



## DIAGNOS Inc.

Interim Condensed Consolidated Financial Statements - Unaudited

Three-month Period ended June 30, 2025

Note to reader: These Interim Condensed Consolidated Financial Statements  
have not been reviewed by our auditor

DIAGNOS Inc.  
**Interim Consolidated Statements of Financial Position**  
(amounts in Canadian dollars)

		As at	
		June 30, 2025	March 31, 2025
	Note	\$	
<b>ASSETS</b>			
<b>Current</b>			
Cash		118,251	88,722
Short-term investments	5	1,546,656	3,146,656
Accounts receivable	6	171,387	170,444
Prepaid expenses		76,140	60,092
		<u>1,912,434</u>	<u>3,465,914</u>
<b>Non-current</b>			
Capital assets		<u>140,575</u>	<u>170,190</u>
<b>Total assets</b>		<b><u>2,053,009</u></b>	<b><u>3,636,104</u></b>
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	7	357,850	331,321
Loans		146,413	146,413
Leases		94,206	94,206
Convertible debentures	8	2,007,869	2,545,017
		<u>2,606,338</u>	<u>3,116,957</u>
<b>Non-current</b>			
Loans		196,754	201,958
Leases		<u>51,651</u>	<u>84,079</u>
		<u>248,405</u>	<u>286,037</u>
<b>Total liabilities</b>		<b><u>2,854,743</u></b>	<b><u>3,402,994</u></b>
<b>SHAREHOLDERS' (DEFICIENCY) EQUITY</b>			
Share capital		44,964,173	44,964,173
Reserve		10,208,085	10,129,647
Deficit		(56,046,673)	(54,933,391)
Foreign exchange differences		72,681	72,681
		<u>(801,734)</u>	<u>233,110</u>
<b>Total liabilities and shareholders' (deficiency) equity</b>		<b><u>2,053,009</u></b>	<b><u>3,636,104</u></b>

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

(signed) André Larente  
Director

DIAGNOS Inc.

Interim Consolidated Statements of Loss and Comprehensive Loss

(amounts in Canadian dollars)

		Three-month period ended June 30,	
	Note	2025	2024
		\$	
<b>Revenue</b>	9	<b>19,402</b>	<b>36,690</b>
<b>Expenses</b>			
Costs of services and research and development		391,832	125,803
Selling and administrative		664,271	488,955
	10	<b>1,056,103</b>	<b>614,758</b>
<b>Loss before other income and interest expense</b>		<b>(1,036,701)</b>	<b>(578,068)</b>
Other income	11	47,570	6,470
Interest expense		(124,151)	(145,058)
<b>Net loss and comprehensive loss</b>		<b>(1,113,282)</b>	<b>(716,656)</b>
<b>Basic and diluted net loss per share</b>		<b>(0.01)</b>	<b>(0.01)</b>
Weighted-average number of common shares outstanding		101,862,977	77,981,184

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

DIAGNOS Inc.  
Interim Consolidated Statements of Changes in Equity  
(amounts in Canadian dollars)

**Three-month period ended June 30, 2025**

	Share capital	Reserve	Deficit	Foreign exchange differences	Total shareholders' (deficiency) equity
			\$		
<b>Balance, beginning of period</b>	<b>44,964,173</b>	<b>10,129,647</b>	<b>(54,933,391)</b>	<b>72,681</b>	<b>233,110</b>
Net loss	-	-	(1,113,282)	-	(1,113,282)
Stock-based compensation expense	-	78,438	-	-	78,438
<b>Balance, end of period</b>	<b>44,964,173</b>	<b>10,208,085</b>	<b>(56,046,673)</b>	<b>72,681</b>	<b>(801,734)</b>

**Three-month period ended June 30, 2024**

	Share capital	Reserve	Deficit	Foreign exchange differences	Total shareholders' (deficiency) equity
			\$		
<b>Balance, beginning of period</b>	<b>37,700,406</b>	<b>9,822,278</b>	<b>(50,646,942)</b>	<b>72,410</b>	<b>(3,051,848)</b>
Net loss	-	-	(716,656)	-	(716,656)
Issuance of common shares	1,342,497	(5,313)	-	-	1,337,184
Issuance of warrants	-	8,400	-	-	8,400
Issue expenses	(46,435)	-	-	-	(46,435)
Stock-based compensation expense	-	30,658	-	-	30,658
<b>Balance, end of period</b>	<b>38,996,468</b>	<b>9,856,023</b>	<b>(51,363,598)</b>	<b>72,410</b>	<b>(2,438,697)</b>

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

DIAGNOS Inc.  
Interim Consolidated Statements of Cash Flows  
(amounts in Canadian dollars)

	Three-month period ended June 30,	
	2025	2024
	\$	
<b>Cash flows from operating activities</b>		
Net loss	(1,113,282)	(716,656)
Items not affecting cash		
Depreciation of capital assets	33,543	31,782
Accretion on leases	3,558	6,410
Accretion on convertible debentures	52,669	62,649
Accretion on governmental loan	4,513	4,842
Governmental grant amortization	(3,285)	(3,285)
Stock-based compensation expense	78,438	30,658
Gain on amendment to convertible debentures	(23,817)	-
	(967,663)	(583,600)
Interest	54,595	75,591
Net change in operating working capital items	9,538	(256,909)
	<b>(903,530)</b>	<b>(764,918)</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of short-term investments	1,600,000	-
Acquisition of short term investments	-	(500,000)
Interest on investments	17,268	-
Additions to capital assets	(3,928)	-
	<b>1,613,340</b>	<b>(500,000)</b>
<b>Cash flows from financing activities</b>		
Amendment to convertible debentures expense	(1,000)	-
Issuance of common shares and stock warrants net of issue expenses	-	1,299,149
Repayment of loans	(6,432)	(6,432)
Lease payments	(35,986)	(33,489)
Repayment of convertible debentures	(565,000)	-
Payment of interest	(71,863)	(75,591)
	<b>(680,281)</b>	<b>1,183,637</b>
<b>Net change in cash</b>	<b>29,529</b>	<b>(81,281)</b>
Cash, beginning of period	88,722	219,015
<b>Cash, end of period</b>	<b>118,251</b>	<b>137,734</b>

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

### 1. Going concern assumption

These interim condensed consolidated financial statements have been prepared on a going concern basis, which assumes that the Corporation will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. However, there exist material uncertainties which cast significant doubt about the ability of the Corporation to continue as a going concern. In order to address these uncertainties, the Corporation is evaluating the implementation of some or all of the following measures:

- Additional financing
- Debt renegotiation
- Mergers & Acquisitions opportunities

The Corporation believes that if it were to be successful in implementing some or all of the above risk mitigating measures, it will be able to continue as a going concern. There remains significant risk and uncertainty associated with implementing any of these measures which are dependent on a number of factors of which some may be outside of the Corporation's control.

As at June 30, 2025, the Corporation is current in its payroll taxes and is not in default with regards to its debt.

### 2. Statutes of incorporation and nature of activities

DIAGNOS Inc. ("the Corporation") is incorporated under the Canada Business Corporations Act and the subsidiaries under the applicable regulations in their respective countries. The main office is located at 7005 Taschereau Blvd, Suite 265, Brossard, Quebec, Canada. The shares of the Corporation are listed on the TSX Venture Exchange.

The Corporation provides software-based services to assist health specialists in the detection of diabetic retinopathy and other eye-related pathologies.

These interim condensed consolidated financial statements have been approved and authorized for filing by the Board of Directors of the Corporation on August 20, 2025.

### 3. Basis of consolidation, statement of compliance with IFRS accounting standards and summary of accounting policies

#### *Basis of consolidation*

These interim condensed consolidated financial statements include the accounts of the Corporation and those of its subsidiaries. Subsidiaries consist of entities over which the Corporation has right, or is exposed, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries' financial statements are included in the interim condensed consolidated financial statements from the date that control commences until the date that control ceases. Subsidiaries' year end and accounting policies are aligned with those adopted by the Corporation.

Percentage of interest in the Corporation's subsidiaries is as follows:

Name of entity	Location of entity	Percentage of ownership
Diagnos Internacional SA de CV	Mexico	99.8%
Diagnos Healthcare (India) Private Limited	India	99.74%

Inter-company transactions and balances and any unrealized revenue and expense are eliminated in preparing the interim condensed consolidated financial statements.

### 3. Basis of consolidation, statement of compliance with IFRS accounting standards and summary of accounting policies (continued)

#### *Summary of material accounting policies*

These interim condensed consolidated financial statements were prepared in accordance with standard IAS 34 – Interim Financial Reporting and do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards (“IFRS Accounting Standards”) accounting standards as issued by the International Accounting Standards Board. They, however, include specific complimentary notes in order to provide information necessary to assess the financial situation of the Corporation at period end since its last annual consolidated financial statements dated March 31, 2025.

The accounting policies used to prepare these interim condensed consolidated financial statements are those described in the last annual consolidated financial statements of the Corporation and have been applied throughout the period unless otherwise stated.

### 4. Critical accounting judgments and key sources of estimation uncertainty

In preparing these interim condensed consolidated financial statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Corporation’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements dated March 31, 2025.

### 5. Short-term investments

Short-term investments are composed of two guaranteed investment certificates which earn annual interest respectively at 3.05% and 3.50% and mature respectively on August 18, 2025 and September 25, 2025.

### 6. Accounts receivable

	As at,	
	June 30, 2025	March 31, 2025
	\$	
Customers	13,279	10,412
Tax credits on research and development expenses	88,843	73,843
Demand loan bearing annual interest rate of 4%	16,652	20,000
Advances, no interest bearing	17,983	17,983
Sales taxes	33,316	46,892
Others	1,314	1,314
	<u>171,387</u>	<u>170,444</u>

All amounts are due in the short term. The net carrying amounts are a reasonable approximation of their fair value.

## 7. Accounts payable and accrued liabilities

	As at,	
	June 30, 2025	March 31, 2025
	\$	
Suppliers and accrued liabilities	159,089	173,190
Interests payable on convertible debentures	53,692	62,144
Salaries and benefits	145,069	95,987
	<u>357,850</u>	<u>331,321</u>

## 8. Convertible debentures

	As at,	
	June 30, 2025	March 31, 2025
	\$	
Unsecured convertible debentures	2,110,000	2,675,000
Fair value discount	(96,722)	(121,847)
Issue expenses	(5,409)	(8,136)
	<u>2,007,869</u>	<u>2,545,017</u>

The unsecured convertible debentures bear interest at 10% and mature at various dates until May 18, 2026. They are convertible into common shares of the Corporation at the holders' option at exercise prices varying between \$0.22 and \$0.38.

During the quarter ended June 30, 2025, the Corporation amended the terms of unsecured convertible debentures (each, an "Q1-Amended Debenture") for \$300,000, which were due May 18, 2025. The Q1-Amended Debentures bear interest at an annual rate of 10% and will mature on May 18, 2026. At the sole option of the Q1-Amended Debenture holder, the principal amount of the Amended Debentures may be converted at any time during the extended term into common shares of the Corporation at a price of \$0.37 per common share.

The fair value of the Q1-Amended Debentures has been established at \$276,183 using the discounted cash flows valuation method with the following weighted average assumptions:

Maturity:	1 year	Nominal interest rate:	10%
Interest payment frequency:	2 per year	Effective interest rate:	18.55%

The difference of \$23,817 between the nominal value and the fair value of the Q1-Amended Debentures represents a gain on amendment to convertibles debentures and is part of other income in the consolidated statements of loss and comprehensive loss.

During the three-month period ended June 30, 2025, convertible debentures varied as follows:

	\$
<b>Balance, beginning of period</b>	<b>2,545,017</b>
Repayments	(565,000)
Accretion	52,669
Gain on amendment to convertible debentures	(23,817)
Issue expenses paid in cash	(1,000)
<b>Balance, end of period</b>	<b><u>2,007,869</u></b>



## 9. Segment information

For the three-month period ended June 30, 2025, 79% of revenue was attributable to one client located in Canada (three-month period ended June 30, 2024 - 47%).

## 10. Expenses by nature

	Three-month period ended June 30,	
	2025	2024
	\$	
Audit	33,868	60,107
Communications	8,623	8,463
Consulting fees	257,056	20,210
Depreciation and amortization	33,543	31,782
Equipment	1,308	2,438
Foreign exchange	811	130
Insurance	6,742	2,529
Leasing	8,430	7,755
Legal fees	798	-
Marketing	5,025	9,909
Overhead	38,366	7,430
Remuneration	574,461	439,171
Stock-based compensation	78,438	30,660
Tax credits	(15,000)	(15,000)
Travel and living	23,634	9,174
	<u>1,056,103</u>	<u>614,758</u>

## 11. Other income

	Three-month period ended June 30,	
	2025	2024
	\$	
Government loan program - Grant	3,285	3,285
Office sub-rent	3,000	3,000
Gain on amendment to convertible debentures	23,817	-
Interest	17,468	185
	<u>47,570</u>	<u>6,470</u>

During the quarter ended March 31, 2025, the Corporation proceeded with the reclassification of interest revenue from interest expense to other income. Comparative balances were reclassified to reflect the new classification adopted.

## 12. Risk management

As at June 30, 2025, the Corporation continues to be exposed to the liquidity risk mainly since it is not generating positive cash flows from its operations. Therefore, there still exists a risk that the Corporation cannot meet its obligations as they come due. Until the Corporation can achieve and maintain profitable operations, the available liquidity to meet near term obligations remains dependent on the Corporation's ability in securing additional financing. Refer to going concern assumptions in note 1.

## 13. Related party transactions

The Corporation's related parties include its subsidiaries as well as the Corporation's key management personnel. Key management personnel include directors and officers.

The following table presents the transactions with key management personnel:

	<b>Three-month period ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
	\$	
Base salary	175,848	134,213
Stock-based compensation	57,373	25,239
Demand loan repayment	(3,348)	-
	<u>229,873</u>	<u>159,452</u>

The following table presents the outstanding balance with one key management personnel:

	<b>As at,</b>	
	<b>June 30, 2025</b>	<b>March 31, 2025</b>
	\$	
Demand loan receivable, annual interest rate of 4%	<u>16,652</u>	<u>20,000</u>

DIAGNOS Inc.

**Head Office**

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**Stock Exchange Listings**

TSX Venture Exchange: ADK  
OTCQB: DGNOF  
FWB: 4D4A

**Transfer Agent and Registrar**

Computershare Trust Company of Canada