table 2: Primary Endpoint Performance

Approximately, 2 out of 3 patients diagnosed with BCG-Unresponsive NMIBC CIS (with or without Ta/T1) achieved a CR following treatment with the Theralase® Study Procedure.

Secondary Endpoint Performance (Duration of CR – 12 Months)

The secondary endpoint evaluates the sustainability of CR at 12 months, after initial CR determination (450 days post-treatment). Among patients evaluable for durability of response, 40.4% (21 of 52 evaluable patients) maintained a CR at 450 days.

Secondary Endpoint Performance (Duration of CR) (450 Days)			
	#	%	Confidence Interval (95%)
Complete Response (CR)	21/52	40.4%	[24.0, 56.7]
Total Response (CR and IR)	22/52	42.3%	[26.5, 58.1]

Table 3: Secondary Endpoint Performance

Tertiary Endpoint Performance (Safety)

The tertiary endpoint is defined as patients who have a Serious Adverse Event ("**SAE**") ≥ 4 directly caused by the Study Drug or Study Device, which did not resolve within 450 days.

Theralase® and the independent Data Safety Monitoring Board believe all SAEs reported to date are unrelated or unlikely related to the Study Drug or Study Device.

The tertiary endpoint assesses the safety profile of the Study Procedure.

Note: A SAE is defined as any untoward medical occurrence that at any dose: Is serious or life-threatening, requires inpatient hospitalization or prolongation of existing hospitalization, results in persistent or significant disability/incapacity, is a congenital anomaly/birth defect or results in death.

Treatment Emergent Adverse Events ("**TEAEs**") were noted, but did not meet the SAE criteria. TEAEs included urinary frequency (65%), hematuria (62.5%) and urinary urgency (53.8%), which resolved within 1 month of treatment.

There have been 24 SAEs reported: 1 x Grade I, 3 x Grade II, 13 x Grade III, 5 x Grade IV (all resolved between 1 to 82 days) and 2 x Grade V (Unlikely Related to the Study Drug, Study Device or Study Procedure). A high majority of SAEs were not treatment related and none were directly related to the Study Drug or Study Device.

Tertiary Endpoint Performance (Safety) (450 Days)		
	#	%
Safety	82/82	100.0%

Table 4: Tertiary Endpoint Performance

Duration of CR – Extended Time Points

Patients who have completed the study were followed for up to 3 years after initial treatment at extended time points.

Duration of CR			
Time	**#**	**%**	**Confidence Interval (95%)**
2 Years	10/52	19.2%	[7.9, 30.5]
3 Years	10/52	19.2%	[7.9, 30.5]

Table 5: Duration of CR at Extended Time Points

One patient demonstrated CR for 7 years, after one Study Procedure.

On Kaplan-Meier analysis, if CR is obtained, the long term estimated probability of remaining cancer free at 1, 2 and 3 years is 48.6%, 34.5% and 25.4%, respectively.

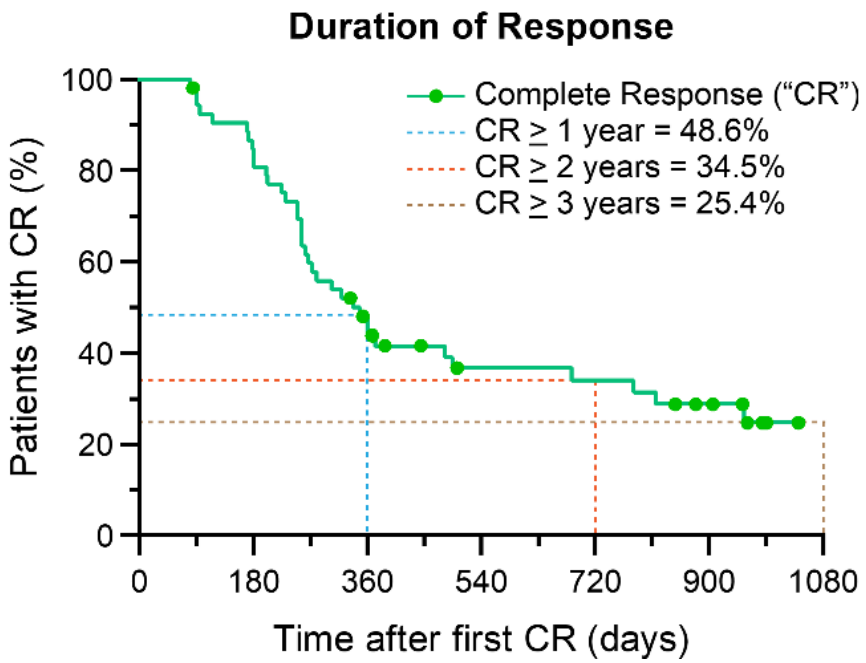

Figure 1: Kaplan-Meier Curve

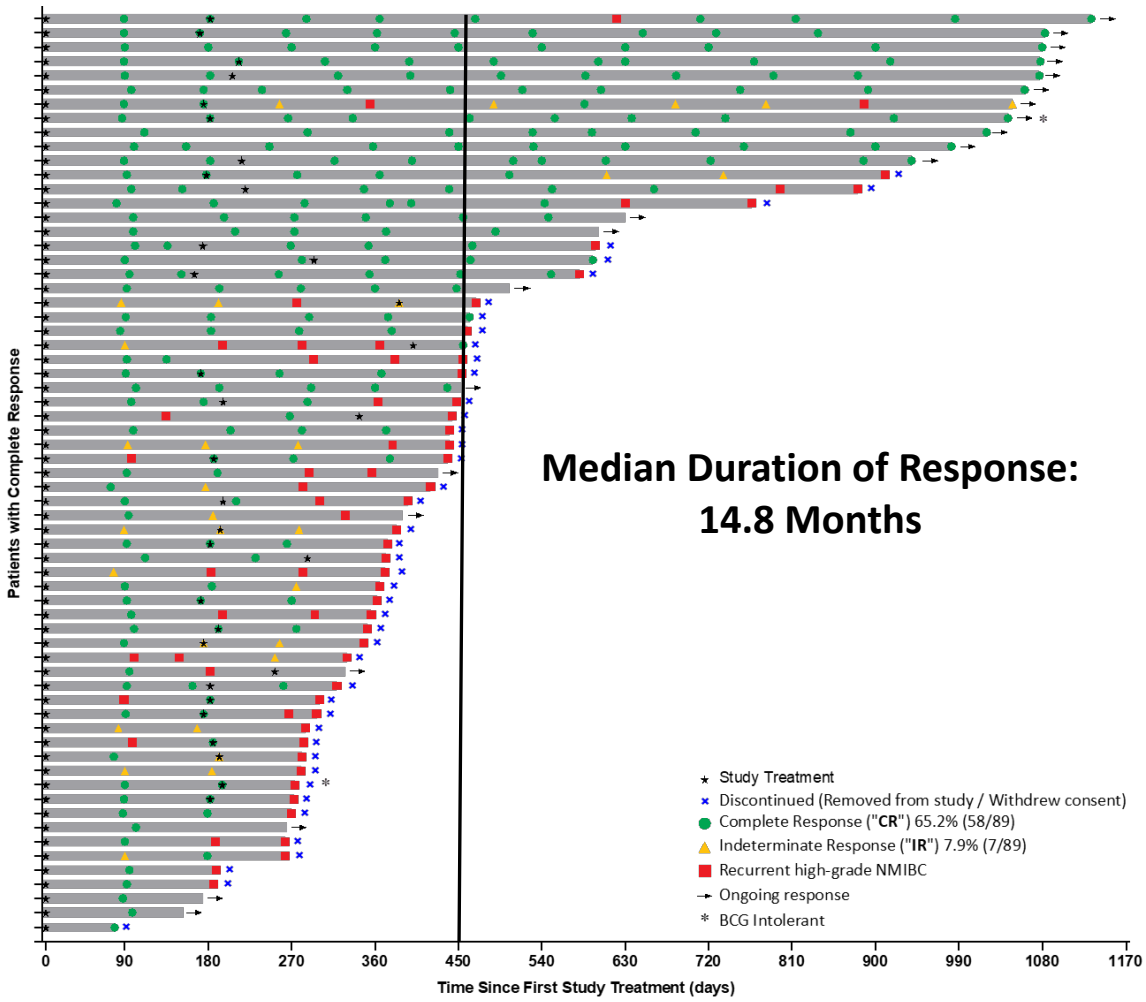

Figure 2: Swimmer's Plot

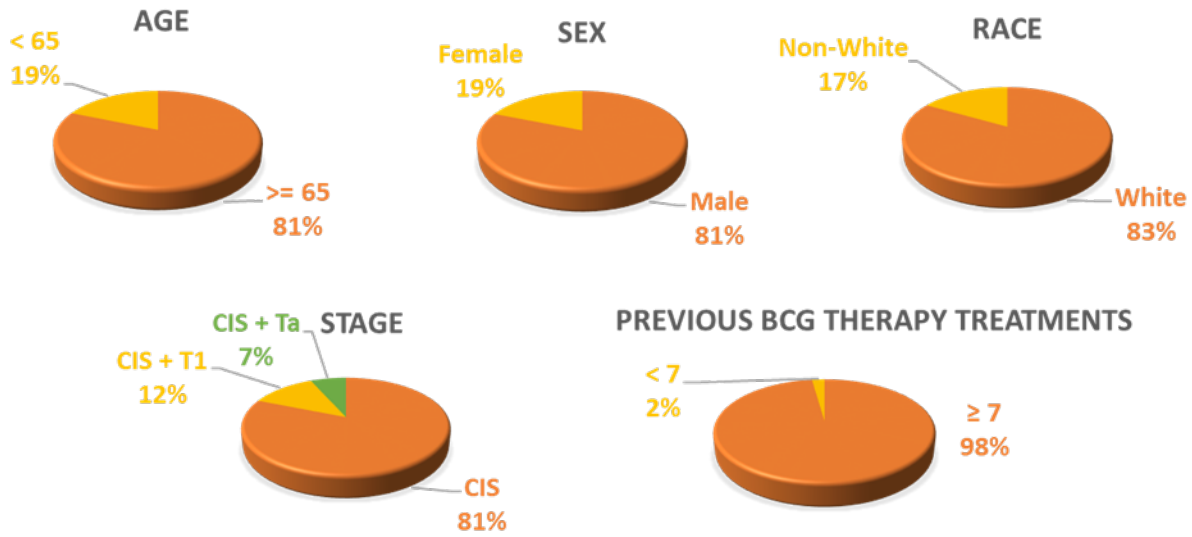

Figure 3: Patient Population

Note: These clinical results are interim in nature. Study II remains ongoing. Additional clinical data may influence or alter current response trends.

Regulatory Pathway, Commercialization Strategy and FDA Guidance

If approved by Health Canada and the FDA, the clinical data collected from Study II represents a transformative therapeutic option for patients diagnosed with BCG-Unresponsive NMIBC CIS, who would otherwise face radical cystectomy (surgical removal of the bladder).

The Theralase® Study Procedure has demonstrated a robust CR and sustained durability of that response, with the majority of patients receiving only a single Study Procedure.

Following the completion of patient follow-up and final clinical data analysis, Theralase® intends to submit a New Drug Application ("**NDA**") to Health Canada and the United States Food and Drug Administration ("**FDA**") in 3Q2026, under a rolling review, with regulatory decisions anticipated in 1H2027.

Cohort 2

Theralase®, in conjunction with Ferring Pharmaceutical, subject to FDA approval, is preparing to launch a combinational clinical study to investigate the safety and efficacy of combining light-activated Ruvidar® with Adstiladrin.

It is anticipated that the complementary mechanisms of action (Ruvidar® target bladder cancer cells directly, Adstiladrin® targets health bladder cells to produce Interferon to stimulate the innate and adaptive immune system) will provide a strong additive effect in the treatment of patients being treated for BCG-Unresponsive NMIBC CIS.

In the Study Procedure, patients will be treated with Ruvidar® (1 hour of drug instillation, 1 hour of light activation), then at another visit, they will be instilled with Adstiladrin® (1 hour procedure), both in outpatient procedures. Under the clinical protocol, the patient may receive up to 4 treatments of Adstiladrin®.

The presiding uro-oncologist will have the option to deliver an additional re-induction Study Procedure, if the patient recurs.

The patient will be followed for 15 months after initial Study Procedure and up to 3 years for post-study follow-up.

Commercialization and Strategic Partnerships

In parallel with the finalization of Study II, Theralase® is actively pursuing commercialization opportunities and strategic partnerships to support the global marketing and distribution of Ruvidar®. The Company is interested in engaging in discussions with pharmaceutical companies across multiple geographic regions regarding:

- Licensing arrangements for Ruvidar® in the treatment of BCG-Unresponsive NMIBC CIS in various geographic territories
- Collaborative clinical research initiatives focused on the application of light-activated Ruvidar® for broader NMIBC indications
- Collaborative clinical research combining Ruvidar®, with other FDA-approved drugs to enhance treatment efficacy

Product Stability and Logistics

Ruvidar® has demonstrated a shelf life of up to ten years at room temperature, which supports both the long-term stability of the molecule and the practical logistics of clinical storage and distribution. This extended shelf life is expected to be a key differentiator in clinical and commercial settings, enabling medical facilities to store and deploy Ruvidar®, as needed, without significant degradation concerns.

Expansion of Theralase® Oncology Pipeline: Rutherrin® and Next-Generation Therapeutics

Theralase® has been granted international patents supporting a comprehensive Intellectual Property ("**IP**") platform of its small molecules. The scientific and preclinical research and development of these small molecules has been optimized by fine-tuning the photophysical and photochemical properties of the small molecules, allowing them to demonstrate both Type I (oxygen limited) and Type II (oxygen dependent) photoreactions and activation in hypoxia.

Advanced Drug-Delivery Pipeline: Rutherrin®

The Company's lead small molecule, Ruvidar® has been further enhanced through conjugation with transferrin, a naturally occurring human glycoprotein. This conjugated formulation, Rutherrin®, has demonstrated a superior pharmacological profile in preclinical studies, including:

- **Increased photostability:** Enhanced resistance to photobleaching, preserving drug potency
- **Increased Reactive Oxygen Species** ("**ROS**") **production:** Improved ability to rapidly and selectively destroy malignant cells
- **Enhanced tumour targeting:** Leveraging the Transferrin Receptor ("**TfR**") pathway for preferential tumour uptake, enabling targeted destruction of cancer cells, while sparing healthy tissue
- **Improved anti-cancer efficacy:** Higher efficacy in the destruction of cancer cells
- **Reduced systemic toxicity:** Lower off-target effects, supporting a more favorable safety profile

These attributes position Rutherrin® as a promising systemic therapeutic for recurrent, deeply seated and/or progressive cancers.

Overcoming Photodynamic Limitations via Radiotherapy Synergy

Due to the limited tissue penetration of laser light, Theralase® is advancing the application of radiotherapy as an alternative activation mechanism for Rutherrin®. Preclinical data suggests that radiotherapy, which can reach deeper anatomical sites than photonic activation, may significantly expand the therapeutic application of Rutherrin®.

Radiotherapy remains a cornerstone of cancer therapy, but it is often challenged by the need to maximize tumour destruction, while minimizing collateral damage to healthy tissue. Rutherrin® has demonstrated potential as a radiosensitizer, enhancing radiotherapy-induced damage to tumours by amplifying ROS generation and free radical production, leading to deeper and more extensive tumour ablation.

Theralase® has developed and evaluated multiple preclinical strategies to:

- Optimize Rutherrin® as a selective radiosensitizer
- Increase tumour specificity
- Enhance radiation-induced cytotoxicity
- Minimize toxicity to surrounding healthy tissues

Path to Clinical Translation: Phase 0/I/II Adaptive Study Design

Theralase® plans to complete Good Laboratory Practices ("**GLP**") toxicology studies by 3Q2026, subject to financing; including, determination of the Maximum Tolerated Dose ("**MTD**") and corresponding Human Equivalent Dose ("**HED**") for Rutherrin®. Subject to regulatory approval, the Company intends to commence design of Phase 0/I/II adaptive clinical studies in 2026 for a number of clinical indications.

The adaptive study design will include:

1. Phase 0 (localization) – Intravenous administration of Rutherrin® to confirm preferential uptake into cancerous tissues, confirmed by biopsy
2. Phase I/II (dose escalation and activation) – Rutherrin® activation using radiotherapy, with both single and multiple dosing regimens, to evaluate safety, localization and therapeutic efficacy

Target Indications Under Investigation:

- Glioblastoma Multiforme ("**GBM**") – A highly aggressive and invasive brain cancer
- Non-Small Cell Lung Cancer ("**NSCLC**") – The most common form of lung cancer
- Muscle Invasive Bladder Cancer ("**MIBC**") – A life-threatening progression of bladder cancer
- Pancreatic Cancer
- Colorectal Cancer
- Leukemia, Lymphoma and Multiple Myeloma
- Herpes Simplex Virus-1 ("**HSV-1**") – cold sore lesions

A Novel Cancer-Targeting Radiation-Activated Platform

If clinical data supports the preclinical findings, Rutherrin® could emerge as a first-in-class, dual-functioning therapeutic, capable of "targeting" tumours systemically and subsequently destroying them upon radiation activation, regardless of their location in the body. This innovation could represent a paradigm shift in oncologic therapy, particularly for cancers that are currently resistant to standard treatments or inaccessible to traditional light-activated molecules.

Glioblastoma Multiforme

Theralase® has successfully completed preclinical studies demonstrating the safety, tumour selectivity and efficacy of Rutherrin®—the Intra Venous ("**IV**") formulation of Ruvidar® conjugated with transferrin—in the treatment of GBM. This research provides a strong foundation for advancing to clinical studies.

Enhanced Targeting and Selectivity: Rutherrin® versus Ruvidar® Alone

Figure 4 illustrates the of X-Ray-activated Rutherrin® versus radiation alone, in selectively targeting and destroying human glioma cells.

- Rutherrin® demonstrated a 10 to 20 x greater uptake in tumour tissue compared to normal brain tissue
- Tumour-selective uptake remained stable for at least 24 hours, with gradual clearance observed, suggesting the optimal timing for a second Rutherrin® injection at 48 to 72 hours to maintain therapeutic levels

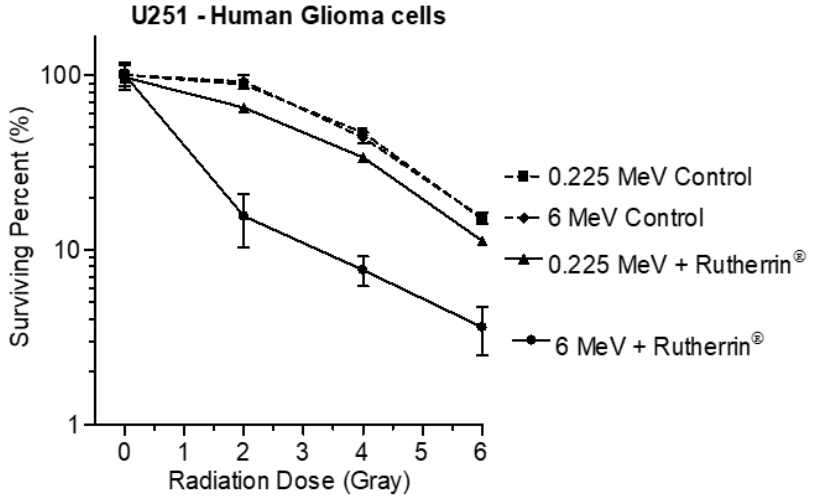

Figure 4: Destruction of Human Glioma Cells Treated with Radiation-Activated Rutherrin® Versus Radiation Alone

Orthotopic GBM Rat Model: Tumour Response and Immune Activation

Figure 5 details an advanced orthotopic rat model of glioma, where X-Ray-activated Rutherrin® significantly delayed tumour growth and improved survival outcomes.

Observations include:

- Radiation alone produced no complete tumour response
- The combination of Rutherrin® with radiation resulted in a 25% CR rate
- Mice achieving CR were re-challenged with fresh tumour cells and none redeveloped tumours, suggesting a 100% immunity rate—a strong indicator of potential immune memory and long-term tumour control
- A low Rutherrin® dose of 3 mg/kg was sufficient to achieve strong efficacy, supporting a favorable safety and cost profile for clinical use

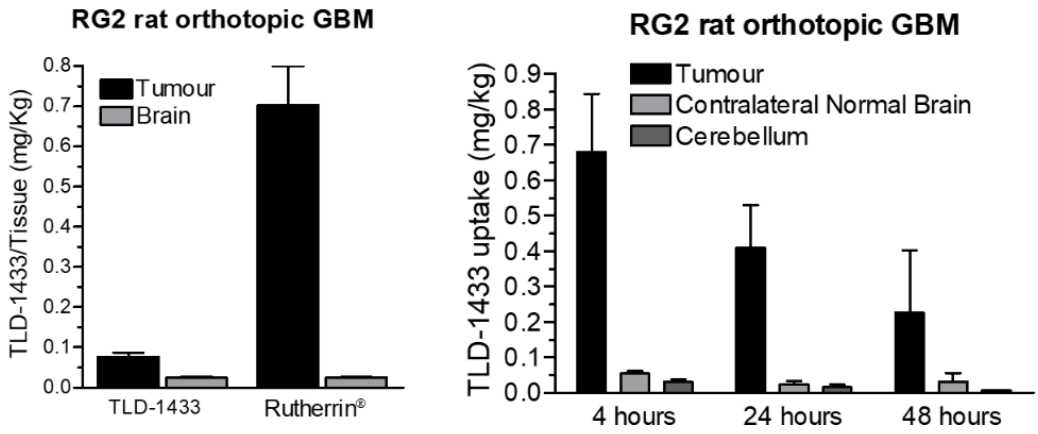

Figure 5: Rat Glioma Orthotopic Model Rutherrin® Localization

Comparative Radiation Modalities: XRAD versus LINAC

Figure 6 compares Rutherrin® efficacy when activated with different radiation sources:

- Comparable anti-tumour effects were observed between the XRAD small-animal irradiator (0.225 MeV) and the clinical LINAC (6 MeV) system
- This indicates that preclinical results are expected to translate well into human clinical settings
- The lack of enhanced response from LINAC is likely due to superficial tumour models. Deeper-seated tumours, such as GBM or NSCLC, are expected to generate higher uptake, potentially enhancing Rutherrin® activation and treatment efficacy in human patients

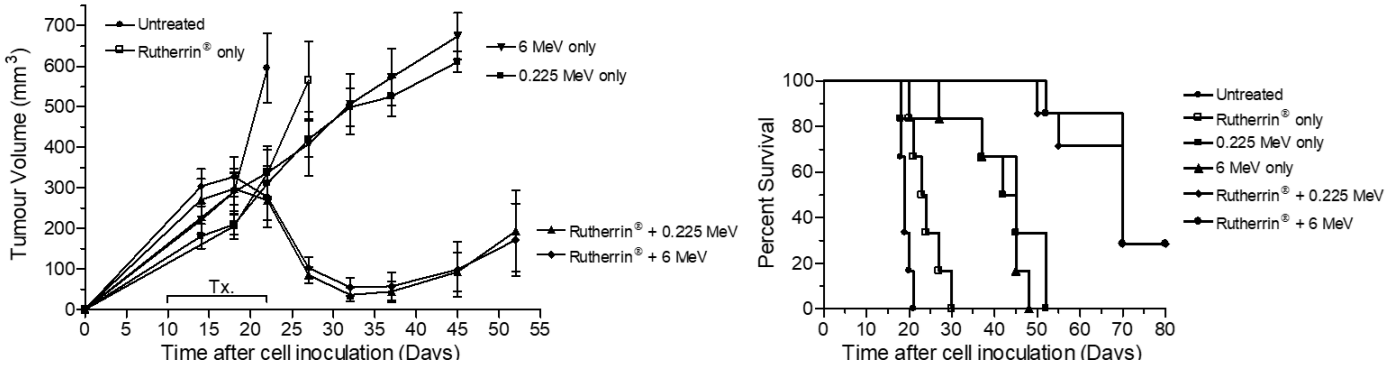

Figure 6: Efficacy of Rutherrin® and Comparison of Radiation Sources with Subcutaneous Mouse Model

Preclinical Insights	Implication for Human Studies
10 to 20 x tumour selectivity via transferrin receptor targeting	Precise tumour targeting and reduced systemic toxicity
25% CR rate with radiation + Rutherrin®	Strong efficacy potential in GBM
100% tumour rejection on re-challenge	Possible induction of anti-tumour immunity
Effective at 3 mg/kg dose	Lower dosing requirements and improved safety
Equivalent results with LINAC and XRAD	Seamless transition to clinical-grade radiotherapy platforms

Table 6: GBM Summary of Key Findings

These compelling preclinical results support Rutherrin® as a potent, tumour-selective, radiation-activated therapeutic for GBM and potentially other deep-seated malignancies. The data reinforces the rationale for advancing Rutherrin® into human clinical trials under a Phase 0/I/II adaptive study design, anticipated to commence in 2026.

Non-Small Cell Lung Cancer

Theralase has successfully completed preclinical studies demonstrating the tumour-selective uptake, therapeutic efficacy and survival benefits of Rutherrin®—an IV formulation of Ruvidar® conjugated with transferrin—in an aggressive Lewis Lung Carcinoma ("**LLC1**") orthotopic mouse model of NSCLC.

Tumour-Selective Uptake of Rutherrin®

In this model, mice were inoculated with LLC1 cells, leading to aggressive, metastatic lung tumours. Following a single 3 mg/kg IV injection of Rutherrin®, analysis revealed:

- Significantly prolonged retention of Rutherrin® in tumour tissue compared to normal lung tissue ($p < 0.01$)
- This led to substantially enhanced tumour selectivity, attributed to transferrin receptor-mediated uptake by cancer cells

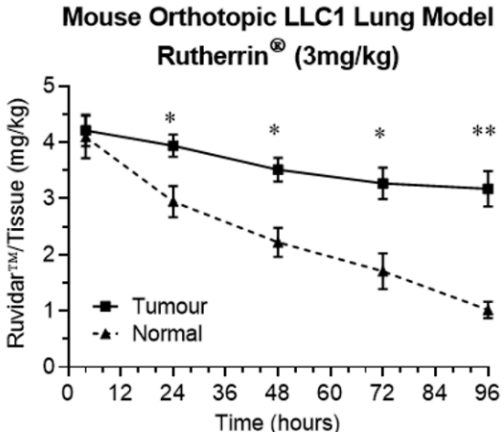

Figure 7: Rutherrin® Concentration in Normal and Tumour Lung After Single 3 mg/kg IV Injection

Tumour Volume Reduction: Rutherrin® + Radiation Versus Radiation Alone

Tumour progression was tracked using Magnetic Resonance Imaging ("**MRI**"). Mice treated with X-ray activated Rutherrin® showed:

- Up to 4-fold slower tumour growth compared to radiation-only controls
- Statistically significant delay in tumour progression ($p < 0.001$)
- In some cases, tumour regression, indicating active tumour destruction over time

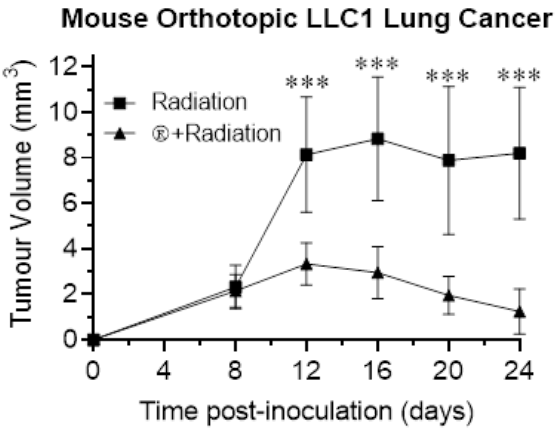

Figure 8: Tumour Volume Analysis in Mice After Tumour Inoculation and Treatment with Either Radiation Only or Combined Treatment of Rutherrin® and Radiation Treatment

Survival Benefit and Complete Response

Kaplan-Meier survival analysis demonstrated the impact of Rutherrin®-based therapy on overall survival:

- Median survival increased from 26 days (radiation only) to 35 days (Rutherrin® + radiation).
- In this aggressive lung cancer model, a 9-day increase in survival corresponds to approximately 1 year in human terms, based on widely accepted translational benchmarks.
- One treated mouse achieved a CR - confirmed via CT scan and is currently cancer free.

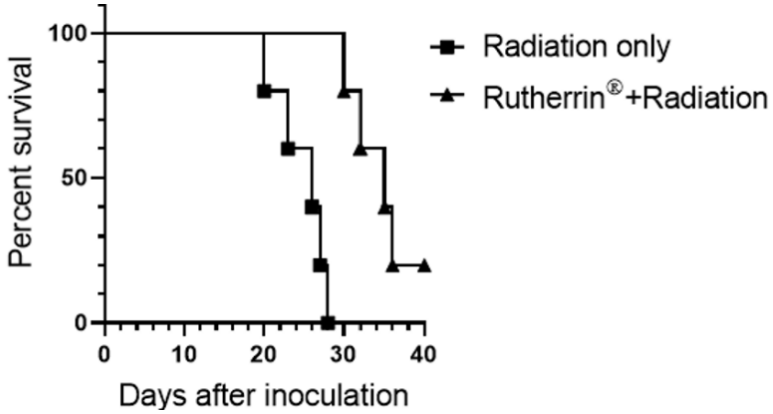

Figure 9: Kaplan-Meier Survival Analysis of Mice After Tumour Inoculation and Treatment with Radiation Only or Combined Treatment of Rutherrin® and Radiation Treatment

Preclinical Insights	Implication for Human Trials
Significantly greater tumour retention of Rutherrin®	Targeted delivery with reduced off-target toxicity
Up to 4x slower tumour progression ($p < 0.001$)	Strong therapeutic response versus current standard of care
Median survival increased from 26 to 35 days	Meaningful extension of life expectancy in aggressive NSCLC
One mouse achieved complete response and remission	Early indication of curative potential and immunologic memory

Table 7: NSCLC Summary of Key Findings

These results provide robust preclinical evidence supporting the advancement of Rutherrin® into clinical development for NSCLC, particularly in patients with limited treatment options or who are resistant to standard therapies. The combination of tumour specificity, potent efficacy and survival benefit—even in aggressive models—strongly positions Rutherrin® as a next-generation radio-sensitizer for systemic oncology indications.

Theralase® plans to incorporate these findings into its upcoming Phase 0/I/II adaptive clinical study, anticipated to commence in 2026, pending completion of GLP toxicology studies in 3Q2026.

Muscle Invasive Bladder Cancer Treatment

Theralase® is conducting pre-clinical research to develop Ruvidar® for the destruction of MIBC as an intravenous treatment for patients that are diagnosed with this disease. The Company expects to complete GLP toxicology in 3Q2026 to allow commencement of the design of a Phase 0/I/II adaptive clinical study®, with or without chemotherapy and/or immunotherapy, in 2026.

In vitro experiments using mouse MIBC cells ("**MBT-2**"), Rutherrin® combined with 2.5 Gray X-Ray radiation resulted in significantly greater cell death compared to radiation alone (Figure 8).

These results indicate that Rutherrin® enhances radiation-induced cytotoxicity, supporting its potential as a radiosensitizer in the destruction of MIBC.

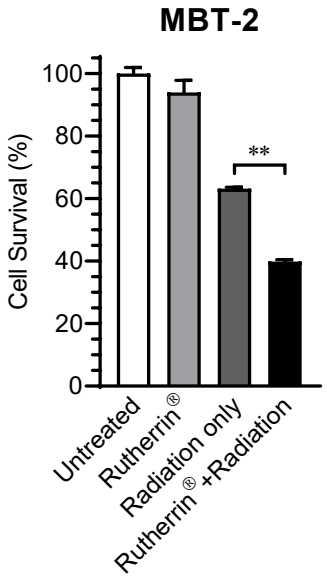

Figure 10: In Vitro MBT-2 Cell Kill After Rutherrin® and 2.5 Gray X-Ray Treatment

MBT-2 cells were used to establish an orthotopic MIBC model in mice, by surgically injecting the cells directly into the muscle layer of the mouse's bladder, leading to tumour growth and invasion of the muscle layer. In this model, the tumour grew into the bladder lumen, pushing against the inner urothelial layer, resulting in a reduction of the volume available for urine storage (Figure 14). If left untreated, the tumour would continue to grow until the bladder was completely blocked, rendering it inoperable and reaching the humane endpoint.

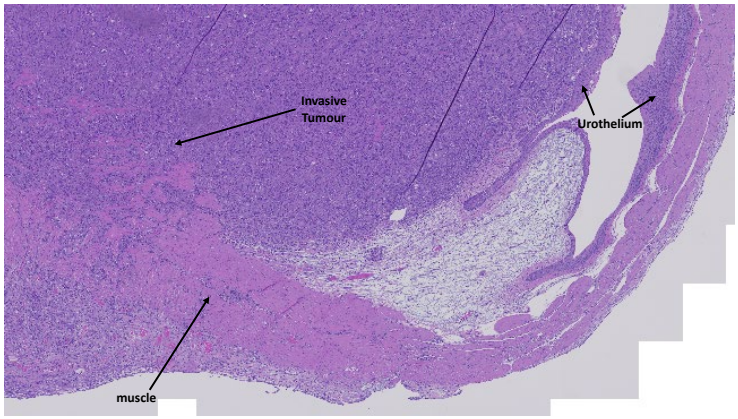

Figure 11: Histological Analysis Confirmed Successful Establishment of a MIBC Model

After systemic Rutherrin® was administered intravenously to mice with MBT-2 tumours, tissue analysis showed that tumour sites had approximately four times higher Rutherrin® levels than normal bladder, demonstrating tumour-selective uptake and a favourable therapeutic index (drug in cancer cells versus healthy cells). See Figure 12.

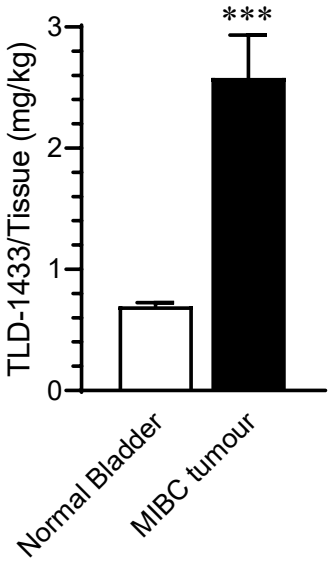

Figure 12: Selective Tumour Uptake of Rutherrin®

In further research, Theralase® is conducting an ongoing in-vivo MIBC study assessing the use of repeatable, intravenous Rutherrin® administration, in combination with fractionated radiation therapy (total cumulative dose of 25 Gray). At day 35 in this study, all mice in the Rutherrin® + radiation group survived and showed complete tumour clearance; however, in the radiation alone group mice exhibited persistent and larger tumour volumes, with 50% of the mice reaching their humane endpoint post treatment, with the other 50% displaying steady growth in their tumours. (Figure 13, 14 and 15). These results indicate that Rutherrin® significantly enhanced radiation efficacy and improves tumour control even when lower doses of radiation are employed.

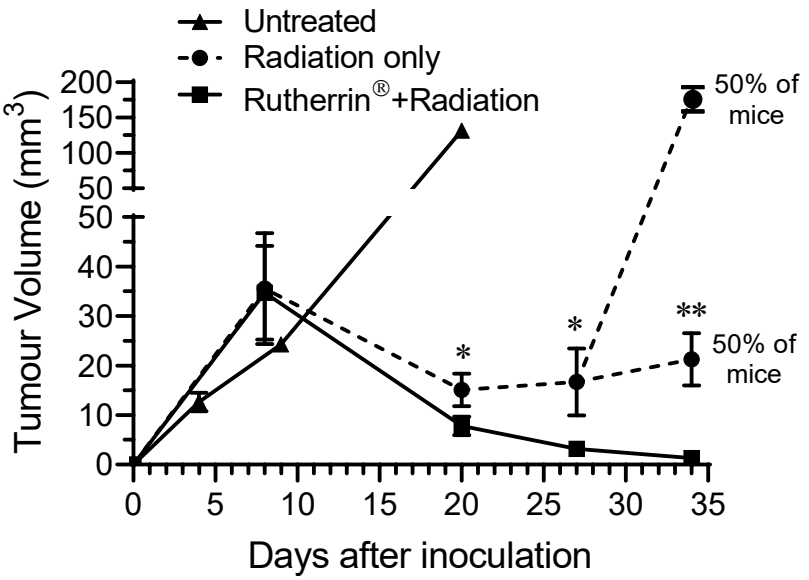

Figure 13: Tumour Volume Analysis in MBT-2 Mouse Model Treated with 25 Gray Cumulative Radiation

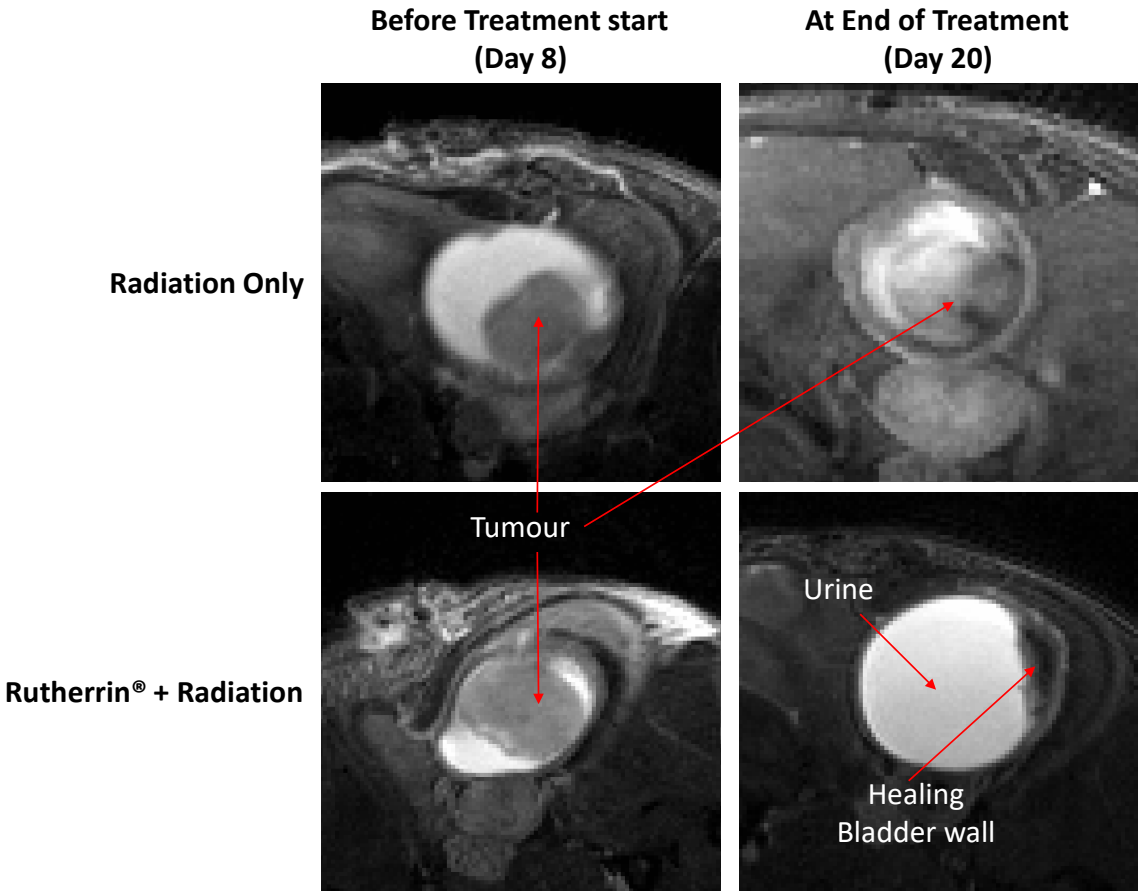

Figure 14: Representative MRI Sections of the Mouse Bladder Before and After Treatments

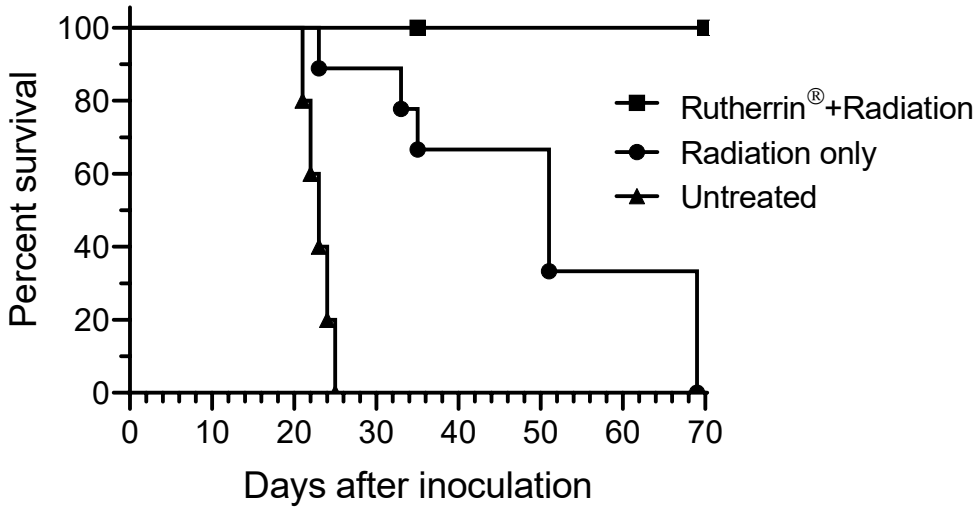

Figure 15: Kaplan–Meier Survival Curve Demonstrating Complete Response of Animals Treated with X-Ray-activated Rutherrin® in MIBC Animal Model

The radiation only group demonstrated partial therapeutic benefit, with a progressive decline in survival over time. Animals in this group perished from the disease within 25 and 70 days.
Untreated animals in the control group perished from the disease between 20 and 23 days, consistent with aggressive tumor progression.

These findings demonstrate complete response and the duration of that response in animals treated with X-Ray-activated Rutherrin®.

The Kaplan–Meier survival data demonstrates 100% survival of animals, treated with X-Ray-activated Rutherrin®, laying the groundwork for future clinical development.

Hematological Cancers

Theralase® is advancing the development of Ruvidar® as a novel extracorporeal light-activated treatment platform for hematological malignancies including:

- Leukemia
- Non-Hodgkin's Lymphoma ("**NHL**")
- Multiple Myeloma

The Company intends to initiate development of this extracorporeal therapy in 2027, targeting blood-borne cancers that are otherwise difficult to treat using traditional localized therapies.

Preclinical Study Design: A20 Lymphoma Mouse Model

An in vivo study was conducted using A20 murine lymphoma cells in a subcutaneous mouse model, designed to mimic human NHL.

Study design was as follows:

- Day 0: Mice inoculated with A20 lymphoma cells
- Day 10: Tumours reached 3 to 5 mm in diameter
- Treatment Duration: 3 weeks
- Treatment Regimen:
    - Rutherrin® (3 mg/kg, IV): 3 × weekly
    - Metformin (Intra-Peritoneal ("**IP**")): Daily
    - Radiation Therapy: 5× weekly
- Post-treatment: All interventions stopped after 3 weeks; tumour volume monitored thereafter

Results

Without radiation (see Figure 16)

- Rutherrin® and Metformin, when administered without radiation, demonstrated moderate tumour growth inhibition.
- This supports partial synergy between Rutherrin® and Metformin alone in reducing tumour volume.

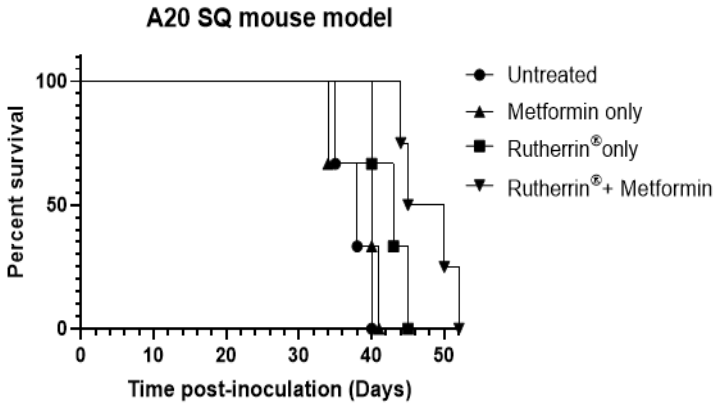

Figure 16: Treatment without Radiation

With radiation (see Figure 17)

- Mice treated with Rutherrin® + Metformin + Radiation demonstrated:
  - Significant tumour regression
  - Marked reduction in tumour volume
  - In some cases, CR observed

- Data support the synergistic efficacy of Rutherrin® as a radio-enhancer, especially when combined with metabolic modulators like Metformin.

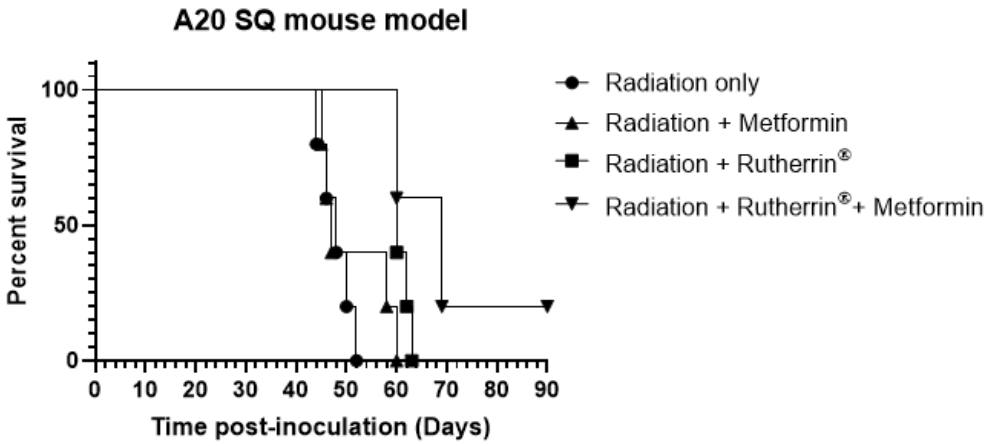

Figure 17: Treatment with Radiation

- Early preclinical evaluation shows promise in extracorporeal light-activated applications, suggesting potential efficacy in circulating cancers such as leukemia.
- Further studies are ongoing to determine optimized protocols for extracorporeal treatment platforms.

Finding	Implication
Rutherrin® + Metformin slows tumour growth	Metabolic modulation may enhance light-activated efficacy
Rutherrin® + Metformin + Radiation demonstrates CRs	Rutherrin® acts as an effective radio-sensitizer in hematological models
Tumour regression post-treatment suggests durability	Potential for long-term responses or immunologic memory
Feasibility in extracorporeal applications	Opens new treatment avenues for systemic blood cancers

Table 8: Leukemia Summary of Key Findings

Theralase® aims to:

- Further validate Rutherrin® in leukemia and lymphoma models using extracorporeal systems
- Initiate clinical development in 2027, focusing on optimization of light delivery and blood filtration technologies
- Incorporate findings into Phase 0/I/II adaptive study designs, post-GLP toxicology and HED determination.

Drug Combination Preclinical Research

Ruvidar® and Rutherrin® have demonstrated an ability to “hunt” and “localize” to various cancer cells, viruses and bacteria, then when activated by light and/or radiation safely and effectively destroy the target of interest.

Theralase® has expanded its research and development to include the evaluation of Ruvidar® and Rutherrin®, in its ability to increase the safety and/or efficacy of currently marketed drugs; including: oncology drugs (i.e.: bacteria-based, chemotherapy and immunotherapy) and non-oncological drugs.

Ruvidar® + BCG

In preclinical cell-based experiments, Ruvidar® combined with BCG creating a new compound, nicknamed "RuBCG", that was able to significantly increase the efficacy of BCG in cancer cell kill versus BCG or Ruvidar® alone, when non-light activated. The Mechanism Of Action ("**MOA**") is believed to be through a reversal of the cell wall charge of the BCG bacteria and in return a significant enhancement of bladder cancer cell kill by RuBCG.

As shown in Figure 18, when Ruvidar® was combined with BCG, it was able to reverse the negative charge of BCG to a positive charge, thus allowing potentially greater BCG uptake by NMIBC cells and a corresponding higher kill rate.

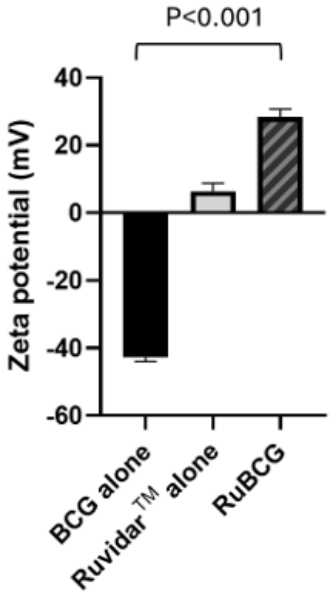

Figure 18: Inversion of BCG Surface Charge by Ruvidar® in RuBCG Formulation

As shown in Figure 19, RuBCG was able to increase the immunogenicity (ability to produce an immune response) in bladder cancer cells, by significantly decreasing the immune checkpoint inhibitor, Programmed Death Ligand-1 ("**PD-L1**").

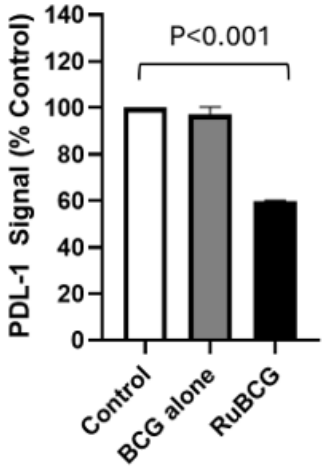

Figure 19: Increase in Immunogenicity of T24 cells (Human Bladder Cancer) Upon Incubation with RuBCG

As shown in Figure 20, RuBCG increased cell kill of T24 (human bladder cancer cells) versus the individual toxicities of Ruvidar® or BCG alone, when non-light activated.

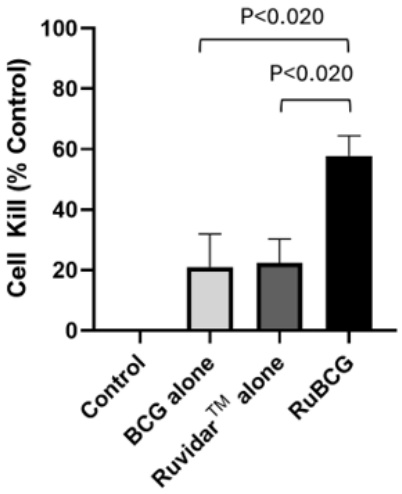

Figure 20: Increase in Cytotoxicity of T24 (Human Bladder Cancer Cells) Upon Incubation with RuBCG

Rutherrin® + Chemotherapy

Rutherrin® has been proven preclinically to be effective in increasing the efficacy of chemotherapy and reducing multidrug resistance.

Chemotherapy is currently one of the principal treatment methods for cancer, along with radiation and surgery. Clinically, many tumours undergo a satisfactory response, when first exposed to chemotherapeutic drugs; however, despite the initial success of these treatments, growing resistance to treatment with these drugs becomes a common occurrence. This results in the steady loss of therapeutic response over time for cancer patients, despite the wide spectrum of drugs and treatments available. This phenomenon is termed Multi-Drug Resistance ("**MDR**").

In order to determine the effect of Rutherrin® on MDR in cancer cells, cells were treated with Rutherrin®, before addition of one of the following drugs:

1) Hoechst 33342 (nuclear dye commonly used to study ABC transporter drug efflux)
2) Temozolomide (chemotherapy used to treat brain cancer)
3) Gemcitabine (chemotherapy used to treat various cancers)
4) Cisplatin (platinum-based chemotherapy used to treat various cancers)

Following incubation, cells were washed and the amount of intracellular drug was quantified using High-Performance Liquid Chromatography ("**HPLC**") coupled with Mass Spectrometry ("**MS**").

The amount of drug was normalized to cells, which were not treated with Rutherrin®, as a control.

As shown in Figure 21, treatment with Rutherrin® significantly enhanced the retention of all tested chemotherapeutic drugs, presumably through the inhibition of the ABC transporter efflux pump, resulting in higher intracellular drug accumulation, which would increase exposure of the cancer cells to the respective chemotherapy and consequently improve overall treatment efficacy.

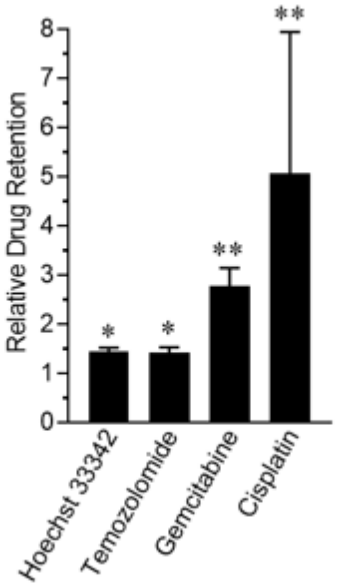

Figure 21: Relative Chemotherapeutic Drug Retention in Rutherrin® Treated Cells Normalized to Drug-Only Treated Cells

To further investigate this phenomenon and to demonstrate cancer cell kill, *in vitro* cells were treated with Rutherrin®, before addition of various chemotherapeutic drugs to analyze cell survival.

<u>These chemotherapeutic drugs included:</u>

1. Vandetanib (chemotherapy used to treat thyroid cancer)
2. Vemurafenib (chemotherapy used to treat melanoma)
3. Vinblatine (chemotherapy used to treat lymphoma, breast cancer and testicular cancer)
4. Cisplatin (platinum-based chemotherapy used to treat various cancers)
5. Temozolomide (chemotherapy used to treat brain cancer)
6. Gemcitabine (chemotherapy used to treat various cancers)

As shown in Figure 22, the addition of Rutherrin® significantly increased the cancer cell kill for all tested chemotherapeutic drugs, suggesting a universal effect of Rutherrin® on chemotherapeutic drugs in their destruction of cancer cells, rendering the cancer cells more susceptible to chemotherapy.

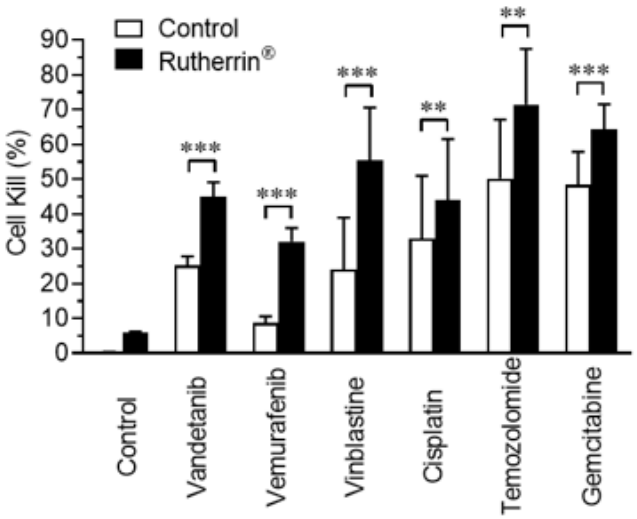

Figure 22: Cell Kill Percent After Treatment with Chemotherapeutic Drugs (Listed on X-axis) (+/- Rutherrin® Treatment)

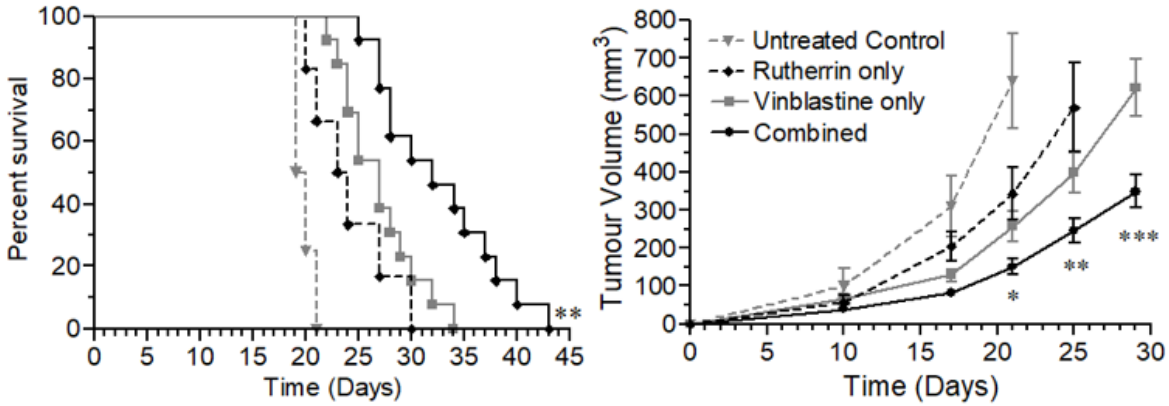

Figure 23: Kaplan-Meier Survival Curve and Tumour Volume Analysis in Mice After Subcutaneous Tumour Inoculation and Treatment with Either: Control, Rutherrin® Only, Vinblastine Only or Combined Rutherrin®, Plus Vinblastine Treatment

To further validate the research, a mouse animal model was utilized, where the mice were injected subcutaneously with mouse colorectal cancer cells and divided into four treatment groups; specifically: Untreated Control, Rutherrin® only, Vinblastine only and Rutherrin® combined with Vinblastine (See Figure 23).

As shown above, the combination of Rutherrin® and Vinblastine significantly delayed tumour volume progression and enhanced overall animal survival, compared to control or either treatment alone. This research was completed using Rutherrin® with no light or radiational activation.

Rutherrin® + Immunotherapy

Rutherrin® has been preclinically proven effective in increasing the efficacy of immunotherapy. Immunotherapy, the latest technology in the war on cancer, can come in various forms; including: checkpoint inhibitors, Chimeric Antigen Receptor ("**CAR**") T-Cell therapy, cytokines, immunomodulators, cancer vaccines, monoclonal antibodies and oncolytic viruses, but the fundamental MOA of all of these immunogenic drugs is to stimulate the immune system to destroy cancer cells.

Cancer cells hide from the immune system by overexpressing proteins on their cellular surface, known as checkpoint proteins, that prevent the immune system from recognizing and subsequently destroying them. They thus remain incognito to the one failsafe that can protect the human body, the immune system.

Theralase®'s research demonstrates that Rutherrin® enhances the MOA of immunotherapy by not only killing cancer cells directly, but also significantly reducing the amount of PD-L1 proteins expressed by cancer cells; hence, reducing the number of target checkpoint proteins that need to be blocked by checkpoint inhibitors.

This results in an elegant one-two-three punch in the destruction of cancer cells; where, Rutherrin® delivers the first punch, targeting and destroying cancer cells directly, as well as the second punch, by reducing the number of PD-L1 proteins expressed. This allows immunotherapeutic drugs to deliver the third and final punch, blocking the PD-L1 proteins remaining, allowing the immune system to significantly increase their recognition of cancer cells and hence their destruction. As a result, this technological advance increases both the safety and efficacy of immunotherapy, as less treatments would be required to induce the same clinical effect.

As shown in Figure 24, treatment of human cancer cells; specifically, NMIBC and GBM with Rutherrin® significantly reduces the expression of PD-L1 checkpoint proteins on the surface of the cancer cells; hence, allowing immunogenic drugs a greater opportunity to block those remaining. This would allow the immune system a much better opportunity to identify them and target them for destruction.

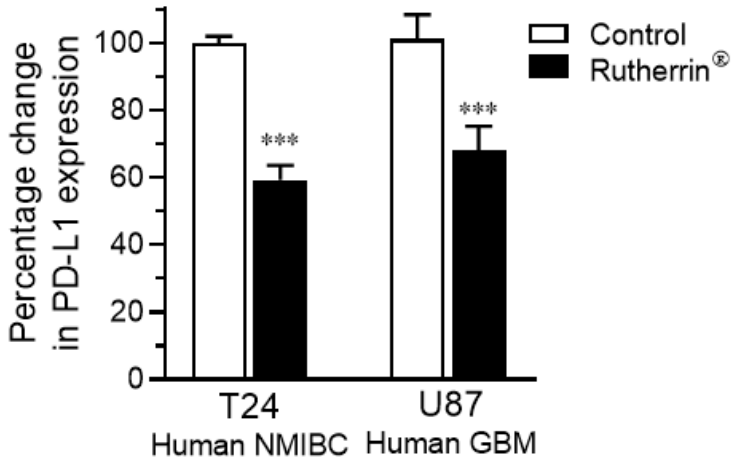

Figure 24: Percentage Change in PD-L1 Expression in NMIBC and GBM Cancer Cells

Herpes Simplex Virus-1

Dr. Kevin Coombs, a professor of virology at the University of Manitoba demonstrated that the small molecule, Ruvidar® could inhibit numerous pathogenic human viruses, when added to solutions of viruses, both with and without light-activation.

In these experiments, Dr. Coombs evaluated the ability of Ruvidar® to restrict HSV-1 replication in Vero cells, both by itself and in combination with acyclovir, in the absence of light-activation to mimic deep tissue application.

Light-activated Ruvidar® has been demonstrated to be even more effective in the inactivation of HSV versus non-light-activated Ruvidar®.

Ruvidar® successfully inhibited HSV-1 replication at significantly lower concentrations and more effectively than did the gold standard, acyclovir alone. Dr. Coombs also discovered additive and synergistic, anti-HSV-1 effects, when combinational therapy was investigated. See Figure 25.

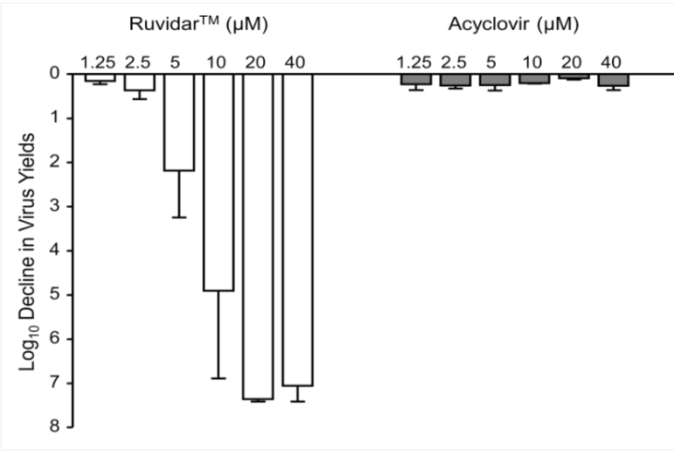

Figure 25: Effects of Ruvidar® versus Acyclovir on HSV-1 Yields When Added 24 Hours Post Infection ("HPI").

In Theralase® research, Balb/C mice were infected with human HSV-1 virus. On day 6 post-infection, 1% Ruvidar® solution was applied topically over the area of well-developed lesions, once daily for 4 days. Four days of Ruvidar® treatment resulted in complete healing of the HSV-1 cutaneous lesions.

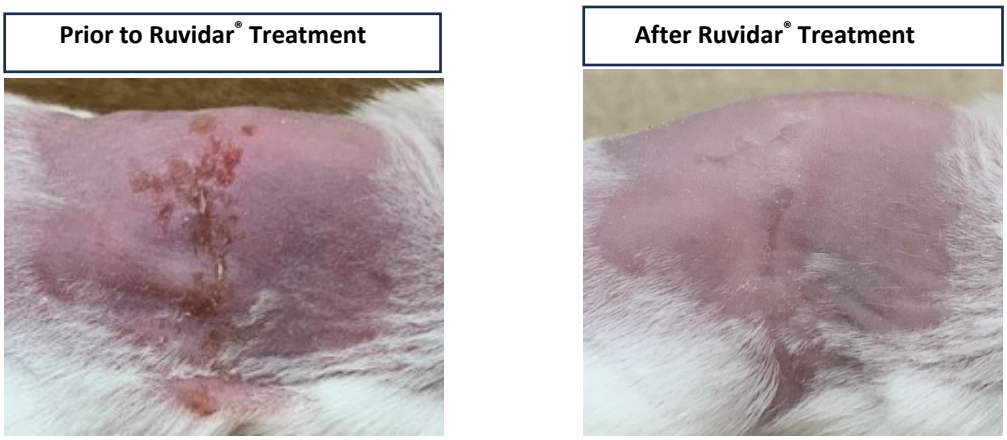

Figure 26: Four Days of Ruvidar® Treatment in Balb/C Mice with HSV-1 Infected Cutaneous Lesions

The results support the safety and efficacy of topically applied non-light activated Ruvidar® against cutaneous HSV-1 lesions in a mouse model. An example of the efficacy of Ruvidar® versus standard of care therapies (i.e.: Acyclovir or Abreva) is demonstrated below:

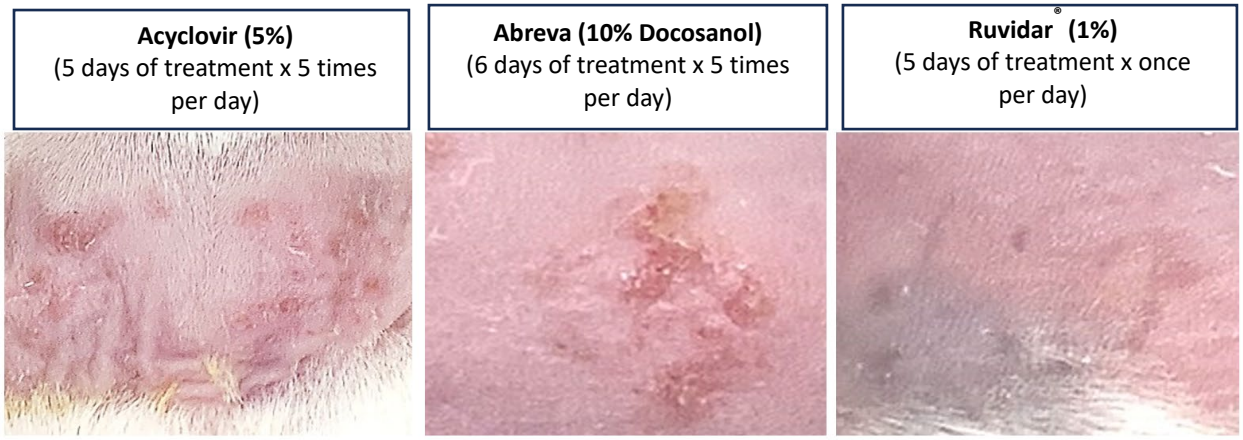

Figure 27: Ruvidar® Versus Standard of Care Therapies

Overview of Financial Performance

During the three-month period ended March 31st, 2026, the Company's financial performance and its operating results reflect the continued investment by the Company into its future prosperity through the research, development, preclinical and clinical initiatives culminating in the successful completion of the Phase Ib NMIBC clinical study and the completion of enrollment in Study II.

Summary of Selected Audited Annual Information
(Canadian Dollars)

For the twelve-month periods ended December 31st:

	2025	2024	2023
Total revenues	$ 816,468	$ 1,033,431	$ 1,070,307
Net loss	(4,120,817)	(4,256,114)	(4,570,879)
Basic and diluted loss per share	$ (0.016)	$ (0.018)	$ (0.022)
Total assets	$ 3,494,628	$ 3,246,949	$ 3,276,806
Total liabilities	1,716,812	1,179,501	1,371,364
Deficit	(71,616,936)	(67,496,119)	(63,240,005)
Shareholders' Equity	$ 1,777,816	$ 2,067,448	$ 1,905,442

Summary of Quarterly Results
(Canadian Dollars)

	2026
For the period ending:	**March 31**
Total revenues	**$ 132,634**
Net loss	**(1,031,785)**
Basic and diluted loss per share	**$ (0.004)**
As at:	**March 31**
Total assets	**$ 3,890,292**
Total liabilities	**1,940,474**
Deficit	**(72,648,721)**
Shareholders' Equity	**$ 1,949,818**

	2025			
For the period ending:	**March 31**	**June 30**	**September 30**	**December 31**
Total revenues	$ 91,190	$ 219,743	$ 279,640	$ 225,895
Net loss	(1,471,250)	(951,985)	(1,011,911)	(685,671)
Basic and diluted loss per share	$ (0.006)	$ (0.004)	$ (0.004)	$ (0.003)
As at:	**March 31**	**June 30**	**September 30**	**December 31**
Total assets	$ 2,959,029	$ 3,016,284	$ 3,004,348	$ 3,494,628
Total liabilities	1,868,833	1,739,887	1,798,665	1,716,812
Deficit	(68,967,369)	(69,919,353)	(70,931,264)	(71,616,936)
Shareholders' Equity	$ 1,090,195	$ 1,276,397	$ 1,092,713	$ 1,777,816

Results of Operations

Sales:

For the three-month period ended March 31, 2026, total revenue increased to $132,634 from $91,190 for the same period in 2025, a 45% increase.

		2026		2025
Sales Revenue	**$**	**103,552**	$	38,252
Service Revenue		**24,384**		47,929
Other Revenue		**4,698**		5,009
	$	**132,634**	$	91,190

The TLC-2000 represented 83% of sales for the three-month period ended March 31, 2026 and 81% of sales for the same period in 2025.

In Canada, revenue increased 62% to $123,559 from $76,238. In the US, revenue decreased 39% to $9,075 from $14,952.

Cost of Sales

Cost of sales for the three-month period ended March 31, 2026, was $68,250 (51% of revenue) resulting in a gross margin of $64,384 (49% of revenue). In comparison, the cost of sales for the same period in 2025 was $77,896 (85% of revenue) resulting in a gross margin of $13,294 (15% of revenue). Cost of sales is represented by the following costs:

		2026		2025
Inventory	**$**	**21,502**	$	14,416
Production salaries		**37,592**		45,062
Purchases and other costs		**9,155**		18,418
Total	**$**	**68,250**	$	77,897

Operating Expenses

For the three-month period ended March 31, 2026, selling expenses decreased to $66,534 from $68,143 for the same period in 2025, a 2% decrease and consisted of the following items:

		2026		2025
Sales salaries	**$**	**49,488**	$	49,848
Advertising		**2,568**		7,100
Commission		**5,714**		153
Travel		**4,035**		6,515
Stock based compensation		**891**		1,156
Amortization and depreciation allocation		**3,838**		3,371
Total selling expenses	**$**	**66,534**	$	68,143

The decrease in selling expenses is primarily a result of decreased spending on Advertising (64%) and Travel (38%).

Administrative expenses for three-month period ended March 31, 2026, decreased to $463,553 from $555,074 for the same period in 2025, a 16% decrease and consisted of the following items:

		2026		2025
Insurance	**$**	**13,754**	$	17,295
Professional fees		**73,702**		133,999
Rent		**11,578**		10,304
General and administrative expenses		**66,482**		65,800
Investor Relations		**64,430**		54,691
Administrative salaries		**126,138**		124,181
Director and advisory fees		**21,945**		22,246
Stock based compensation		**72,280**		119,814
Amortization and depreciation allocation		**13,243**		6,744
Total administrative expenses	**$**	**463,553**	$	555,074

The decrease in administrative expenses is primarily a result of decreased spending on insurance (20%) and professional fees (45%).

Net research and development expenses for the three-month period ended March 31, 2026, decreased to $564,724 from $877,670 for the same period in 2025, a 36% decrease, and consisted of the following items:

		2026		2025
Research and development (net of investment tax credit)	**$**	**482,858**	$	760,096
Stock based compensation		**39,682**		68,395
Amortization and depreciation allocation		**42,184**		49,179
Total research and development expenses	**$**	**564,724**	$	877,670

The decrease in research and development expenses is attributed to a decrease in costs for Study II patient enrollment and treatment. Research and development expenses represented 52% of the Company's operating expenses and represent investment into the research and development of the Company's Drug Division.

Net Profit (Loss)

The net loss for the three-month period ended March 31, 2026, was $1,031,785, which included $172,118 of net non-cash expenses (i.e.: amortization, stock-based compensation expense). This compared to a net loss for the same period in 2025 of $1,471,250, which included $254,523 of net non-cash expenses. The Drug Division represented $803,352 (78%) of this loss.

The decrease in net loss is primarily attributed to decreased spending on research and development expenses in Study II.

Cash Flows

Cashflows for the three month period ended March 31st are as follows:

		2026		2025
Net loss and comprehensive loss	**$**	**(1,031,785)**	$	(1,471,250)
Items not involving cash		**172,118**		254,523
Cash provided by operations		**(859,668)**		(1,216,727)
Net change in non-cash working capital		**615,127**		863,962
Cash (used in) provided by operating activities		**(244,541)**		(352,765)
Cash (used in) provided by investing activities		**(898)**		(64,577)
Cash (used in) provided by financing activities		**1,064,468**		280,348
Net change in cash and cash equivalents during the period		**819,029**		(136,994)
Cash and cash equivalents, beginning of period		**182,914**		268,757
Cash and cash equivalents, end of period		**1,001,943**		131,763

Funds used in operating activities, after taking into account net changes in other non-cash operating items, were $244,541 for the three-month period ended March 31st, 2026, compared to funds used of $352,765 in 2025. The decrease is attributed to a decrease in the cost of operations.

Funds used in investing for the three-month period ended March 31st, 2026, amounted to $898 compared to $64,577 in 2025. The increase is attributed to decreased spending on equipment.

Funds received in financing activities amounted to $1,064,468 for the three-month period ended March 31st, 2026, compared to funds received of $268,755 in 2025. The increase is attributed to the completion of non-brokered private placements.

Assets (Other than Cash)

The Company holds essential and valuable intellectual property rights and assets; including: patents, trademarks, development and other related costs.

Long Term Receivables

Long term receivables represent amounts owing from customers for sales of goods with payment terms of 60 months

	March 31, 2026	December 31, 2025
Beginning balance	**$ 1,489,140**	$ 1,431,427
New receivables for the year	**90,021**	551,799
Interest charge for the year	**19,334**	79,296
Payments for the year	**(136,023)**	(541,771)
Amounts written off during the year	**-**	(31,611)
Total	**$ 1,462,473**	$ 1,489,140
Current portion	**$ 493,052**	$ 470,070
Long term portion	**$ 969,421**	1,019,070
Total	**$ 1,462,473**	$ 1,489,140

Principal long term receivables until maturity are as follows:

	Undiscounted Long Term Receivables	**Discounted Long Term Receivables**	**Unearned Finance Income**
2026	$ 430,489	$ 376,304	$ 54,185
2027	488,281	433,493	54,788
2028	351,371	319,781	31,590
2029	234,043	222,083	11,960
2030	112,168	105,628	6,540
2031	5,815	5,185	630
Total	**$ 1,622,166**	**$ 1,462,473**	**$ 159,693**

Commitments

As of March 31st, 2026, the Company's commitments consisted of the following:

	Total	**2026**	**2027**	**2028**	**2029**	**2030**	**Therafter**
Research Agreement	69,700	8,800	8,800	8,800	8,800	8,800	25,700
Total	**$ 69,700**	**$ 8,800**	**$ 8,800**	**$ 8,800**	**$ 8,800**	**$ 8,800**	**$ 25,700**

Research Commitments under a research agreement with a Contract Manufacturer for the TLC-3200 cancer therapy project. Under the terms of this agreement, the Company is required to pay $375,690 for the period from April 29, 2021 through to November 15, 2033. The Company has paid $168,013 relating to this commitment, of which $69,700 is the remaining commitment.

The Company indemnifies its directors and officers against any and all costs, charges and expenses; including, settlement of claims in respect of any civil, criminal or administrative action incurred in the performance of their service to the Company to the extent permitted by law. The Company maintains liability insurance for its officers and directors.

Lease Liabilities and Right-of-Use-Assets

The Company leases premises consisting of its office and manufacturing facilities. On May 20th, 2022, the Company extended the lease of its premises for an additional 5 years until September 30th, 2027.

Principal and interest repayments of the Company's leased premises and office equipment until maturity are as follows:

	Undiscounted Lease Payments	Discounted Lease Payments	Finance Interest Expense
2026	$ 90,075	$ 82,227	$ 7,848
2027	90,075	87,057	3,018
2028	2,100	1,709	391
2029	2,100	1,832	268
2030	2,100	1,965	135
2031	875	860	15
	$ 187,325	**$ 175,650**	**$ 11,675**

Share Capital Analysis

As of May 29, 2026:

- The share capital of the Company consisted of 295,671,318 common shares. Each common share entitles the holder to one vote per share.
- There were 19,570,000 options outstanding, of which 11,883,333 were vested and exercisable into an equivalent number of the Company's common shares.
- There were 89,965,629 warrants outstanding. Each whole warrant entitles the holder thereof to purchase one additional common share.
- There were 1,251,247 broker compensation units outstanding. Each unit entitles the holder thereof to purchase one common share and one common share purchase warrant.

The warrants are exercisable as follows:

- 10,000,000 at a price of $0.35 until September 22nd, 2027
- 1,000,000 at a price of $0.35 until November 17th, 2027
- 4,800,000 at a price of $0.35 until June 30th, 2028
- 1,840,000 at a price of $0.35 until September 7, 2025
- 5,318,183 at a price of $0.28 until November 29, 2028
- 6,670,836 at a price of $0.25 until February 5, 2029
- 4,167,778 at a price of $0.25 until April 24, 2029
- 3,522,729 at a price of $0.30 until July 8, 2029
- 2,730,500 at a price of $0.30 until September 24, 2029
- 2,221,334 at a price of $0.45 until November 15, 2029
- 1,036,882 at a price of $0.45 until March 11, 2030
- 1,995,829 at a price of $0.32 until April 22, 2030
- 2,870,000 at a price of $0.30 until June 17, 2030
- 3,363,134 at a price of $0.30 until July 28, 2030
- 7,917,103 at a price of $0.21 until December 23, 2030

- 4,230,770 at a price of $0.36 until March 11, 2031
- 6,434,010 at a price of $0.36 until April 10, 2031
- 19,166,667 at a price of $0.32 until May 20, 2031
- 679,874 at a price of $0.32 until May 20, 2031

The broker compensation units are exercisable as follows:

- 18,864 at a price of $0.22 per unit until November 23, 2028
- 1,232,383 at a price of $0.24 per unit until May 20, 2031

Fully diluted, the share capital of the Company is 406,458,194 common shares.

Segmented Information

The Company is organized into two separate reportable operating divisions; the Drug Division and the Device Division. These segments are both managed by the Chief Executive Officer ("**CEO**") of the Company; although, they require different technology, resources and marketing strategies. The CEO evaluates segment performance and allocates resources accordingly.

The Drug Division is responsible for the research and development of energy-activated small molecules, primarily for the treatment of cancer with assistance from the Device Division to develop medical lasers to activate them. The CEO reviews this segment's performance based on research and development expenditures and clinical milestones.

The Device Division is responsible for the Company's medical laser business, which research develops, manufactures and distributes Cool Laser Therapy systems to healthcare practitioners predominantly for the healing of pain. The CEO assesses this segment based on unit sales and gross margin.

The following table displays revenue and direct expenses from the Drug and Device Division for the years ended December 31:

	2026			2025		
	Device	**Drug**	**Total**	Device	Drug	Total
Sales	**$ 132,634**	**$ -**	**$ 132,634**	$ 91,190	$ -	$ 91,190
Cost of sales	**68,250**	**-**	**68,250**	77,896	-	77,896
Gross margin	**64,384**	**-**	**64,384**	13,294	-	13,294
Operating Expenses						
Selling expenses	**66,534**	**-**	**66,534**	68,143	-	68,143
Administrative expenses	**211,047**	**252,506**	**463,553**	234,533	320,540	555,074
Research and development expenses	**29,203**	**535,521**	**564,724**	44,669	833,001	877,670
Loss on foreign exchange	**2,566**	**3,848**	**6,414**	(1,663)	(1,663)	(3,325)
Interest accretion on lease liabilities	**1,353**	**2,030**	**3,383**	2,501	2,501	5,002
Interest income	**(19,334)**	**-**	**(19,334)**	(19,237)		(19,237)
Interest expense	**1,450**	**9,446**	**10,896**	1,217	-	1,217
	292,817	**803,352**	**1,096,169**	330,164	1,154,380	1,484,544
Loss for the year	**$ (228,432)**	**$ (803,352)**	**$ (1,031,785)**	$ (316,870)	$ (1,154,380)	$ (1,471,250)
Total Assets	**$ 2,393,467**	**$ 1,496,825**	**$ 3,890,292**	$ 2,282,815	$ 676,214	$ 2,959,029
Total Liabilities	**295,484**	**1,644,990**	**1,940,474**	448,682	1,420,151	1,868,833

The following table displays revenue and direct expenses from the device division product sales by product line and geographic area for the years ended December 31:

	2026			2025		
	Canada	**USA**	**International**	Canada	USA	International
Sales	**123,559**	**9,075**	**-**	76,238	14,952	-

As at March 31st, 2026 and December 31st, 2025, the Company's long-lived assets used in operations are all located in Canada. Timing of revenue is recognized at a point in time.

Selected Financial Information and Accounting Policies

The unaudited condensed consolidated interim consolidated financial statements for the three-month period ended March 31st, 2026, and all other financial statements referred to herein, have been prepared in accordance with IFRS Accounting ("**IFRS**"), consistently applied, and all amounts and currencies reported therein, and in this MD&A, are in Canadian dollars, unless otherwise noted. The ongoing accounting policies are more particularly described in the Notes to the audited annual consolidated financial statements for the year ended December 31st, 2026. Please refer to the Company's annual and quarterly financial statement filings, including material interim press releases, at www.sedarplus.ca.

Use of Financial Instruments

The Company's financial instruments consists of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities. The fair value of cash, accounts receivable, accounts payable and accrued liabilities approximate carrying value because of the short-term nature of these instruments.

IFRS 13 - Financial Instruments: Disclosures establishes a fair value hierarchy 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

Cash is valued at Level 1.

Cash, trade and other receivables, payables and short term loans approximate fair value due to their short-term nature.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's trade and other receivable. The amounts receivable reported in the consolidated balance sheets are net of allowances for credit losses, estimated by the Company's management based on prior experience and its assessment of the current economic environment. The Company reviews its trade receivable and investment in leases regularly and reduces amounts to their expected realizable values by adjusting the allowance for credit losses when management determines that the account may not be fully collectible. The Company has adopted credit policies in an effort to minimize those risks. The carrying value of trade and other receivables and investment in leases represent the Company's maximum exposure to credit risk.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages its liquidity risk by continuously monitoring forecasted and actual cash flows, as well as anticipated investing and financing activities. The Company does not have material long-term financial liabilities.

(iii) Interest rate risk

Interest rate risk is the risk that changes in interest rates will affect the Company's income or the value of the financial instruments held. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's exposure to interest rate risk is as follows:

Cash and cash equivalents	Short-term fixed and variable interest rate
Long term receivables	Long-term fixed interest rate
Short term loan	short-term fixed interest rate

(iv) Foreign currency exchange risk

The Company is exposed to foreign currency exchange risk. This risk arises from the Company's holdings of US dollar denominated cash, trade and other receivables and payables and accrued liabilities. Changes arising from this risk could impact the Company's reported foreign currency exchange gains or losses.

The Company has not entered into any conventional or other financial instruments designed to minimize its investment risk, currency risk or commodity risk. No off-balance sheet arrangements have been established nor are there any pending proposals or indicated business requirements to this effect.

Critical Accounting Policies, Estimates and Judgments

As noted above, the Company's unaudited condensed consolidated interim financial statements as of March 31st, 2026 and audited consolidated financial statements as of December 31st, 2025, respectively, and for the three-month period ended March 31st, 2026 and 2025, respectively, have been prepared in accordance with IFRS. The policies applied are based on IFRS issued and outstanding as of May 29th, 2026 which is the date at which the Company's Board of Directors approved the audited consolidated financial statements.

Additionally, the preparation of the unaudited interim consolidated financial statements, in accordance with IFRS, often requires management to make estimates about and apply assumptions or subjective judgment to future events and other matters that affect the reported amounts of assets, liabilities, revenues, expenses and related disclosures. Assumptions, estimates and judgments are based on historical experience, expectations, current trends and other factors that management believes to be relevant at the time at which the consolidated financial statements are prepared. Management reviews, on a regular basis, the Company's accounting policies, assumptions, estimates and judgments, in order to ensure that the consolidated financial statements are presented fairly and in accordance with IFRS.

Critical accounting estimates and judgments are those that have a significant risk of causing material adjustment and are often applied to matters or outcomes that are inherently uncertain and subject to change. As such, management cautions that future events often vary from forecasts and expectations and that estimates routinely require adjustment. A summary of those areas where the Company's management believe critical accounting policies affect the significant judgments and estimates used in the preparation of the consolidated financial statements can be found in note 2 to the audited consolidated financial statements of December 31, 2025 and 2024.

Disclosure of Internal Controls

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that:

(i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements; and

(ii) the consolidated financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented by the consolidated financial statements.

In contrast to the certificate required under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("**NI 52-109**"), the Company utilizes the Venture Issuer Basic Certificate, which does not include representations relating to the establishment and maintenance of Disclosure Controls and Procedures ("**DC&P**") and Internal Control over Financial Reporting ("**ICFR**"), as defined in NI 52-109.

In particular, the certifying officers filing the Certificate are not making any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP. The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

In connection with the audits of the Company's consolidated financial statements for the years' ended December 31st, 2025 and 2024, the Company's independent registered public accountants identified certain material weaknesses in the Company's internal control over financial reporting. Such material weaknesses continue to exist as of May 29th, 2026. A "material weaknesses" is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the Company's annual or interim consolidated financial statements will not be prevented or detected on a timely basis. The material weaknesses relate to not having a full segregation of duties within members of its accounting staff dedicated to financial reporting functions so that all journal entries and account reconciliations are reviewed by someone other than the preparer, heightening the risk of error or fraud. If the Company is unable to remediate the material weakness, or other control deficiencies are identified, the Company may not be able to report its financial results accurately or prevent fraud.

Risks and Uncertainties

The Company's operations involve certain risks and uncertainties that are inherent to the Company's industry. The most significant known risks and uncertainties faced by the Company are described below.

Limited Operating History

The Company is still in the development and commercialization stages of its businesses and therefore will be subject to the risks associated with early-stage companies, including uncertainty of the success and acceptance of its products, uncertainty of revenues, markets and profitability and the continuing need to raise additional capital. The Company's business prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in this stage of development. Such risks include the evolving and unpredictable nature of the Company's business, the Company's ability to anticipate and adapt to a developing market, acceptance by consumers of the Company's products, the ability to identify, attract and retain qualified personnel and the ability to generate sufficient revenue or raise sufficient capital to carry out its business plans. There can be no assurance that the Company will be successful in adequately mitigating these risks.

Working Capital and Capital Resources

The Company has not been able to consistently generate sufficient profits from its revenue to provide the financial resources necessary to continue to have sufficient working capital for the development of its products and marketing activities. There is no assurance that future revenues will be sufficient to generate the required funds to continue product development, business development and marketing activities or that additional funds required for such working capital will be available from financings.

These conditions indicate the existence of material uncertainties that cast substantial doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon achieving a profitable level of operations and obtaining additional financing, neither of which is assured. The Company has been able, to date, to raise capital via private placements to continue to market its products and continues to develop sales opportunities which could result in additional sales of its products in the future.

In order to achieve its long-term development and commercialization strategy for the Company's range of therapeutic laser systems and small molecule anti-cancer technology, the Company may need to raise additional capital through the issuance of shares, collaboration agreements or strategic partnerships that would allow the Company to finance its activities. There is no assurance that additional funds will be available as required or that they may be available on acceptable terms and conditions. Additional financing may also result in dilution of shareholder value.

Key Personnel

The Company's success is dependent upon its ability to attract and retain a highly qualified work force, and to establish and maintain close relationships with research centers. Competition is intense and the Company's success will depend, to a great extent, on its senior and executive managers, scientific personnel and academic partners. The loss of one or more of its key employees or the inability to attract and retain highly skilled personnel could have a material adverse effect on the Company's development of its products, operations or business prospects.

Protection of Intellectual Property

The Company's success will depend in part on its ability to obtain patents, protect its trade secrets and operate without infringing the exclusive rights of other parties. There is no guarantee that any patent that will be granted to the Company will bring any competitive advantage to the Company, that its patent protection will not be contested by third parties, or that the patents of competitors will not be detrimental to the Company's commercial activities. It cannot be assured that competitors will not independently develop products similar to the Company's products, that they will not imitate the Company's products or that they will not circumvent or invalidate patents granted to the Company.

Although the Company does not believe that its products infringe the proprietary rights of any third parties, there can be no assurance that infringement or invalidity claims (or claims for indemnification resulting from infringement claims) will not be asserted or prosecuted against the Company or that any such assertions or prosecutions, valid or otherwise, will not materially adversely affect the Company's business, financial condition or results of operations. Irrespective of the validity of the successful assertion of such claims, the Company could incur significant costs and diversion of resources with respect to the defense thereof, which could have a material adverse effect on the Company. The Company's performance and ability to develop markets and compete effectively are dependent to a significant degree on its proprietary and patented technology. The Company relies on its patents and trade secrets, as well as confidentiality agreements and technical measures, to establish and protect its proprietary rights. While the Company will endeavor to protect its intellectual property, there can be no assurance that the steps taken will prevent misappropriation or that agreements entered into for that purpose will be enforceable. The laws of certain other countries may afford the Company little or no effective protection of its intellectual property.

Competition

Many of the Company's current and potential competitors have longer operating histories, larger customer bases, greater name and brand recognition and significantly greater financial, sales, marketing, engineering, scientific, technical and other resources than the Company. These competitors have research and development capabilities that may allow them to develop new or improved products that may compete with the Company's products. New technologies and the expansion of existing technologies may also increase competitive pressures on the Company. Increased competition may result in reduced operating margins as well as loss of market share and could result in decreased usage in the Company's products and may have a material adverse effect on the Company.

Implementation Delays

Many of the Company's products will be in development, testing or preliminary stage and there may be delays or other problems in the introduction of the Company's products. The Company cannot predict when customers that are in a testing or preliminary use phase of the Company's products will adopt a broader use of the products. The market for the Company's products is relatively new and continues to evolve. The Company's products will involve changes in the manner in which businesses have traditionally used such products. In some cases, the Company's customers will have little experience with products offered by the Company. The Company will have to spend considerable resources educating potential customers about the value of the Company's products. It is difficult to assess, or predict with any assurance, the present and future size of the potential market for the Company's products or its growth rate, if any. The Company cannot predict whether or not its products will achieve market acceptance.

Strategic Alliances

The Company's ability to successfully complete the research and development of its products and its growth and marketing strategies are based, in significant part, in the strategic alliances it has in place and the licenses and agreements securing those strategic alliances. The Company's success will depend upon the ability to seek out and establish new strategic alliances and working relationships. There can be no assurance that existing strategic alliances and working relationships will not be terminated or adversely modified in the future, nor can there be any assurance that new relationships, if any, will afford the Company the same benefits as those currently in place.

Trade Secret Protection

Because the Company relies on third parties to develop its products, the Company must share trade secrets with them. The Company seeks to protect its proprietary technology in part by entering into confidentiality agreements and, if applicable, material transfer agreements, collaborative research agreements, consulting agreements or other similar agreements with its collaborators, advisors, employees and consultants prior to beginning research or disclosing proprietary information. These agreements typically restrict the ability of its collaborators, advisors, employees and consultants to publish data potentially relating to its trade secrets. The Company's academic collaborators typically have rights to publish data, provided that the Company is notified in advance and may delay publication for a specified time in order to secure its intellectual property rights arising from the collaboration. In other cases, publication rights are controlled exclusively by the Company, although in some cases the Company may share these rights with other parties. The Company also conducts joint research and development programs which may require the Company to share trade secrets under the terms of research and development collaboration or similar agreements. Despite the Company's efforts to protect its trade secrets, the Company's competitors may discover the Company's trade secrets, either through breach of these agreements, independent development or publication of information including the Company's trade secrets in cases where the Company does not have proprietary or otherwise protected rights at the time of publication. A competitor's discovery of the Company's trade secrets may impair the Company's competitive position and could have a material adverse effect on the Company's business and financial condition.

Product Deficiencies

Given that the Company's products are either fairly new, or are in various stages of development, there may be difficulties in product design, performance and reliability which could result in lost revenue, delays in customer acceptance of the Company's products and legal claims against the Company, which would be detrimental, perhaps materially to the Company's market reputation and ability to generate further sales. Serious defects are frequently found during the period immediately following the introduction of new products or enhancements to existing products and undetected errors or performance problems may be discovered in the future. Product defects may expose the Company to liability claims, for which the Company may not have sufficient liability insurance.

Dependence on Third Party Suppliers

The Company has established relationships with certain third-party suppliers upon whom it relies on to provide key materials and components for completion of its products. In the event of the inability of these third parties to supply such materials and components in a timely manner or to supply materials and components that continue to meet the Company's quality, quantity or cost requirements, the Company would be required to purchase these materials and components from other suppliers. There is no assurance that other suppliers can be found in such circumstances who can supply the materials and components in a timely manner or that meet the Company's quality, quantity or cost requirements.

Volatility of Share Price

The market price of the Company's common shares is subject to volatility. General market conditions as well as differences between the Company's financial, scientific and clinical results, and the expectations of investors, as well as securities analysts can have a significant impact on the trading price of the Company's common shares.

Regulatory Approvals

The Company is directly and indirectly engaged in the design, manufacture, sale and international marketing of therapeutic and medical laser equipment, as well as the research and development of light activated small molecules, all of which are subject to regulatory oversights, audits and controls by various national regulatory agencies (i.e.: FDA, Health Canada and CE) and authoritative quality standards bodies (i.e.: UL, CSA, ISO and TUV), which all possess strict quality certification procedures. The Company is in full compliance with all the governing regulatory and quality standards and approval requirements pertaining to the medical laser devices it currently designs, manufactures and markets and the small molecules it researches and develops. No assurance can be given that current regulations relating to regulatory approval will not change or become more stringent and product approvals may be withdrawn if compliance with regulatory standards is not maintained.

Early Stage of Product Development

Given the early stage of the Company's product development, the Company can make no assurance that its research and development programs will result in regulatory approval or commercially viable products. To achieve profitable operations, the Company alone or with others, must successfully develop, gain regulatory approval and market its future products. To obtain regulatory approvals for its product candidates being developed and to achieve commercial success, clinical studies must demonstrate that the product candidates are safe and tolerable for human use and that they demonstrate efficacy equal to or greater than standard of care.

Many product candidates never reach the stage of clinical testing and even than those that do have only a small chance of successfully completing clinical development and gaining regulatory approval. Product candidates may fail for a number of reasons, including, but not limited to: being unsafe for human use or due to the failure to provide therapeutic benefits equal to or better than the standard of treatment at the time of testing. Unsatisfactory results obtained from a particular study relating to a research and development program may cause the Company or its collaborators to abandon commitments to that program. Positive results of early preclinical research may not be indicative of the results that may be obtained in later stages of preclinical or clinical research. Similarly, positive results from early-stage clinical studies may not be indicative of favorable outcomes in later-stage clinical studies. The Company can make no assurance that any future studies, if undertaken, will yield favorable results.

Reliance on Third Parties

The Company relies and will continue to rely on third parties to conduct a significant portion of its preclinical and clinical development activities. Preclinical activities include: in-vivo studies providing access to specific disease models, pharmacology and toxicology studies and assay development. Clinical development activities include: trial design, regulatory submissions, clinical patient recruitment, clinical trial monitoring, clinical data management and analysis, safety monitoring and project management. If there is any dispute or disruption in the Company's relationship with third parties, or if they are unable to provide quality services in a timely manner and at a feasible cost, the Company's active development programs may face delays. Further, if any of these third parties fails to perform as the Company expects or if their work fails to meet regulatory requirements, the Company's testing could be delayed, cancelled or rendered ineffective.

Clinical Study Risk

Before obtaining marketing approval from regulatory authorities for the sale of the Company's product candidates, the Company must conduct preclinical studies in animals and extensive clinical studies in humans to demonstrate the safety, tolerability and efficacy of the product candidates. Clinical testing is expensive and difficult to design and implement, can take many years to complete and has uncertain outcomes. The outcome of preclinical experiments and early clinical studies may not predict the success of later clinical studies, and interim results of a clinical study do not necessarily predict final results. A number of companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in advanced clinical studies due to lack of efficacy or unacceptable safety profiles, notwithstanding promising results in earlier studies. The Company does not know whether the clinical studies it may conduct will demonstrate adequate efficacy and safety to result in regulatory approval to market any of the Company's product candidates in any jurisdiction. A product candidate may fail for safety, tolerability or efficacy reasons at any stage of the testing process. A major risk the Company faces is the possibility that none of the Company's product candidates under development will successfully gain market approval from Health Canada, the FDA or other regulatory authorities, resulting in the Company being unable to derive any commercial revenue from them after investing significant amounts of capital in multiple stages of preclinical and clinical testing.

From time to time, scientific studies or clinical studies on various aspects of biopharmaceutical products are conducted by academic researchers, competitors or others. The results of these studies, when published, may have a significant effect on the market for the biopharmaceutical product that is the subject of the study. The publication of negative results of scientific studies or clinical studies or adverse safety events related to the Company's product candidates, or the therapeutic areas in which the Company's product candidates compete, could adversely affect the Company's share price and the Company's ability to finance future development of its product candidates; hence, the Company's business and financial results could be materially and adversely affected.

Clinical Study Timing Delays

The Company cannot predict whether any clinical studies will begin as planned, will need to be restructured, or will be completed on schedule, or at all. The Company's product development costs may increase significantly if the Company experiences delays in clinical testing. Significant clinical study delays could shorten any periods during which the Company may have the exclusive right to commercialize its product candidates or allow the Company's competitors to bring products to market before the Company, which would impair the Company's ability to successfully commercialize its product candidates and may harm the Company's financial condition, results of operations and / or prospects. The commencement and completion of clinical studies for the Company's products may be delayed for a number of reasons, including delays related, but not limited, to:

- failure by regulatory authorities to grant permission to proceed or placing the clinical study on hold;

- patients failing to enroll or remain in the Company's studies at the rate the Company expects;
- suspension or termination of clinical studies by regulators for many reasons, including concerns about patient safety or tolerability
- any changes to the Company's manufacturing process that may be necessary or desired;
- delays or failure to obtain clinical supply from contract manufacturers of the Company's products necessary to conduct clinical studies;
- product candidates demonstrating a lack of safety, tolerability or efficacy during clinical studies;
- patients choosing an alternative treatment for the indications for which the Company is developing any of its product candidates or participating in competing clinical studies;
- patients failing to complete clinical studies due to dissatisfaction with the treatment, side effects or other reasons;
- reports of clinical testing on similar technologies and products raising safety, tolerability and/or efficacy concerns;
- competing clinical studies and scheduling conflicts with participating clinicians;
- clinical investigators not performing the Company's clinical studies on their anticipated schedule, dropping out of a study, or employing methods not consistent with the clinical study protocol, regulatory requirements or other third parties not performing data collection and analysis in a timely or accurate manner;
- failure of the Company's Contract Research Organizations, to satisfy their contractual duties or meet expected deadlines;
- inspections of clinical study sites by regulatory authorities, Review Ethics Boards ("**REB**"), Institutional Review Boards ("**IRBs**") or ethics committees finding regulatory violations that require the Company to undertake corrective action, resulting in suspension or termination of one or more sites or the imposition of a clinical hold on the entire study;
- one or more IRBs or ethics committees rejecting, suspending or terminating the study at an investigational site, precluding enrollment of additional subjects, or withdrawing its approval of the study; or
- failure to reach agreement on acceptable terms with prospective clinical study sites.

The Company's product development costs may increase if the Company experiences delays in testing or approval or if the Company needs to perform more or larger clinical studies than planned. Additionally, changes in regulatory requirements and policies may occur, and the Company may need to amend study protocols to reflect these changes. Amendments may require the Company to resubmit its study protocols to regulatory authorities or IRBs or ethics committees for re-examination, which may impact the cost, timing or successful completion of that study. Delays or increased product development costs may have a material adverse effect on the Company's business, financial condition and prospects.

Patient Enrollment

As the Company's product candidates advance from preclinical testing to clinical testing, and then through progressively larger and more complex clinical studies, the Company may need to enroll an increasing number of patients that meet the Company's eligibility criteria. There is significant competition for recruiting cancer patients in clinical studies, and the Company may be unable to enroll the patients it needs to complete clinical studies on a timely basis or at all. The factors that affect the Company's ability to enroll patients are largely uncontrollable and include, but are not limited to, the following:

- size and nature of the patient population
- eligibility, inclusion and exclusion criteria for the study
- design of the clinical study protocol
- competition with other companies for clinical sites or patients
- the perceived risks and benefits of the product candidate under study
- the patient referral practices of physicians
- the number, availability, location and accessibility of clinical study sites

Failure to Achieve Milestones

From time to time, the Company may announce the timing of certain events it expects to occur, such as the anticipated timing of results from the Company's clinical studies or product sales. These statements are forward-looking and are based on the best estimates of management at the time relating to the occurrence of such events; however, the actual timing of such events may differ from what has been publicly disclosed. The timing of events such as initiation or completion of a clinical study, filing of an application to obtain regulatory approval or announcement of additional clinical studies for a product candidate or adoption / sales of the Company's products may ultimately vary from what is publicly disclosed. These variations in timing may occur as a result of different events, including the nature of the results obtained during a clinical study or during a research phase or any other event having the effect of delaying the publicly announced timeline. The Company undertakes no obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. Any variation in the timing

of previously announced milestones could have a material adverse effect on the Company's business plan, financial condition or operating results and the trading price of common shares.

Currency Risk

The Company's primary risks are exposure to foreign currency exchange risk. These risks arise from the Company's holdings of US and Canadian dollar denominated cash, accounts receivable and accounts payable. Changes arising from these risks could impact the Company's reported foreign exchange gains or losses.

Credit Risk

Credit risk is the risk of financial loss to the Company, if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's accounts receivable and investment in leases. The amounts reported in the balance sheet are net of allowances for bad debts, estimated by the Company's management based on prior experience and their assessment of the current economic environment. The Company reviews its trade receivables and investments in leases accounts regularly and reduces amounts to their expected realizable values by adjusting the allowance for doubtful accounts as soon as the account is determined not to be fully collectible. The Company has adopted credit policies in an effort to minimize these risks.

Product Liability

The Company has obtained product liability insurance which covers each occurrence up to $5 million with a cap of $10 million. A product liability claim could potentially be greater than this coverage. The Company's profitability would be adversely affected by any successful product liability claim in excess of its insurance coverage.

Clinical Trial Liability

The Company has obtained clinical trial liability insurance coverage in the aggregate of $CAN 5 million. This coverage is limited, and a clinical trial liability claim could potentially be greater than this coverage. The Company's profitability would be adversely affected by any successful product liability claim in excess of its insurance coverage.

May 29th, 2026

Kristina Hachey, CPA
Chief Financial Officer