



THIOGENESIS THERAPEUTICS, CORP.

Consolidated Financial Statements

**For the Years Ended
December 31, 2025 and December 31, 2024**

(Expressed in Canadian Dollars)



Independent Auditor's Report

To the Shareholders of Thiogenesis Therapeutics Corp.:

Opinion

We have audited the consolidated financial statements of Thiogenesis Therapeutics Corp. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2025 and December 31, 2024, and the consolidated statements of operations and other comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2025 and December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the consolidated financial statements, which indicates that the Company incurred a net loss during the year ended December 31, 2025 and, as of that date, the Company had an accumulated deficit. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Andrew Natividad.

Toronto, Ontario
April 30, 2026

MNP **LLP**
Chartered Professional Accountants
Licensed Public Accountants

Thiogenesis Therapeutics, Corp.

Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

	As at December 31, 2025	As at December 31, 2024
Assets		
Current assets		
Cash and cash equivalents	\$ 1,615,966	\$ 3,847,864
Accounts receivable	76,770	87,928
Prepaid expenses	122,231	47,596
Total current assets	<u>1,814,967</u>	<u>3,983,388</u>
Total Assets	\$ 1,814,967	\$ 3,983,388
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,240,590	\$ 557,876
Total current liabilities	<u>1,240,590</u>	<u>557,876</u>
Shareholders' equity		
Share capital (Note 4)	19,920,703	16,136,727
Reserves (Note 4)	2,420,399	1,618,548
Accumulated other comprehensive loss	(56,888)	(46,003)
Accumulated deficit	(21,709,837)	(14,283,760)
Total shareholders' equity	<u>574,377</u>	<u>3,425,512</u>
Total Liabilities and Shareholders' Equity	\$ 1,814,967	\$ 3,983,388

Going Concern (Note 2)

Approved by the Board of Directors

(signed) "Patrice Rioux"

Patrice Rioux, Director

(signed) "Brook Riggins"

Brook Riggins, Director

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

Thiogenesis Therapeutics, Corp.

Consolidated Statements of Operations and Other Comprehensive Loss

For the Years Ended December 31,

2025

2024

(Expressed in Canadian Dollars)

Operating expenses		
Research and development (Note 8)	\$ 5,768,648	\$ 2,223,335
General and administrative (Note 8)	1,626,578	1,355,939
Total operating expenses	<u>7,395,226</u>	<u>3,579,274</u>
Other (income) expenses		
Interest income	(48,722)	(200,327)
(Gain) loss on foreign exchange	79,573	(233,217)
Total other (income) expenses	<u>30,851</u>	<u>(433,544)</u>
Net loss	<u>7,426,077</u>	<u>3,145,730</u>
Other comprehensive loss		
Foreign currency translation	10,885	31,274
Total other comprehensive loss	<u>10,885</u>	<u>31,274</u>
Net loss from operations and other comprehensive loss	<u>\$ 7,436,962</u>	<u>\$ 3,177,004</u>
Net loss per share, basic and diluted	<u>\$ (0.15)</u>	<u>\$ (0.07)</u>
Weighted average shares outstanding, basic and diluted	<u>48,584,255</u>	<u>45,360,652</u>

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

Thiogenesis Therapeutics, Corp.

Consolidated Statements of Changes in Shareholders' Equity
For the Years Ended December 31, 2025 and December 31, 2024
(Expressed in Canadian Dollars)

	Number of Shares	SHARE CAPITAL \$	RESERVES \$	ACCUMULATED OTHER COMPREHENSIVE LOSS \$	ACCUMULATED DEFICIT \$	SHAREHOLDERS' EQUITY \$
Balance, December 31, 2023	44,570,575	15,010,430	1,672,463	(14,729)	(11,138,030)	5,530,134
Exercise of warrants (Note 4)	925,000	646,253	(183,753)	-	-	462,500
Exercise of finder's options	521,800	480,044	(219,144)	-	-	260,900
Stock based compensation	-	-	348,982	-	-	348,982
Foreign currency translation	-	-	-	(31,274)	-	(31,274)
Net loss for the year	-	-	-	-	(3,145,730)	(3,145,730)
Balance, December 31, 2024	46,017,375	16,136,727	1,618,548	(46,003)	(14,283,760)	3,425,512
Stock based compensation	-	-	774,217	-	-	774,217
Exercise of stock options (Note 4)	289,515	85,520	(85,520)	-	-	-
Common shares issued for private placement, net (Note 4)	5,529,066	3,698,456	-	-	-	3,698,456
Fair value of finder's options issued (Note 4)	-	-	113,154	-	-	113,154
Foreign currency translation	-	-	-	(10,885)	-	(10,885)
Net loss for the year	-	-	-	-	(7,426,077)	(7,426,077)
Balance, December 31, 2025	51,835,956	19,920,703	2,420,399	(56,888)	(21,709,837)	574,377

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

Thiogenesis Therapeutics, Corp.

Consolidated Statements of Cash Flows

For the Years Ended

December 31, 2025 December 31, 2024

(Expressed in Canadian Dollars)

Operating activities		
Net loss for the year	\$ (7,426,077)	\$ (3,145,730)
Item not involving cash:		
Stock based compensation	774,217	348,982
Net changes in non-cash working capital		
Accounts receivable	11,158	(2,613)
Prepaid expenses	(74,635)	33,781
Accounts payable and accrued liabilities	682,714	(1,154,990)
Net cash used in operating activities	<u>(6,032,623)</u>	<u>(3,920,570)</u>
Financing activities		
Private placement of common shares, net (Note 4)	3,811,610	-
Proceeds from exercise of warrants (Note 4)	-	462,500
Proceeds from exercise of finder's options (Note 4)	-	260,900
Net cash provided by financing activities	<u>3,811,610</u>	<u>723,400</u>
Effect of exchange rate changes on cash	<u>(10,885)</u>	<u>(31,274)</u>
Decrease in cash and cash equivalents for the year	(2,231,898)	(3,228,444)
Cash and cash equivalents, beginning of year	3,847,864	7,076,308
Cash and cash equivalents, end of year	<u>\$ 1,615,966</u>	<u>\$ 3,847,864</u>

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

Thiogenesis Therapeutics, Corp.
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2025, and December 31, 2024
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS

Organization

Thiogenesis Therapeutics, Corp., (“TTI” or the “Company”) (formerly: Rozdil Capital Corporation) is a clinical stage biotechnology company that was incorporated under the *Ontario Business Corporations Act* on May 3, 2018. On March 22, 2022, the Company filed articles of amendment and changed its name from Rozdil Capital Corporation to Thiogenesis Therapeutics, Corp. The Company is developing thiol-active therapeutic drug product candidates, that are prodrugs, used to treat unmet pediatric medical needs. TTI-0102, the Company’s lead drug product candidate, was developed to address the obstacles facing existing thiol-based drugs, their short half-live and side effects. TTI-0102’s initial applications are for mitochondrial encephalopathy lactic acidosis and stroke-like episodes (“MELAS”), Leigh syndrome (“LS”), pediatric metabolic dysfunction-associated steatohepatitis (“MASH”) and nephropathic cystinosis.

The registered head office of the Company is located at 4 King Street West, Suite 401, Toronto, Ontario, M5H 1B6. The Company’s common shares trade on the TSX Venture Exchange (“TSXV”) under the symbol TTI and on the OTCQX Best Market under the symbol TTIPF.

2. BASIS OF PRESENTATION

Statement of Compliance

These consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretation Committee (“IFRIC”). The policies applied in these consolidated financial statements are based on IFRS issued and outstanding as of December 31, 2025. The Board of Directors approved the consolidated financial statements on April 30, 2026.

Basis of Measurement

The consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value.

Going Concern

These consolidated financial statements have been prepared assuming that the Company will continue as a going concern. The Company has incurred losses and generated negative cashflows since inception. The Company’s consolidated net loss and other comprehensive loss was \$7,426,077 during the year ended December 31, 2025 (2024 – \$3,145,730). As at December 31, 2025, the Company had an accumulated deficit of \$21,709,837 and working capital of \$574,377, which the Company has deemed insufficient to carry out operations for the next twelve months.

Until the Company’s drug product candidate is approved and available for sale and profitable operations are developed, the Company’s liquidity requirements will be dependent on its ability to continue to secure additional funding to meet its financial obligations and fund its research and development efforts. Failure to do so could have a material adverse effect on the Company’s financial condition. As a result, material uncertainty exists which may cast significant doubt on the Company’s ability to continue as a going concern and realize its assets and discharge its liabilities in the normal course of business.

The Company expects to incur further losses in the development and commercialization of its lead drug product candidate TTI-0102, for the foreseeable future and forecasts that it will need to successfully complete additional financing initiatives in the near term to continue as a going concern and cover its planned research and development efforts and financial obligations. While the Company has been successful in securing equity financings in the past, there can be no assurance that it will be able to secure financing in the future or that financing can be obtained on favourable terms. Failure to successfully raise additional funding or settle amounts payable would have a significant impact on the Company’s ability to continue its operations.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Functional and Presentation Currency

The functional and presentation currency of the Company is the Canadian Dollar. The functional currency of the Company's wholly-owned United States subsidiary, TTI US, is the United States Dollar. The functional currency of TTI US's wholly-owned Australian subsidiary, Thiogenesis Australia Pty Ltd. is the Australian Dollar and the functional currency of TTI US's wholly-owned France subsidiary, Thiogenesis Therapeutics, SARL is the EURO.

The material accounting policies followed in the consolidated financial statements for the year ended December 31, 2025, are consistent with those applied in the Company's audited consolidated financial statements for the year ended December 31, 2024.

Basis of Consolidation

These consolidated financial statements include the financial results of the Company and the entities controlled by the Company. Control occurs when the Company is exposed to, or has right to, variable return from its involvements with an investee and has the ability to affect those returns through its power over the investee. Subsidiaries are fully consolidated from the date on which control is obtained by the Company and are deconsolidated from the date that control ceases. All intercompany transactions and balances have been eliminated.

The Company's wholly-owned subsidiaries are TTI US, Thiogenesis Australia Pty Ltd., and Thiogenesis Therapeutics, SARL.

Foreign Currency Translation

The consolidated financial statements are presented in CAD. The functional currency of the parent Company is CAD. The functional currency of the Company's American subsidiary is the U.S. dollar ("USD"). The functional currency of the Company's Australian subsidiary is the Australian Dollar ("AUD"), and the functional currency of the Company's French subsidiary is the EURO.

The financial statements of entities for which the functional currency is not CAD are translated into CAD using the exchange rate in effect at the end of the reporting period for assets and liabilities and the average exchange rates for the period for income, expenses, and cash flows. Foreign exchange differences arising on translation are recognized in other comprehensive loss and in accumulated other comprehensive loss in shareholders' equity.

Significant Accounting Estimates and Judgments

The preparation of these consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses during each reporting period. Actual results could differ from those estimates. The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the consolidated financial statements are:

Going concern

The Company's assessment of its ability to continue as a going concern requires judgments about whether there are material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. Management has determined that the use of the going concern basis of accounting is appropriate and has disclosed material uncertainties (see Note 2).

Recognition of Internally Generated Intangible Assets

The Company is in the process of undergoing clinical trials for its thiol-active therapeutic drug product candidate, TTI-0102. Accordingly, management applies judgment in its assessment of the activities being undertaken and whether certain costs meet the definition of internally generated intangible assets in the research or development phase.

Thiogenesis Therapeutics, Corp.
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2025, and December 31, 2024
(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

Recognition of Deferred Tax Assets

The recognition of deferred tax assets is based upon whether it is probable that sufficient and suitable taxable profits will be available in the future or whether taxable temporary differences will reverse such that deferred tax assets can be utilized. Recognition therefore involves a degree of judgment regarding the future financial performance of the Company or the timing of the reversal of deferred tax liabilities where deferred tax assets have been recognized.

Fair Value of Stock Based Compensation and Warrants

In determining the fair value of stock based payments, the calculated amounts are not based on historical cost, but is derived based on assumptions (such as the expected volatility of the price of the underlying security, expected hold period before exercise, dividend yield and the risk-free rate of return) input into a pricing model in the case of options and compensation warrants. In determining the fair value of restricted share units ("RSU's") granted to employees and directors, the Company recognizes an expense over the vesting period of the RSU's equal to the fair value at the grant date based on the closing market price of the Company's common shares on the TSX Venture Exchange and an estimate of the number of RSU's expected to vest. The value of options, RSU's and compensation warrants calculated is not necessarily the value that the holder of the options, RSU's or compensation warrants could receive in an arm's length transaction, given that there is no market for the options, RSU's, or compensation warrants and they are not transferable. Similar calculations are made in estimating the fair value of the warrant component of an equity unit. The assumptions used in these calculations are inherently uncertain. Changes in these assumptions could materially affect the related fair value estimates.

Cash and Cash Equivalents

Cash and cash equivalents is comprised of cash and short term guaranteed investment certificates held at a major financial institution as well as cash held in trust.

Financial Instruments

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Financial instruments that are held for trading are classified as FVTPL unless the Company makes an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification under IFRS 9:

Financial assets/liabilities	Classification
Cash and cash equivalents	Fair value through profit or loss
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

(ii) Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Thiogenesis Therapeutics, Corp.
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2025, and December 31, 2024
(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

Financial assets at FVTOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income (loss) ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Financial assets and liabilities at FVTPL

Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in profit or loss.

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of operations and other comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of operations and other comprehensive loss in the period in which they arise.

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of operations and other comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

Grants and Assistance

Government grants are recognized in profit or loss on a systematic basis over the periods in which the consolidated entity recognizes, as expenses, the related costs for which the grants are intended to compensate. The consolidated entity uses the income approach and presents research and development grant income separately as part of profit or loss as "grant income". There are no unfulfilled conditions or other contingencies attached to these grants.

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

Share Capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, and common share purchase warrants are classified as equity instruments.

Incremental costs directly attributable to the issue of new common shares, common share warrants, or stock options are shown in equity as a deduction, net of tax, from the proceeds.

Stock Based Compensation

Equity-settled share based payments for directors, officers, employees, and consultants are measured at fair value at the date of grant and recorded as stock based compensation expense, over their vesting period, in the consolidated financial statements. Common share purchase options are measured at the fair value of each tranche on the grant date and are recognized in their respective vesting period using the Company's expected forfeiture rate. Any consideration paid by directors, officers, employees and consultants on exercise of equity-settled share based payments is credited to share capital. Shares are issued from treasury upon the exercise of equity-settled share based instruments.

Warrants

When the Company issues units comprising common shares and warrants, the Company follows the relative fair value method of accounting for warrants attached to and issued with common shares of the Company. Under this method, the fair value of the common shares is estimated, and the fair value of the warrants issued is estimated using an option pricing model. The fair value is then prorated to the total of the net proceeds received on issuance of the common shares and the warrants.

Restricted Share Units ("RSUs")

RSUs granted to employees and directors are measured at fair value at the date of grant and recorded as a part of stock based compensation expense in the consolidated financial statements. The Company recognizes an expense over the vesting period of the RSUs.

The Company also classifies outstanding RSUs as equity instruments in accordance with IAS 32, *Financial Instruments: presentation*. Over the vesting period of RSUs, as the Company recognizes an expense, it also recognizes a corresponding increase in reserves for the fair value of such RSUs.

Loss per Common Share

Basic loss per share has been calculated using the weighted average number of common shares outstanding during the reporting periods.

Diluted loss per share has been calculated using the weighted average number of common shares that would have been outstanding during the respective period had all the stock options and warrants outstanding (if any) at period end having a dilutive effect been converted into shares at the beginning of the period and the proceeds used to repurchase the Company's common shares at the average market price for the period. If these computations prove to be anti-dilutive, diluted loss per share is the same as basic loss per share.

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

Income Taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income (loss).

Current tax is the expected tax payable on the taxable income for the reporting period, using tax rates enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous periods. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to offset the amounts and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

Research and Development (“R&D”)

All research costs are expensed in the period incurred. Development costs are expensed in the period incurred, unless they meet the criteria for capitalization, in which case they are capitalized and amortized over the useful life. Development costs are written off when there is no longer an expectation of future benefits. No development costs have been capitalized to date.

Clinical trial expenses result from obligations under contracts with vendors, consultants and clinical trial site agreements in connection with conducting clinical trials. The financial terms of these contracts are subject to negotiations, which vary from contract to contract and may result in payment flows that do not match the periods which materials and services are provided by the Company. The appropriate level of clinical trial expenses is reflected in the Company’s consolidated financial statements by matching period expenses with period services and efforts expended. These expenses are recorded according to the progress of the clinical trial as measured by subject’s progression and the timing of various aspects of the clinical trial. Clinical trial accrual estimates are determined through discussions with internal clinical personnel and outside service providers as to the progress or state of completion of clinical trials, or the services completed. Service provider status is then compared to the contractually obligated fees to be paid for such services. During the course of a clinical trial, the Company may adjust the rate of the clinical expense recognized if actual results differ from management’s estimates.

Patents

The Company expenses costs relating to issued patents and patent applications, including costs relating to legal, renewal and application fees, as a component of research and development in its consolidated statements of operations and other comprehensive loss. For the year ended December 31, 2025, the Company recorded patent related costs of \$172,514 (December 31, 2024: \$129,332).

Thiogenesis Therapeutics, Corp.
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2025, and December 31, 2024
(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

Accounting Standards Issued but not yet Effective

Certain new accounting standards and interpretations have been published that are not mandatory for the current year and have not been early adopted. The Company is reviewing the new standards but does not expect their future adoption to have a material impact on the Company in the current or future reporting years. The new standards are as follows:

IFRS 18 - Presentation and Disclosure in Financial Statements

Issued in April 2024, IFRS 18 replaces IAS 1 and introduces significant changes to the presentation of financial statements to enhance comparability across entities. The key requirements of the standard include:

- Separate reporting of operating, investing, and financing activities in the statement of earnings, with prescribed subtotals for each category.
- Disclosure of management-defined performance measures in a dedicated note within the financial statements.

The standard is effective for annual reporting periods beginning on or after January 1, 2027, with retrospective application required. The Company's consolidated financial statements are expected to include changes related to categorization and subtotals in the statement operations and other comprehensive loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures. The Company is in the process of determining the impact of the above changes.

IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments

Amendments to IFRS 9 and IFRS 7, issued in May 2024, clarify the derecognition of financial liabilities upon settlement and provide new guidance on financial assets with environmental, social, and governance ("ESG") features. These amendments also introduce additional disclosure requirements for financial instruments with contingent features and equity instruments measured at Fair Value Through Other Comprehensive Income ("FVTOCI").

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, and are not expected to have a material impact on the Company's consolidated financial statements.

4. SHARE CAPITAL AND RESERVES

Share Capital

Authorized:

Unlimited common shares

Issued:

The following table summarizes the changes in common shares during the years set out:

	Note	#	\$
Balance, December 31, 2023		44,570,575	15,010,430
Exercise of warrants	(i)	925,000	646,253
Exercise of Finder's Options	(ii)	14,000	12,884
Exercise of Finder's Options	(iii)	507,800	467,160
Balance, December 31, 2024		46,017,375	16,136,727
Exercise of common share purchase options	(iv)	214,408	45,713
Exercise of common share purchase options	(v)	75,107	39,807
Common shares issued for private placement	(vi)	5,529,066	3,698,456
Balance, December 31, 2025		51,835,956	19,920,703

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4. SHARE CAPITAL AND RESERVES (cont'd)

- (i) During the year ended December 31, 2024, 925,000 common share purchase warrants were exercised at \$0.50 per share for proceeds of \$462,500. The fair value of \$183,753 was transferred from reserves to share capital upon exercise.
- (ii) On August 29, 2024, 14,000 Finder's Options were exercised for \$0.50 per share for proceeds of \$7,000. The fair value of \$5,884 was transferred from reserves to share capital upon exercise.
- (iii) On November 18, 2024, 507,800 Finder's Options were exercised for \$0.50 per share for proceeds of \$253,900. The fair value of \$213,260 was transferred from reserves to share capital upon exercise.
- (iv) On March 31, 2025, 214,408 common shares were issued to consultants pursuant to the cashless exercise of 300,000 common share purchase options exercisable at \$0.20. The fair value of \$45,713 was transferred from reserves to share capital upon the cashless exercise.
- (v) On March 31, 2025, 75,107 common shares were issued to consultants pursuant to the cashless exercise of 150,000 common share purchase options exercisable at \$0.35. The fair value of \$39,807 was transferred from reserves to share capital upon the cashless exercise.
- (vi) On July 30, 2025, the Company closed a non-brokered private placement and issued an aggregate 5,529,066 common shares at \$0.75 per common share for gross proceeds of \$4,146,800. In connection with the private placement, the Company paid \$68,784 in direct costs, paid cash Finder's fees of \$266,406 and issued 353,208 Finder's Options with an estimated fair value of \$113,154.

Escrow Securities

Capital Pool Company ("CPC") Escrow

An aggregate of 2,775,000 common shares were held in escrow in accordance with the CPC Policy of the TSXV and were released as to 10% immediately following the issuance of the Final TSXV Bulletin dated April 11, 2022 (the "Bulletin") and as to 15% every six months thereafter. At December 31, 2025, no common shares were held in escrow (December 31, 2024: 352,500 common shares).

Value Security Escrow

In addition to the CPC Escrowed common shares, a further 10,737,869 common shares were held in escrow after giving effect to the reserve takeover transaction with Rozdil Capital Corporation and were released as to 10% on the date of the Bulletin and as to 15% every six months thereafter. At December 31, 2025, no common shares were held in escrow (December 31, 2024: 1,610,681 common shares).

Weighted Average Shares Outstanding

The following table summarizes the weighted average shares outstanding:

	For the Years Ended	
	December 31,	
	2025	2024
Weighted average shares outstanding, basic and diluted	48,584,255	45,360,652

The effects of any potential dilutive instruments on loss per share are anti-dilutive and therefore have been excluded from the calculation of diluted loss per share.

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4. SHARE CAPITAL AND RESERVES (cont'd)

Omnibus Equity Incentive Plan

The Company established a stock option plan under which the Company may grant common share purchase options from time to time to acquire up to a fixed 20% of the outstanding common shares as of August 15, 2022, or 5,648,535 (the "Plan").

On September 3, 2024, the shareholders of the Company approved an Omnibus Equity Incentive Plan (the "2024 Plan") for its directors, officers, employees and consultants (the "Participants") that amends and restates all predecessor Plans in their entirety. The maximum aggregate number of common shares that may be available and reserved for issuance, at any time, under the 2024 Plan, is fixed at 20% of the outstanding common shares as of July 15, 2024, or 9,099,095 shares.

Under the 2024 Plan the exercise price of each award granted shall be at the discretion of Company's Board of Directors, however, the exercise price per share shall be not less than the fair market value of the Company's common shares on the date of grant and for a maximum term of ten years. The maximum aggregate number of common shares issuable pursuant to awards granted to any one Participant in any 12 month period must not exceed 5% of the Company's issued and outstanding common shares. The maximum aggregate number of common shares that are issuable pursuant to all awards granted or issued in any 12 month period to insiders (as a group) must not exceed 10% of the issued and outstanding common shares. Any award granted or issued to any Participant will expire upon termination of participant's services or in any event no later twelve months following the date the Participant ceases to be an eligible Participant.

For the year ended December 31, 2025, the Company recorded stock based compensation expense of \$774,217 (December 31, 2024: \$348,982) (Note 8).

Common Share Purchase Options

The following table is a summary of the status of the Company's common share purchase options and changes during the years set out:

	Note	Number of Options	Weighted Average Exercise Price \$
Balance, December 31, 2023		3,100,000	0.39
Common share purchase options granted	(i)	325,000	0.75
Common share purchase options granted	(ii)	100,000	0.70
Balance, December 31, 2024		3,525,000	0.43
Common share purchase options granted	(iii)	100,000	0.64
Common share purchase options exercised		(300,000)	0.20
Common share purchase options exercised		(150,000)	0.35
Common share purchase options expired	(iv)	(50,000)	0.35
Common share purchase options granted	(v)	450,000	0.73
Common share purchase options granted	(vi)	400,000	0.77
Common share purchase options granted	(vii)	150,000	0.75
Balance December 31, 2025		4,125,000	0.53

(i) On January 15, 2024, the Company granted 325,000 common share purchase options exercisable at \$0.75 per share until January 15, 2029, to consultants of the Company. The common share purchase options vest 25% on each of June 30, 2024, December 31, 2024, June 30, 2025, and December 31, 2025. The fair value of the common share purchase options was estimated on the date of issue using the Black-Scholes option pricing model with the following assumptions: share price of \$0.78, dividend yield 0%, risk-free interest rate of 3.27%, expected volatility of 94.83% and an expected life of five years. The fair value attributed to these common share purchase options was \$187,431.

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4. SHARE CAPITAL AND RESERVES (cont'd)

(ii) On October 1, 2024, the Company granted 100,000 common shares purchase options exercisable at \$0.70 per share until October 1, 2027, to a consultant of the Company. The common share purchase options vest 50% on April 1, 2025, and 25% on each of July 1, 2025, and October 1, 2025. The fair value of the common share purchase options was estimated on the date of issue using the Black-Scholes option pricing model with the following assumptions: share price of \$0.67, dividend yield 0%, risk-free interest rate of 3%, expected volatility of 80.58% and an expected life of three years. The fair value attributed to these common share purchase options was \$35,224.

(iii) On February 15, 2025, the Company granted 100,000 common shares purchase options exercisable at \$0.64 per share until February 15, 2028, to a consultant of the Company. The common share purchase options vest 25% on each of May 15, 2025, August 15, 2025, November 15, 2025, and February 15, 2026. The fair value of the common share purchase options was estimated on the date of issue using the Black-Scholes option pricing model with the following assumptions: share price of \$0.64 dividend yield 0%, risk-free interest rate of 2.71%, expected volatility of 80.54% and an expected life of three years. The fair value attributed to these common share purchase options was \$34,179.

(iv) On March 31, 2025, 50,000 common share purchase options with an estimated fair value of \$13,221 expired unexercised.

(v) On May 23, 2025, the Company granted 450,000 common shares purchase options exercisable at \$0.73 per share until May 23, 2028, to consultants of the Company. The common share purchase options vest 25% on each of August 23, 2025, November 23, 2025, February 23, 2026, and May 23, 2026. The fair value of the common share purchase options was estimated on the date of issue using the Black-Scholes option pricing model with the following assumptions: share price of \$0.73 dividend yield 0%, risk-free interest rate of 2.73%, expected volatility of 63.28% and an expected life of three years. The fair value attributed to these common share purchase options was \$144,616.

(vi) On June 11, 2025, the Company granted 400,000 common shares purchase options exercisable at \$0.77 per share until June 11, 2030, to directors of the Company. The common share purchase options vest 25% on each of December 11, 2025, June 11, 2026, December 11, 2026, and June 11, 2027. The fair value of the common share purchase options was estimated on the date of issue using the Black-Scholes option pricing model with the following assumptions: share price of \$0.77 dividend yield 0%, risk-free interest rate of 2.93%, expected volatility of 94.12% and an expected life of five years. The fair value attributed to these common share purchase options was \$224,334.

(vii) On September 10, 2025, the Company granted 150,000 common shares purchase options exercisable at \$0.75 per share until September 10, 2030, to directors of the Company. The common share purchase options vest 25% on each of March 10, 2026, September 10, 2026, March 10, 2027 and September 10, 2027. The fair value of the common share purchase options was estimated on the date of issue using the Black-Scholes option pricing model with the following assumptions: share price of \$0.74 dividend yield 0%, risk-free interest rate of 2.75%, expected volatility of 90.57% and an expected life of five years. The fair value attributed to these common share purchase options was \$79,559.

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4. SHARE CAPITAL AND RESERVES (cont'd)

Finders' Options

The following table is a summary of the status of the Company's Finder's Options and changes during the years set out:

	Note	Number of Finder's Options	Weighted Average Exercise Price \$
Balance, December 31, 2023		1,085,082	0.59
Finder's options exercised		(521,800)	0.50
Finder's options expired	(i)	(153,700)	0.50
Balance, December 31, 2024		409,582	0.75
Finder' options granted	(ii)	353,208	0.75
Finder's options expired	(iii)	(228,247)	0.75
Finder's options expired	(iv)	(181,335)	0.75
Balance, December 31, 2025		353,208	0.75

(i) On November 18, 2024, 153,700 Finder's Options with an estimated fair value of \$64,545 expired unexercised.

(ii) In connection with the July 30, 2025, non-brokered private placement, the Company issued 353,208 Finder's Options. Each Finder's Options is exercisable into one (1) common share at a price of \$0.75 per common share until July 30, 2027. The fair value of the Finder's Options was estimated on the date of issue using the Black-Scholes option pricing model with the following assumptions: share price of \$0.82, dividend yield 0%, discount rate 2.79%, expected volatility 62.71%, forfeiture rate 0% and expected life of two years. The fair value attributed to the Finder's Options was \$113,154.

(iii) On December 15, 2025, 228,247 Finder's Options with an estimated fair value of \$77,618 expired unexercised.

(iv) On December 19, 2025, 181,335 Finder's Options with an estimated fair value of \$58,920 expired unexercised.

The following tables are a summary of the Company's common share purchase options and Finder's Options outstanding and exercisable as at December 31, 2025, and December 31, 2024, respectively:

Expiry Date	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Number of Options Outstanding	Number of Options Vested (Exercisable)
March 31, 2032	\$0.35	6.25	1,950,000	1,950,000
August 31, 2032	\$0.50	6.67	150,000	150,000
December 8, 2032	\$0.60	6.94	450,000	450,000
October 31, 2028	\$0.80	2.84	50,000	50,000
January 15, 2029	\$0.75	3.04	325,000	325,000
October 1, 2027	\$0.70	1.75	100,000	100,000
February 15, 2028	\$0.64	2.13	100,000	75,000
May 23, 2028	\$0.73	2.39	450,000	225,000
June 11, 2030	\$0.77	4.45	400,000	100,000
July 30, 2027	\$0.75	1.58	353,208	353,208
September 10, 2030	\$0.75	4.70	150,000	-
As at December 31, 2025	\$0.55	4.90	4,478,208	3,778,208

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4. SHARE CAPITAL AND RESERVES (cont'd)

Expiry Date	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Number of Options Outstanding	Number of Options Vested (Exercisable)
March 31, 2025	\$0.20	0.25	300,000	300,000
March 31, 2032	\$0.35	7.25	1,950,000	1,950,000
March 31, 2025	\$0.35	0.25	200,000	200,000
August 31, 2032	\$0.50	7.67	150,000	150,000
December 8, 2032	\$0.60	7.94	450,000	450,000
October 31, 2028	\$0.80	3.84	50,000	50,000
December 15, 2025	\$0.75	0.96	228,247	228,247
December 19, 2025	\$0.75	0.97	181,335	181,335
January 15, 2029	\$0.75	4.04	325,000	162,500
October 1, 2027	\$0.70	2.75	100,000	-
As at December 31, 2024	\$0.46	5.38	3,934,582	3,672,082

Restricted Share Units

The following table is a summary of the status of the Company's RSU's and changes during the periods set out:

	Note	Number of RSU's	Weighted Average Grant Date Fair Value \$
Balance, December 31, 2023		-	-
Restricted share units granted	(i)	1,000,000	0.68
Balance, December 31, 2025, and December 31, 2024		1,000,000	0.68

On September 26, 2024, the Company granted 1,000,000 RSU's to the Chief Financial Officer of the Company. The RSU's vest 50% on each on January 15, 2026, and January 15, 2027. Upon vesting, each RSU will entitle the holder to exchange it for one common share of the Company. The Company estimated the fair value of the RSU's of \$680,000 based on the market price of the underlying common shares on the date of grant.

Common Share Purchase Warrants

The following table summarizes the changes in common share purchase warrants for the years set out:

	Number of Warrants	Weighted Average Price \$
Balance, December 31, 2023	1,000,000	0.50
Warrants exercised	(925,000)	0.50
Warrants expired	(75,000)	0.50
Balance, December 31, 2025, and December 31, 2024	-	-

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5. RELATED PARTY TRANSACTIONS

The following transactions with individuals related to the Company arose in the normal course of business have been accounted for at the amount agreed to by the related parties.

Compensation of Key Management Personnel

The remuneration of directors and other members of key management personnel during the years set out were as follows:

	For the Years Ended	
	December 31, 2025	December 31, 2024
Salaries and consulting fees (1)	\$616,637	\$589,419
Share based compensation (2)	556,585	167,315
Director fees (3)	101,304	100,019
Total	\$1,274,526	\$856,753

1) Salaries and consulting fees paid or accrued to the Company's CEO and CFO, respectively.

2) Stock based compensation recorded on stock options and RSU's granted to directors and officers.

3) Director fees paid or accrued to directors of the Company.

As of December 31, 2025, included in accounts payable and accrued liabilities was director fees of \$Nil (December 31, 2024: \$Nil) and consulting fees of \$Nil payable to a company controlled by the CFO (December 31, 2024: \$Nil).

During the year ended December 31, 2025, and 2024, certain common share purchase options and RSU's were granted to directors of the Company (see Note 4).

6. CAPITAL MANAGEMENT

The capital managed by the Company includes the components of shareholders' equity as described in the consolidated statements of changes in shareholders' equity. The Company is not subject to externally imposed capital requirements. There were no changes in the Company's capital management for the year ended December 31, 2025.

The Company's objectives of capital management are to create long-term value and economic returns for its shareholders. It does this by seeking to maximize its resources to fund the growth and development of its business, and to support the working capital required to maintain its ability to continue as a going concern. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its assets by seeking to limit shareholder dilution and optimize its cost of capital while maintaining an acceptable level of risk. In order to maintain or adjust its capital structure, the Company considers all sources of financing reasonably available to it, including but not limited to the issuance of new capital, the issuance of new debt, the receipt of government grants and the sale of assets in whole or in part.

7. FINANCIAL RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Credit Risk

Credit risk is primarily related to the Company's receivables and cash and cash equivalents and the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. At December 31, 2025, accounts receivable was \$76,770 of which \$76,770 was Goods and Services Tax (December 31, 2024: \$87,928 of which \$82,290 was Goods and Services Tax).

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7. FINANCIAL RISK MANAGEMENT (cont'd)

The Company's maximum exposure to credit risk is as follows:

	December 31, 2025	December 31, 2024
Cash and cash equivalents	\$1,615,966	\$3,847,864
Account receivable	-	5,638
	\$1,615,966	\$3,853,502

Currency Risk

The Company holds financial instruments denominated in CAD, USD, AUD and EURO that may differ from the functional currency of the entity in which the financial instrument resides in. A significant change in the currency exchange rates between the currency of the financial instrument and the functional currency of the Company could have a material effect on the Company's financial instruments.

As at December 31, 2025, a 5% fluctuation in the foreign exchange rate would have an impact of approximately \$7,349 (December 31, 2024 - \$115,340) in the Company's consolidated statements of operations and other comprehensive loss.

Interest Rate Risk

The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. The fair value of the Company's cash accounts is relatively unaffected by changes in short term interest rates. The income earned on certain bank accounts is subject to movements in interest rates. Currently, this risk will have an immaterial effect on operations.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's main source of cash resources has been through equity financings and grants. The Company's financial obligations are limited to its current liabilities which have contractual maturities of less than one year. The Company manages liquidity risk as part of its overall "Management of Capital".

The following tables illustrate the contractual maturities of financial liabilities as at December 31, 2025, and December 31, 2024, respectively:

December 31, 2025

	Payments Due by Year \$				
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Accounts payable and accrued liabilities	1,240,590	1,240,590	-	-	-
Total	1,240,590	1,240,590	-	-	-

December 31, 2024

	Payments Due by Year \$				
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Accounts payable and accrued liabilities	557,876	557,876	-	-	-
Total	557,876	557,876	-	-	-

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7. FINANCIAL RISK MANAGEMENT (cont'd)

Fair Value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

As of December 31, 2025, and 2024, cash and cash equivalents are recorded at fair value under level 1 within the fair value hierarchy.

Management believes that the recorded values of accounts receivable and accounts payable and accrued liabilities, approximate their current fair values because of their nature and anticipated short term settlement dates.

8. EXPENSES BY NATURE

The Company presents operating expenses by function. Certain comparative figures below have been reclassified to conform with the current period presentation. The following tables present a breakdown of research and development expenses and general and administrative expenses for the years set out:

	For the Years Ended December 31,	
Research and development expenses	2025	2024
Clinical materials	\$1,864,092	\$812,963
Clinical trial expenses	2,930,215	551,182
Preclinical studies	49,029	63,218
Patent legal expenses	172,514	129,332
Consulting	-	12,328
Regulatory expenses	193,651	200,048
Salaries and wages	324,116	316,543
Stock based compensation	195,809	73,645
Travel	39,222	64,076
Total research and development	\$5,768,648	\$2,223,335

	For the Years Ended December 31,	
General and administrative expenses	2025	2024
Professional fees	\$260,163	\$348,481
General and office	52,195	48,542
Stock based compensation	578,408	275,338
Consulting fees	292,521	272,876
Director fees	101,304	100,019
Public company expenses	117,962	113,724
Investor relations	190,838	139,520
Travel	33,187	57,439
Total general and administrative	\$1,626,578	\$1,355,939

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9. INCOME TAX

The Company is treated as a United States corporation for United States federal income tax purposes under section 7874 of the U.S. Tax Code and is expected to be subject to United States federal income tax on its worldwide income. However, for Canadian tax purposes, the Company is expected, regardless of any application of section 7874 of the U.S. Tax Code, to be treated as a Canadian resident company (as defined in the Income Tax Act (Canada) (the "ITA") for Canadian income tax purposes. As a result, the Company will be subject to taxation both in Canada and the United States.

The reconciliation of combined federal and provincial corporate income taxes of statutory rate of 21% (2024 – 21%) to the effective tax rate is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Earnings before income taxes	\$(7,426,077)	\$(3,145,730)
Statutory tax rate	21%	21%
Expected tax benefit resulting from loss	(1,559,476)	(660,603)
Adjustments for the following items:		
Other permanent differences	(519,902)	(111,497)
Share based compensation	205,167	92,480
Share issuance costs recognized in equity	(88,825)	-
Changes in foreign tax rates	(437,988)	(195,666)
Change in deferred tax assets not recognized	2,401,204	875,286
	<u>\$-</u>	<u>\$-</u>

Unrecognized Deferred Tax Assets

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
U.S. capitalized R&D expenses	\$6,353,721	\$5,953,475
U.S. operating tax losses carried forward	8,883,567	2,818,761
Australian operating tax losses carried forward	64,271	57,445
France operating tax losses carried forward	2,528,595	586,860
	<u>\$17,830,154</u>	<u>\$9,416,541</u>

The Company has Canadian tax loss carry forwards of \$3,386,916 that expire between 2042 and 2045 (2024 - \$2,163,515) and share issuance costs of \$600,583 that will be fully amortized in 2029. The Company has loss carry forwards that expire as noted in the table below. The remaining deductible temporary differences may be carried forward indefinitely. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the group can utilize the benefits therefrom.

The Company's operating tax losses for which no deferred tax asset has been recognized, expire as follows:

	<u>U.S.</u>	<u>Other</u>
Indefinite	\$8,883,567	\$2,592,867
	<u>\$8,883,567</u>	<u>\$2,592,867</u>

U.S., French and Australian losses may be carried forward indefinitely.

10. RECLASSIFICATION OF COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current period's presentation. Such reclassifications did not affect net loss from operations and other comprehensive loss or shareholders' equity.