



Consolidated Financial Statements

For the Years Ended July 31, 2025 and 2024
Expressed in United States Dollars



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of BriaCell Therapeutics Corp.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of BriaCell Therapeutics Corp. (the Company) as at July 31, 2025 and 2024, and the related consolidated statements of operations and comprehensive loss, changes in shareholders' equity (deficit), and cash flows for each of the years in the two-year period ended July 31, 2025, and the related notes (collectively referred to as the consolidated financial statements).

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position at the Company as of July 31, 2025 and 2024, and the results of its consolidated operations and its consolidated cash flows for each of the years in the two-year period ended July 31, 2025, in conformity with accounting principles generally accepted in the United States of America.

Material Uncertainty Related to Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has suffered recurring losses from operations and has an accumulated deficit that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

MNP LLP

Chartered Professional Accountants Licensed Public Accountants

We have served as the Company's auditor since 2015.
Mississauga, Canada
October 15, 2025

MNP LLP

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BriaCell Therapeutics Corp
Consolidated Balance Sheets
As at July 31, 2025 and 2024
(Expressed in US Dollars, except share and per share data)

	July 31,	
	2025	2024
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 10,493,808	\$ 862,089
Short-term investments	7,372,473	-
Amounts receivable and prepaid expenses	2,060,295	2,791,765
Total current assets	19,926,576	3,653,854
NON-CURRENT ASSETS:		
Equity investment in BC Therapeutics	524,278	418,490
Intangible assets, net	184,525	199,796
Property and equipment, net	296,819	388,175
Long term prepaid expenses	717,508	1,211,946
Total non-current assets	1,723,130	2,218,407
Total assets	\$ 21,649,706	\$ 5,872,261
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES:		
Trade payables	\$ 3,283,703	\$ 7,170,781
Accrued expenses and other payables	694,285	290,376
Total current liabilities	3,977,988	7,461,157
NON-CURRENT LIABILITIES:		
Warrant liability	337,672	1,096,036
Total non-current liabilities	\$ 337,672	\$ 1,096,036
CONTINGENT LIABILITIES AND COMMITMENTS		
SHAREHOLDERS' EQUITY (DEFICIT):		
Share Capital of no par value – Authorized: unlimited at July 31, 2025 and 2024; Issued and outstanding: 1,883,906 and 121,907 shares at July 31, 2025 and 2024, respectively	101,739,923	72,166,414
Share-based payment reserved	10,316,140	9,189,261
Warrant reserve	17,719,026	1,844,296
Accumulated other comprehensive loss	(138,684)	(138,684)
Non-controlling interest	(546,795)	(302,522)
Accumulated deficit	(111,755,564)	(85,443,697)
Total shareholders' equity (deficit)	17,334,046	(2,684,932)
Total liabilities and shareholders' equity (deficit)	\$ 21,649,706	\$ 5,872,261

These consolidated financial statements were approved and authorized for issue on behalf of the Board of Directors on October 15, 2025 by:

On behalf of the Board:

“Jamieson Bondarenko”
Director

“William Williams”
Director

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

BriaCell Therapeutics Corp
Consolidated Statements of Operations and Comprehensive Loss
For the Years Ended July 31, 2025 and 2024
(Expressed in US Dollars, except share and per share data)

	Year ended July 31,	
	2025	2024
Operating expenses:		
Research and development expenses	\$ 21,270,678	27,177,807
General and administrative expenses	5,934,125	6,152,269
Total operating expenses	27,204,803	33,330,076
Operating loss	(27,204,803)	(33,330,076)
Financial income (expenses), net	114,511	262,566
Change in fair value of the warrant liability	758,364	28,242,472
Share of loss on equity investment	(224,212)	(106,510)
Net loss for the year	\$ (26,556,140)	\$ (4,931,548)
Net loss attributable to non-controlling interest	(244,273)	(140,082)
Net loss for the year attributable to BriaCell	(26,311,867)	(4,791,466)
Net loss per share attributable to BriaCell – basic and diluted	\$ (62.19)	\$ (43.68)
Weighted average number of shares (*) used in computing net loss per share attributable to ordinary shareholders, basic and diluted	423,114	109,699

(*)On January 24, 2025, the Company effected a 1-for-15 reverse split of its issued and outstanding common shares and on August 25, 2025, the Company effected a 1-for-10 reverse split of its issued and outstanding common shares, pursuant to which holders of the Company's common shares received 0.0067 of a common share for every one common share (following both reverse share splits). All share, warrant, option and RSU amounts have been retroactively restated for all periods presented.

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

BriaCell Therapeutics Corp
Consolidated Statements of Changes in Shareholders' Equity (Deficit)
For the Years Ended July 31, 2025 and 2024
(Expressed in US Dollars, except share and per share data)

	Share capital		Additional	Warrant	Accumulated	Accumulated	Non-	Total
	Number (*)	Amount	Paid In	Reserve	Other Comprehensive Income (Loss)	Deficit	Controlling Interest	Shareholders' Equity (Deficit)
Balance, July 31, 2023	106,555	\$ 69,591,784	\$ 7,421,950	\$ -	\$ (138,684)	\$ (80,652,231)	-	\$ (3,777,181)
Instruments issued to minority shareholders at the arrangement date	-	-	(36,767)	-	-	-	(162,440)	(199,207)
Issuance of Options	-	-	1,804,078	-	-	-	-	1,804,078
Issuance of Units, net of issuance expenses	15,352	2,574,630	-	1,844,296	-	-	-	4,418,926
Net loss for the year	-	-	-	-	-	(4,791,466)	(140,082)	(4,931,548)
Balance, July 31, 2024	<u>121,907</u>	<u>\$ 72,166,414</u>	<u>\$ 9,189,261</u>	<u>\$ 1,844,296</u>	<u>\$ (138,684)</u>	<u>\$ (85,443,697)</u>	<u>(302,522)</u>	<u>\$ (2,684,932)</u>
Issuance of options and RSU's	-	-	1,126,879	-	-	-	-	1,126,879
Exercise of prefunded warrants	189,234	-	-	-	-	-	-	-
Exercise of warrants	6,437	1,239,367	-	(418,352)	-	-	-	821,015
Issuance of units, net of issuance expenses	1,560,034	28,334,142	-	16,293,082	-	-	-	44,627,224
RSU's Exercised	6,294	-	-	-	-	-	-	-
Net loss for the year	-	-	-	-	-	(26,311,867)	(244,273)	(26,556,140)
Balance, July 31, 2025	<u>1,883,906</u>	<u>\$ 101,739,923</u>	<u>\$ 10,316,140</u>	<u>\$ 17,719,026</u>	<u>\$ (138,684)</u>	<u>\$ (111,755,564)</u>	<u>(546,795)</u>	<u>\$ 17,334,046</u>

(*)On January 24, 2025, the Company effected 1-for-15 reverse split of its issued and outstanding common shares and on August 25, 2025, the Company effected 1-for-10 reverse split of its issued and outstanding common shares, pursuant to which holders of the Company's common shares received 0.0067 of a common share for every one common share (following both reverse share splits). All share, warrant, option and RSU amounts have been retroactively restated for all periods presented.

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

BriaCell Therapeutics Corp
Consolidated Statements of Cash Flows
For the Years Ended July 31, 2025 and 2024
(Expressed in US Dollars, except share and per share data)

	Year ended July 31,	
	2025	2024
Cash flow from operating activities:		
Net loss for the year	\$ (26,556,140)	\$ (4,931,548)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization	15,271	15,271
Financial income (expenses), net	(56,473)	-
Depreciation	91,356	68,626
Share-based compensation	776,879	1,804,078
Share of loss on equity investment	224,212	106,510
Change in fair value of warrants	(758,364)	(28,242,472)
Changes in assets and liabilities:		
Decrease (increase) in amounts receivable	733,629	(732,578)
Decrease in prepaid expenses	492,279	2,126,282
(Decrease) increase in accounts payable	(3,887,078)	6,047,042
Increase (decrease) in accrued expenses and other payables	753,909	(387,339)
Net cash used in operating activities	<u>(28,170,520)</u>	<u>(24,126,128)</u>
Cash flow from investing activities:		
Purchase of property and equipment	-	(456,801)
Purchase of short-term investments, net	(7,316,000)	-
Equity investment in BC Therapeutics	(330,000)	(225,000)
Net cash used in investing activities	<u>(7,646,000)</u>	<u>(681,801)</u>
Cash flow from financing activities:		
Proceeds from exercise of warrants	821,015	-
Proceeds from issuance of shares, net of issuance costs	44,627,224	4,418,926
Net cash provided by financing activities	<u>45,448,239</u>	<u>4,418,926</u>
Increase in cash and cash equivalents	9,631,719	(20,389,003)
Cash and cash equivalents at beginning of year	862,089	21,251,092
Cash and cash equivalents at end of year	<u>\$ 10,493,808</u>	<u>\$ 862,089</u>

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

BriaCell Therapeutics Corp
Notes to the Consolidated Financial Statements
For the Years Ended July 31, 2025 and 2024
(Expressed in US Dollars, except share and per share data and unless otherwise indicated)

NOTE 1: GENERAL AND GOING CONCERN

- a. BriaCell Therapeutics Corp. (“BriaCell” or the “Company”) was incorporated under the Business Corporations Act (British Columbia) on July 26, 2006 and is listed on the Toronto Stock Exchange (“TSX”) under the symbol “BCT”. The Company also trades on the Nasdaq Capital Market (“NASDAQ”) under the symbols “BCTX”, “BCTXW” and “BCTXZ.
- b. BriaCell is an immuno-oncology biotechnology company. The Company is currently advancing its Bria-IMT targeted immunotherapy program against end-stage breast cancer to Phase 3 study which has been approved by the FDA. BriaCell is also developing a personalized off-the-shelf immunotherapy, Bria-OTS™, and a soluble CD80 protein therapeutic which acts both as a stimulator of the immune system as well as an immune checkpoint inhibitor.
- c. Going concern

The Company continues to devote substantially all of its efforts toward research and development activities. In the course of such activities, the Company has sustained operating losses and expects such losses to continue in the foreseeable future. The Company’s accumulated deficit as of July 31, 2025 was \$111,755,564 (July 31, 2024 - \$85,443,697) and negative cash flows from operating activities during the year ended July 31, 2025 was \$28,170,520 (July 31, 2024 - \$24,126,128). The Company is planning to finance its operations by exploring additional sources of capital and financing, while managing its existing working capital resources. During the year ended July 31, 2025, the Company raised \$50.9 million in gross proceeds from equity financings, however, the Company’s ability to continue as a going concern is dependent upon its ability to attain future profitable operations and to continue to obtain the necessary financing to meet its obligations arising from normal business operations when they come due. The uncertainty of the Company’s ability to raise such financial capital casts substantial doubt on the Company’s ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company not be able to continue as a going concern.

- d. The Company has two wholly-owned U.S. subsidiaries: (i) BriaCell Therapeutics Corp. (“BTC”), which was incorporated in April 3, 2014, under the laws of the state of Delaware, and (ii) BTC has a wholly-owned subsidiary, Sapiaientia Pharmaceuticals, Inc. (“Sapiaientia”), which was incorporated in September 20, 2012, under the laws of the state of Delaware. The Company also has one Canadian subsidiary: BriaPro Therapeutics Corp, (“BriaPro”) which was incorporated on May 15, 2023, under the Business Corporations Act (British Columbia). BriaPro was established to complete a plan of arrangement spinout transaction in August 2023, pursuant to which certain pipeline assets of the Company were spun-out to BriaPro, including Bria-TILsRx™ and protein kinase C delta (PKCδ) inhibitors for multiple indications including cancer (the “BriaPro Assets”), resulting in a two-third (2/3) owned subsidiary of the Company with the remaining one-third (1/3) held by the Company’s shareholders (the “Amalgamation” and the “Amalgamation Agreement”) – see also note 7(a). (Sapiaientia and BTC and BriaPro together, the “Subsidiaries”)
- e. The Company has one operating segment and reporting unit.

BriaCell Therapeutics Corp
Notes to the Consolidated Financial Statements
For the Years Ended July 31, 2025 and 2024
(Expressed in US Dollars, except share and per share data and unless otherwise indicated)

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

a. Basis of presentation of the financial statements:

The Company's consolidated financial statements have been prepared in accordance with the United States generally accepted accounting principles (U.S. GAAP) as set forth in the Financial Accounting Standards Board (the "FASB") Accounting Standards Codification (ASC).

b. Use of estimates, assumptions and judgements:

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates, judgments and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The Company's management believes that the estimates, judgment and assumptions used are reasonable based upon information available at the time they are made. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities at the dates of the consolidated financial statements, and the reported amount of expenses during the reporting periods. Actual results could differ from those estimates.

Going Concern

Preparation of the consolidated financial statement on a going concern basis, which contemplates that the Company will be able to meet its commitments, continue operations and realize its assets and discharge its liabilities in the normal course of business for at least twelve months from the date of approval of these Financial Statements from the Board of Directors. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets, including its intangible assets and to meet its liabilities as they become due.

Warrants and options

The Company uses the Black-Scholes option-pricing model to estimate the fair value of options at the grant date, and the warrant liability at the grant date and each reporting period date. The key assumptions used in the model are the expected future volatility in the price of the Company's shares and the expected life of the warrants.

Income Taxes

The Company accounts for income taxes in accordance with Accounting Standard Codification 740, Income Taxes ("FASB ASC 740"), on a tax jurisdictional basis. The Company files income tax returns in the United States.

Deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the tax bases of assets and liabilities and the consolidated financial statements reported amounts using enacted tax rates and laws in effect in the year in which the differences are expected to reverse. A valuation allowance is provided against deferred tax assets when it is determined to be more likely than not that the deferred tax asset will not be realized.

Provision for Income Taxes. Management accounts for income taxes by estimating future tax effects of temporary differences between the tax and book basis of assets and liabilities considering the provisions of enacted tax laws. The application of income tax law is inherently complex. Laws and regulations in this area are voluminous and are often ambiguous. As such, management is required to make many subjective assumptions and judgments regarding the Corporation's income tax exposures, including judgments in determining the amount and timing of recognition of the resulting deferred tax assets and liabilities, including projections of future taxable income. Interpretations of and guidance surrounding income tax laws and regulations change over time. As such, changes in management's subjective assumptions and judgments can materially affect amounts recognized in the Consolidated balance sheet and Consolidated Statements of Operations and Comprehensive Loss

BriaCell Therapeutics Corp
Notes to the Consolidated Financial Statements
For the Years Ended July 31, 2025 and 2024
(Expressed in US Dollars, except share and per share data and unless otherwise indicated)

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Intangible assets

Intangible assets are tested for impairment annually or more frequently if there is an indication of impairment. The carrying value of intangibles with definite lives is reviewed each reporting period to determine whether there is any indication of impairment. If there are indications of impairment, the impairment analysis is completed and if the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and impairment loss is recognized.

Prepaid expenses

The Company has prepaid certain expenses in respect of its pivotal phase III trial and estimates the period over which such expenses will be incurred. As of July 31, 2025, the Company revised its estimate of the time to completion in respect of this trial. Amounts estimated to be expenses in more than 12 months have been classified to long-term prepaid expenses.

The useful life of property and equipment

Property and equipment are depreciated over their useful lives. Useful lives are based on management's estimates of the period that the assets will be used which are periodically reviewed for continued appropriateness. Changes to estimates can result in significant variations in the amounts charged to the consolidated statement of operations and comprehensive loss in specific periods.

Investment equity method

Investments in entities over which the Company does not have a controlling financial interest but has significant influence are accounted for using the equity method, with the Company's share of losses reported in the loss from equity method investments on the statements of operation and comprehensive loss. The Company has a 63.1% interest in BC Therapeutics. Management evaluates whether it has control over the investee in accordance with the guidance of ASC 810, which requires judgment to assess factors such as power over significant activities of the investee, exposure to variable returns, and the ability to affect those returns. Based on this evaluation, management concludes significant influence is present for accounting purposes.

c. Principal of consolidation:

The consolidated financial statements include the accounts of the Company and its Subsidiaries. All intercompany balances and transactions have been eliminated upon consolidation.

BriaCell Therapeutics Corp
Notes to the Consolidated Financial Statements
For the Years Ended July 31, 2025 and 2024
(Expressed in US Dollars, except share and per share data and unless otherwise indicated)

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Cont.)

d. Consolidated financial statements in U.S dollars:

The functional currency is the currency that best reflects the economic environment in which the Company and its subsidiary operates and conducts their transactions. The functional currency of the Company and its subsidiaries is the U.S. dollar.

Accordingly, monetary accounts maintained in currencies other than the U.S. dollar are remeasured into U.S. dollars at each reporting period end in accordance with ASC No. 830 "Foreign Currency Matters." All transaction gains and losses of the remeasured monetary balance sheet items are reflected in the statements of operations as financing income or expenses as appropriate.

e. Cash and cash equivalents:

Cash equivalents are short-term highly liquid deposits that are readily convertible to cash with original maturities of three months or less, at the date acquired.

f. Short-term investments

Short-term investments consist of held-for-sale securities (or trading) and are stated at fair value, with unrealized gains and losses included in earnings. Transaction costs are expensed as incurred. The securities are classified as current assets because they are expected to be realized within one year. The Company regularly evaluates whether declines in fair value below cost are other-than-temporary; if so, an impairment is recognized. Gains or losses realized on sales of these securities are included in financial income (expense), net in the consolidated statement of operations and comprehensive loss.

g. Equity method investments:

Investments in entities over which the Company does not have a controlling financial interest but has significant influence, are accounted for using the equity method, with the Company's share of losses reported in loss from equity method investments on the statements of operation and comprehensive loss. Equity method investments are recorded at cost, plus the Company's share of undistributed earnings or losses, and impairment, if any, within interest in equity investees on the statements of consolidated balance sheet.

h. Property and Equipment, net:

Property and equipment with individual values of over \$2,500 are stated at cost, net of accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets at the following annual rates:

Laboratory equipment	20%
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i. Intangible assets, net:

Separately acquired intangible assets are measured on initial recognition at cost including directly attributable costs. Intangible assets acquired in a business combination are measured at fair value at the acquisition date. Expenditures relating to internally generated intangible assets, excluding capitalized development costs, are recognized in profit or loss when incurred.

Intangible assets with finite useful lives are amortized over their useful lives and whenever there is an indication that the asset may be impaired. The evaluation is performed at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. Recoverability of these group of assets is measured by a comparison of the carrying amounts to the future undiscounted cash flows the group of assets is expected to generate. If such review indicates that the carrying amount of intangible assets is not recoverable, the carrying amount of such assets is reduced to fair value.

The amortization period and the amortization method for an intangible asset are reviewed at least at each year end.

BriaCell Therapeutics Corp
Notes to the Consolidated Financial Statements
For the Years Ended July 31, 2025 and 2024
(Expressed in US Dollars, except share and per share data and unless otherwise indicated)

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Intangible assets with indefinite useful lives are not systematically amortized and are tested for impairment annually, or whenever there is an indication that the intangible asset may be impaired. The useful life of these assets is reviewed annually to determine whether their indefinite life assessment continues to be supportable. If the events and circumstances do not continue to support the assessment, the change in the useful life assessment from indefinite to finite life is accounted for prospectively as a change in accounting estimate and on that date the asset is tested for impairment. Commencing from that date, the asset is amortized systematically over its useful life.

The details of intangible assets are as follows:

	Patents
Useful life	20 years
Amortization method	Straight-line
In-house development or purchase	Purchase

For the years ended July 31, 2025 and 2024, no indicators of impairment have been identified.

j. Research and Development expenses:

Research and development expenses are recognized in the consolidated statements of operations and comprehensive loss when incurred. Research and development expenses consist of intellectual property, development and production expenditures.

Government grants are recognized when there is reasonable assurance that the grants will be received, and the Company will comply with the conditions. The grants are offset against the related research and development expenditure.

k. Fair value of financial instruments:

The accounting guidance for fair value provides a framework for measuring fair value, clarifies the definition of fair value, and expands disclosures regarding fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the reporting date. The accounting guidance establishes a three-tiered hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value as follows:

Level 1 — Quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2 — Observable inputs that are based on inputs not quoted on active markets but corroborated by market data.

Level 3 — Unobservable inputs are used when little or no market data are available.

The carrying amounts of cash and cash equivalents, subscriptions receipts, trade payables and accrued expenses and other payables approximate their fair value due to the short-term nature of such instruments.

The carrying amount of warrant liabilities and short-term investments are recorded at the fair value at each reporting period.

BriaCell Therapeutics Corp
Notes to the Consolidated Financial Statements
For the Years Ended July 31, 2025 and 2024
(Expressed in US Dollars, except share and per share data and unless otherwise indicated)

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Cont.)

l. Leases:

The Company accounts for leases according to ASC 842, “Leases”. The Company determines if an arrangement is a lease and the classification of that lease at inception based on: (1) whether the contract involves the use of a distinct identified asset, (2) whether the Company obtains the right to substantially all the economic benefits from the use of the asset throughout the period, and (3) whether the Company has a right to direct the use of the asset. An ROU asset represents the right to use an underlying asset for the lease term and lease liabilities represent the Company’s obligation to make lease payments arising from the lease agreement. An ROU asset is measured based on the discounted present value of the remaining lease payments, plus any initial direct costs incurred and prepaid lease payments, excluding lease incentives. The lease liability is measured at lease commencement date based on the discounted present value of the remaining lease payments. The implicit rate within the operating leases is generally not determinable, therefore the Company uses the Incremental Borrowing Rate (“IBR”) based on the information available at commencement date in determining the present value of lease payments. The Company’s IBR is estimated to approximate the interest rate for collateralized borrowing with similar terms and payments and in economic environments where the leased asset is located. An option to extend the lease is considered in connection with determining the ROU asset and lease liability when it is reasonably certain that the Company will exercise that option. An option to terminate is considered unless it is reasonably certain that the Company will not exercise the option.

The Company elected the practical expedient for lease agreements with a term of twelve months or less and does not recognize right-of-use (“ROU”) assets and lease liabilities in respect of those agreements. The Company also elected the practical expedient to not separate lease and non-lease components for its leases.

m. Share-based compensation:

The Company accounts for share-based compensation in accordance with ASC No. 718, “Compensation – Stock Compensation”, which requires companies to estimate the fair value of equity-based payment awards on the date of grant using an option-pricing model. The value of the award is recognized as an expense over the requisite service periods, which is the vesting period of the respective award, on a straight-line basis when the only condition to vesting is continued service.

The Company has selected the Black-Scholes option-pricing model as the most appropriate fair value method for its option awards. The Company recognizes forfeitures of equity-based awards as they occur. Restricted share units use the share price on the grant date to determine the fair value of the restricted share unit award.

n. Income Taxes:

The Company accounts for income taxes in accordance with ASC 740, “Income Taxes”, which prescribes the use of the liability method whereby deferred tax asset and liability account balances are determined based on differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company provides a valuation allowance, to reduce deferred tax assets to their estimated realizable value, if needed.

BriaCell Therapeutics Corp
Notes to the Consolidated Financial Statements
For the Years Ended July 31, 2025 and 2024
(Expressed in US Dollars, except share and per share data and unless otherwise indicated)

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Cont.)

ASC 740 offers a two-step approach for recognizing and measuring a liability for uncertain tax positions. The first step is to evaluate the tax position taken or expected to be taken in a tax return by determining if the weight of available evidence indicates that it is more likely than not that, on an evaluation of the technical merits, the tax position will be sustained on audit, including resolution of any related appeals or litigation processes. The second step is to measure the tax benefit as the largest amount that is more than 50% likely to be realized upon ultimate settlement. As of July 31, 2025, and 2024 no liability for unrecognized tax benefits was recorded as a result of ASC 740.

o. Basic and diluted net loss per Share:

The Company's basic net loss per share is calculated by dividing net loss attributable to ordinary shareholders by the weighted-average number of shares of ordinary shares outstanding for the period, without consideration of potentially dilutive securities. The diluted net loss per share is calculated by giving effect to all potentially dilutive securities outstanding for the period using the treasury share method or the if-converted method based on the nature of such securities. Diluted net loss per share is the same as basic net loss per share in periods when the effects of potentially dilutive ordinary shares are anti-dilutive.

p. Recently issued and adopted accounting standards:

As an "emerging growth company," the Jumpstart Our Business Startups Act ("JOBS Act") allows the Company to delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are made applicable to private companies. The Company has elected to use this extended transition period under the JOBS Act. The adoption dates discussed below reflects this election.

1. In December 2023, the FASB issued ASU 2023-09 - *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. This standard modifies the rules on income tax disclosures to require entities to disclose specific categories in the rate reconciliation, the income or loss from continuing operations before income tax expense or benefit, and income tax expense or benefit from continuing operations. ASU 2023-09 also requires entities to disclose their income tax payments to international, federal, state, and local jurisdictions. The ASU is effective for years beginning after December 15, 2024, but early adoption is permitted. This ASU should be applied on a prospective basis, although retrospective application is permitted. The Company is currently evaluating the impact of this standard on its financial statements and disclosures.
2. In March 2024, the FASB issued ASU 2024-01 - *Compensation—Stock Compensation (Topic 718): Scope Application of Profits Interest and Similar Awards*. This standard clarifies whether profits interest and similar awards fall within the scope of stock-based compensation guidance as defined in ASC Topic 718, introducing examples to demonstrate this. The ASU includes scenarios where profits interest awards are classified as equity instruments or liability awards and situations where they fall outside ASC Topic 718, being accounted for under ASC Topic 710. The ASU is effective for years beginning after December 15, 2024, but early adoption is permitted. This ASU should be applied on a prospective basis, although retrospective application is permitted. The Company is currently evaluating the impact of this standard on its financial statements and disclosures.
3. In January 2025, the FASB issued ASU 2025-01 - *Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date*. This standard amends the guidance issued in 2024 to confirm that all public business entities must present the required expense-disaggregation disclosures in annual periods beginning after December 15, 2026, and interim periods within annual periods beginning after December 15, 2027. The ASU is effective for years beginning after those dates, but early adoption is permitted. This ASU should be applied on a prospective basis, although retrospective application is permitted. Because the amendment only affects disclosure timing, the Company does not expect this standard to have a material impact on its financial statements and disclosures.
4. In June 2025, the FASB issued ASU 2025-03 - *Business Combinations (Topic 805) and Consolidation (Topic 810): Determining the Accounting Acquirer in a Variable-Interest Entity*. This standard clarifies that when a business combination is effected primarily by exchanging equity interests and the legal acquirer is a variable-interest entity ("VIE") that meets the definition of a business, entities must identify the accounting acquirer using the factors in ASC 805-10-55-12 through 55-15, rather than relying solely on the VIE consolidation model. The ASU is effective for years beginning after December 15, 2026, but early adoption is permitted. This ASU should be applied on a prospective basis, although retrospective application is permitted. The Company is currently evaluating the impact of this standard on its financial statements and disclosures.

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NOTE 3: Amounts receivable and prepaid expenses

	July 31,	
	2025	2024
Directors and officers insurance	\$ 564,794	\$ 632,657
Prepaid expense (a)	1,394,439	1,322,122
Subscription receipt (b)	-	736,359
Other prepaids	101,062	100,627
	<u>\$ 2,060,295</u>	<u>\$ 2,791,765</u>

- (a) Prepaid expenses as of July 31, 2025 include amounts paid to certain vendors in respect of the Company's ongoing pivotal phase III trial study. These amounts are amortized over the period of the clinical trial. Prepaid expenses estimated to be expensed within 12 months amount to \$1,394,439 in 2025 compared to 1,322,122 in 2024 and are included in current assets, whilst the balance, extending longer than 12 months, amounts to \$717,508 in 2025 as compared to 1,211,946 in 2024 and is included in non-current assets under long-term prepaid expenses.
- (b) The subscription receipt relates to the May 2024 Offering (see note 9(b)(ii)(1)). All the funds have been received during the year ended July 31, 2025.

NOTE 4: INVESTMENT IN BC THERAPEUTICS INC.

On December 21, 2021, the Company and BC Therapeutics, Inc. ("BC Therapeutics" or "the Investee") entered a share purchase agreement ("SPA"), pursuant to which the Company initially provided a loan of \$300,000 to BC Therapeutics, with no interest to be paid. Subsequently, in accordance with the SPA, this loan was converted into an equity investment in BC Therapeutics at a rate of \$1.25 per share, resulting in a 37.5% ownership interest ("Initial Investment").

Pursuant to the SPA ("Initial Investment"), Briacell also received two options to invest an additional \$225,000 per option at \$1.25 per BC Therapeutics share. The first option expired on February 15, 2024 ("First BC Therapeutics Option") and the second option expired on June 30, 2024 ("Second BC Therapeutics Options", together, the "BC Therapeutic Options"). In accordance with ASC 321 and ASC 815, the BC Therapeutics Options were valued at \$76,350 in accordance with the Black Scholes Option Price Model, using the following assumptions: Share price: \$1.25, Exercise price: \$1.25, Dividend yield: 0%, Risk free interest rate: 4.902%, Volatility: 100%.

BC Therapeutics has a board of four representatives, with two representatives appointed by Briacell and two representatives appointed by the existing shareholders. All significant decisions related to BC Therapeutics require the approval of at least a majority of the board members.

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NOTE 4: INVESTMENT IN BC THERAPEUTICS INC. (Cont.)

The Company acquired a significant interest in BC Therapeutics on February 1, 2024, by exercising the First BC Therapeutics Option, increasing its ownership to 51.2%. On August 7, 2024, following the expiration of the original Second BC Therapeutics Option, the Company and BC Therapeutics amended the SPA to introduce new options, allowing the exercise in tranches of at least 20,000 shares at \$1.25 per share. On March 18, 2025, the SPA was amended a second time, such that the Second BC Therapeutics Option is increased to 424,000 shares and expires in June 2026 (a one year extension). During the year ended July 31, 2025, the Company exercised this option totaling \$330,000 and received 264,000 shares. As of July 31, 2025, the Company holds 684,000 of the 1,084,000 issued and outstanding shares in BC Therapeutics, representing a 63.1% ownership interest. In addition, 160,000 shares remain available for purchase under the Second BC Therapeutics Option at an exercise price of \$1.25 per share; these options expire on June 30, 2026.

In accordance with ASC 810, the Company continues to account for the investment under the equity method of accounting as the Company does not exercise control over BC Therapeutics.

Changes in the Company's equity investment in BC Therapeutics is summarized as follows:

Balance – August 1, 2024	\$ 418,490
Funding (including the value of the BC Therapeutics Options)	330,000
Share of losses:	(224,212)
Balance – July 31, 2025	\$ 524,278

The following amounts represent the Company's 63.1% share of the assets of BC Therapeutics (July 31, 2024 – 51.2%):

	July 31,	
	2025	2024
Current assets: Cash	\$ 251	\$ 32,810
Net assets	251	32,810

NOTE 5: INTANGIBLE ASSETS, NET

Acquired intangible assets with finite lives consisted of the following as of July 31, 2025 and 2024:

	July 31,	
	2025	2024
Patents	\$ 305,130	\$ 305,130
Gross intangible assets	305,130	305,130
Less – accumulated amortization	(120,605)	(105,334)
Intangible assets, net	\$ 184,525	\$ 199,796

The attributable intellectual property relates to BriaPro's various patents, which the Company is amortizing over 20 years, consistent with its accounting policy.

Amortization expenses for the years ended July 31, 2025 and 2024, were \$15,271 and \$15,271, respectively.

The estimated future amortization expense of intangible assets as of July 31, 2025 is as follows:

2026	\$ 15,271
2027	15,271
2028	15,271
2029	15,271
2030 and thereafter	123,441
	\$ 184,525

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NOTE 6: PROPERTY AND EQUIPMENT, NET

During the year ended July 31, 2025, the Company purchased certain laboratory equipment in the gross amount of \$nil (July 31, 2024 - \$456,801).

	Laboratory equipment
Cost:	
As of August 1, 2023	\$ -
Additions	456,801
Disposals	-
As of August 1, 2024	456,801
Additions	-
Disposals	-
As of July 31, 2025	\$ 456,801
Accumulated depreciation:	
As of August 1, 2023	\$ -
Depreciation	68,626
As of August 1, 2024	\$ 68,626
Depreciation	91,356
As of July 31, 2025	\$ 159,982
Net Book Value:	
As of July 31, 2025	\$ 296,819
As of July 31, 2024	\$ 388,175

NOTE 7: CONTINGENT LIABILITIES AND COMMITMENTS

a. BriaPro Warrants

Upon the exercise of certain BriaCell warrants that were outstanding at the time of the Amalgamation Agreement with BriaPro (“Briacell Legacy Warrants”), BriaCell shall, as agent for BriaPro, collect and pay to BriaPro an amount based on an agreed formula. As of July 31, 2025, this amount totaled of up to \$241,164 and is eliminated on consolidation.

Pursuant to the Amalgamation Agreement, each BriaCell warrant in issuance at the time of the Amalgamation (“Briacell Legacy Warrant”) shall, in accordance with its terms, entitle the holder thereof to receive, upon the exercise thereof, one BriaCell Share (and post Reverse Splits, as defined below– 150 Briacell Shares) and one BriaPro Share for the original exercise price. Warrants issued by the Company, subsequent to the Arrangement are not subject to the terms above.

Upon the exercise of 150 BriaCell Legacy Warrants (post Reverse Splits), BriaCell shall, as agent for BriaPro, collect and pay to BriaPro an amount for each one (1) BriaPro Share so issued that is equal to the exercise price under the 150 BriaCell Legacy Warrants multiplied by the fair market value of one (1) BriaPro Share at the Effective Date divided by the total fair market value of one (1) BriaCell Share and one (1) BriaPro Share at the Effective Date (“BriaPro Warrant Shares”). On a Reverse Split basis, as of July 31, 2025, 55,455 Briacell Legacy Warrants are exercisable into 55,455 Briacell Shares and 8,168,302 BriaPro Shares.

b. Lease

As of July 31, 2025, the Company had a month-to-month commitment for office and lab space in Philadelphia, PA, costing the company approximately \$38,110 per month. Subsequent to the balance sheet date, on September 1, 2025, the monthly amount increased to approximately \$43,000.

NOTE 8: FAIR VALUE MEASUREMENTS

The following table presents information about our financial instruments that are measured at fair value on a recurring basis as of July 31, 2025 and 2024:

	Fair Value Measurements at					
	July 31, 2025			July 31, 2024		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Financial Assets:						
Cash and cash equivalents	\$ 10,493,808	\$ -	\$ 10,493,808	\$ 862,089	\$ -	\$ 862,089
Short-term investments	7,372,473	-	7,372,473	-	-	-
Total assets measured at fair value	<u>\$ 17,866,281</u>	<u>\$ -</u>	<u>\$ 17,866,281</u>	<u>\$ 862,089</u>	<u>\$ -</u>	<u>\$ 862,089</u>
Financial liabilities:						
Warrants liability	\$ 151,586	\$ 186,086	\$ 337,672	\$ 760,657	\$ 335,379	\$ 1,096,036
Total liabilities measured at fair value	<u>\$ 151,586</u>	<u>\$ 186,086</u>	<u>\$ 337,672</u>	<u>\$ 760,657</u>	<u>\$ 335,379</u>	<u>\$ 1,096,036</u>

The Company classifies its cash equivalents, short-term investments and the liability in respect of publicly traded warrants within Level 1 because they are valued using the quoted market prices in active markets. The Company holds level 1 short term investments with coupon rates ranging between 3.00% to 5.51%

The fair value of the warrant liability for non-public warrants is measured using inputs other than quoted prices included in Level 1 that are observable for the liability either directly or indirectly, and thus are classified as Level 2 financial instruments.

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NOTE 9: SHAREHOLDERS' EQUITY

a. Authorized share capital

The authorized share capital consists of an unlimited number of common shares with no par value ("Share").

b. Issued share capital

(i) Reverse Stock Split:

1. On January 3, 2025, the Company's board of directors approved a reverse stock split of the Company's common shares on a 1-for-15 basis, which became effective on January 24, 2025 and on August 25, 2025 (the "Effective Date"), the Company effected a reverse stock split of its common shares on a 1-for-10 basis (the "Reverse Splits").

As a result of the Reverse Splits, every one hundred and fifty (150) pre-split common shares issued and outstanding were automatically combined into one (1) new common share. No fractional common shares were issued in connection with the Reverse Splits. Instead, any fractional common shares resulting from the January 2025 Reverse Split were deemed to have been tendered to the Company for cancellation for no consideration.

Following the January 2025 Reverse Split, the number of common shares outstanding were 294,694. After giving effect to subsequent share issuances and the August 2025 Reverse Split, the number of common shares outstanding was 1,883,906

The Reverse Splits also resulted in a proportional adjustment to the number of common shares issuable upon the exercise of the Company's outstanding warrants, stock options, and other convertible securities, as well as an adjustment to the exercise prices and conversion prices, as applicable.

All share and per share amounts in the accompanying consolidated financial statements and related notes have been retroactively adjusted to reflect both the January 2025 Reverse Split and the August 2025 Reverse Split for all periods presented.

(ii) The Company issued the following shares during the year ended July 31, 2024:

1. On May 17, 2024, the Company closed a registered direct offering with healthcare-focused institutional investors, certain existing investor and a director of the Company for the purchase and sale of 15,352 common shares of the Company and 666 pre-funded warrants with an offering price of \$179.985, an exercise price of \$0.015 and may be exercised at any time in the future, and warrants to purchase up to an aggregate of 16,019 common shares of the Company ("May 2024 Warrants") for aggregate gross proceeds of approximately \$5.0 million before deducting placement agent fees and other offering expenses (the "May 2024 Offering"). Each common share (or pre-funded warrant in lieu thereof) was sold together with one warrant to purchase one common share at a combined purchase price of \$300.00 to the institutional investors and \$332.25 to the existing investor and director of the Company. The May 2024 Warrants have an exercise price of \$316.50 per share, will become exercisable six months from the date of issuance and expire five years from the initial exercise date. In addition, the Company issued 333 placement agent warrants with the same terms as the May 2024 Warrants.

The prefunded warrants were exercised on August 7, 2024 – see note 15(b).

The fair value of the 16,352 May 2024 Warrants had a fair value of \$2,020,207 using the Black-Scholes option price model, with the following assumptions: share price - \$177.00; exercise price - \$316.50; expected life – 5.5 years; annualized volatility - 118%; dividend yield - 0%; risk free rate – 4.71%, non-marketability discount – 13.13%.

The amount was credited to the warrant reserve at the date of the May 2024 Offering.

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(iii) The Company issued the following shares during the year ended July 31, 2025:

1. On September 12, 2024, the Company completed a registered direct offering for the purchase and sale of 82,166 common shares of the Company at an offering price of \$103.50 per share, for aggregate gross proceeds of approximately \$8.5 million before deducting placement agent fees and other offering expenses (the "September 2024 Offering").

In connection with the September 2024 Offering, the Company issued 4,108 placement agent warrants with an exercise price of \$129.40 per share. These placement agent warrants are exercisable beginning on March 11, 2025, and expire five years from the date of issuance. The fair value of the broker warrants was determined to be \$247,800 using the Black-Scholes option pricing model, with the following assumptions: share price - \$94.50; exercise price - \$129.40; expected life - 5 years; annualized volatility - 109%; dividend yield - 0%; risk-free rate - 3.469%, non-marketability discount - 16.38%.

The amount was credited to the warrant reserve at the date of the September 2024 Offering.

2. On October 2, 2024, the Company closed a registered direct offering for the purchase and sale of 34,190 common shares of the Company and warrants to purchase up to an aggregate of 34,190 common shares of the Company for aggregate gross proceeds of \$5 million before deducting placement agent fees and other offering expenses (the "October 2024 Offering"). Each common share was sold together with one warrant to purchase one common share at a combined purchase price of \$146.30. The warrants have an exercise price of \$127.50 per share, and are immediately exercisable, and expire five years from the date of issuance ("October 2024 Warrants").

In connection with the October 2024 Offering, the Company issued 1,709 placement agent warrants. The placement agent warrants are immediately exercisable at an exercise price of \$182.80 per share and expire five years from the date of issuance.

The fair value of the 34,190 October 2024 Warrants was determined to be \$2,211,266 (gross, before deducting share issuance costs) using the Black-Scholes option pricing model, with the following assumptions: share price - \$81.00; exercise price - \$127.50; expected life - 5 years; annualized volatility - 121%; dividend yield - 0%; risk-free rate - 3.553%.

The fair value of the 1,709 placement agent warrants was determined to be \$204,128 using the Black-Scholes option pricing model, with the following assumptions: share price - \$151.50; exercise price - \$182.80; expected life - 5 years; annualized volatility - 112%; dividend yield - 0%; risk-free rate - 3.561%.

The amounts were credited to the warrant reserve at the date of the October 2024 Offering.

3. On December 13, 2024, the Company closed a public offering for the purchase and sale of 49,333 common shares of the Company and warrants to purchase up to an aggregate of 49,333 common shares of the Company for aggregate gross proceeds of approximately \$5.55 million before deducting underwriting discounts, commissions, and other offering expenses (the "December 2024 Offering"). Each common share was sold together with one warrant to purchase one common share at a combined purchase price of \$112.50. The warrants have an exercise price of \$140.60 per share, and are immediately exercisable, and expire five years from the date of issuance ("December 2024 Warrants").

In connection with the December 2024 Offering, the Company issued 2,466 agent warrants. The agent warrants are immediately exercisable at an exercise price of \$140.60 per share and expire five years from the date of issuance.

The fair value of the 49,333 December 2024 Warrants was determined to be \$2,327,089 (gross, before deducting share issuance costs) using the Black-Scholes option pricing model, with the following assumptions: share price - \$66.00; exercise price - \$140.60; expected life - 5 years; annualized volatility - 111%; dividend yield - 0%; risk-free rate - 4.133%.

The fair value of the 2,466 agent warrants was determined to be \$188,252 using the Black-Scholes option pricing model, with the following assumptions: share price - \$99.00; exercise price - \$140.60; expected life - 5 years; annualized volatility - 111%; dividend yield - 0%; risk-free rate - 4.133%.

The amounts were credited to the warrant reserve at the date of the December 2024 Offering.

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4. On February 5, 2025, the Company closed a public offering for the purchase and sale of 76,250 common shares of the Company at an offering price of \$40.00 per share, for aggregate gross proceeds of approximately \$3.05 million before deducting placement agent fees and other offering expenses (the “February 2025 Offering”).

In connection with the February 2025 Offering, the Company issued 3,812 placement agent warrants with an exercise price of \$50.00 per share. These placement agent warrants are immediately exercisable and expire five years from the date of issuance. The fair value of the broker warrants was determined to be \$156,130 using the Black-Scholes option-pricing model, with the following assumptions: share price – \$50.40; exercise price – \$50.00; expected life – 5 years; annualized volatility – 112%; dividend yield – 0%; risk-free rate – 4.37%.

The amount was credited to the warrant reserve at the date of the February 2025 Offering.

5. On April 28, 2025, the Company closed an underwritten public offering for the purchase and sale of 306,665 units for aggregate gross proceeds of approximately \$13.8 million before deducting underwriting discounts, commissions, and other offering expenses (the “April 2025 Offering”). Of those units, 240,595 were “regular” units, each consisting of one common share and one five-year publicly traded warrant at a combined purchase price of \$45.00 per unit, and 66,070 were “pre-funded” units, each consisting of one pre-funded warrant (at a \$0.001 strike) and one five-year publicly traded warrant at a combined purchase price of \$44.99 per unit. All warrants have an exercise price of \$52.50 per share, are immediately exercisable, and expire five years from the date of issuance (“April 2025 Warrants”). The April 2025 Warrants trade on the NASDAQ under the symbol “BCTXZ.” As of July 31, 2025, all the pre-funded warrants were exercised.

In connection with the April 2025 Offering, the Company issued 15,333 representative’s warrants. The representative’s warrants are immediately exercisable at an exercise price of \$56.25 per share and expire five years from the date of issuance.

The fair value of the 306,666 April 2025 Warrants was determined to be \$5,666,620 (gross, before deducting share issuance costs) using the Black-Scholes option pricing model, with the following assumptions: share price - \$26.50; exercise price - \$52.50; expected life – 5 years; annualized volatility - 105 %; dividend yield - 0 %; risk-free rate – 3.885 %.

6. On July 16, 2025, the Company closed a public offering for gross proceeds of approximately \$15.0 million before deducting placement agent fees and other offering expenses (the “July 2025 Offering”). The offering consisted of 1,200,000 units, including 1,077,500 common shares, 122,500 pre-funded warrants, and 1,200,000 five-year warrants to purchase one common share each at a combined purchase price of \$12.50 per unit (or \$12.49 per pre-funded unit). The warrants have an exercise price of \$15.00 per share, are immediately exercisable, and expire five years from the date of issuance (“July 2025 Warrants”). As of July 31, 2025, all the pre-funded warrants were exercised.

The fair value of the 1,200,000 July 2025 Warrants was determined to be \$6,460,348 using the Black-Scholes option pricing model, with the following assumptions: share price – \$7.10; exercise price – \$15.00; expected life – 5 years; annualized volatility – 118%; dividend yield – 0%; risk-free rate – 3.99%.

The amount was credited to the warrant reserve at the date of the July 2025 Offering.

7. During the year ended July 31, 2025, a total of 6,437 October 2024 Warrants with an exercise price of \$127.50 were exercised, generating gross proceeds of \$821,015. The Company issued 6,437 common shares in respect of these warrant exercises.

c. Share Purchase Warrants

A summary of changes in share purchase warrants for the years ending July 31, 2025 and 2024 is presented below:

	Number of options outstanding	Weighted average exercise price (*)
Balance, July 31, 2023	54,144	\$ 863.18
Granted in the May 2024 Offering	16,019	316.50
Balance, July 31, 2024	70,163	\$ 738.36
Exercised	(6,437)	127.50
Granted in the October 2024 Offering	34,190	127.50
Granted in the December 2024 Offering	49,333	140.63
Granted in the April 2025 Offering	306,665	52.50
Granted in the July 2025 Offering	1,200,000	15.00
Balance, July 31, 2025	1,653,914	\$ 58.27

(*) See note 7(a).

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NOTE 9: SHAREHOLDERS' EQUITY (Cont.)

As of July 31, 2025, warrants outstanding were as follows:

Number of Warrants	Exercise Price	Exercisable At July 31, 2025	Expiry Date
(*)346	\$ 588.62	346	November 16, 2025
(*)25,978	\$ 796.88	25,978	February 26, 2026 – April 26, 2026
(*)27,820	\$ 928.50	27,820	December 7, 2026
16,019	\$ 316.50	16,019	November 17, 2029
27,753	\$ 127.50	27,753	October 2, 2029
49,333	\$ 140.63	49,333	December 12, 2029
306,665	\$ 52.50	306,665	April 28, 2030
1,200,000	\$ 15	1,200,000	July 15, 2030
1,653,914		1,653,914	

(*) Briacell Legacy Warrants – see note 1(d) and note 7(a)

d) Compensation Warrants

A summary of changes in compensation warrants for the years ended July 31, 2025 and 2024 is presented below:

	Number of warrants outstanding	Weighted average exercise price (*)
Balance, July 31, 2023	311	843.52
Granted in the May 2024 Offering	333	348.00
Balance, July 31, 2024	644	587.30
Granted in the September 2024 Offering	4,108	129.38
Granted in the October 2024 Offering	1,709	182.81
Granted in the December 2024 Offering	2,466	140.63
Granted in the February 2025 Offering	3,812	50.00
Granted in the April 2025 Offering	15,333	52.50
Balance, July 31, 2025	28,072	\$ 91.35

(*) See note 7(a).

As of July 31, 2025, compensation warrants outstanding were as follows:

Number of Warrants	Exercise Price	Exercisable At July 31, 2025	Expiry Date
(*)34	\$ 588.62	34	November 16, 2025
(*)113	\$ 796.88	113	February 26, 2026
(*)164	\$ 928.50	164	June 7, 2026
333	\$ 348.00	333	May 17, 2029
4,108	\$ 129.38	4,108	September 12, 2029
1,709	\$ 182.81	1,709	October 2, 2029
2,466	\$ 140.63	2,466	December 12, 2029
3,812	\$ 50.00	3,812	February 5, 2030
15,333	\$ 56.50	15,333	April 28, 2030
28,072		28,072	

(*) Briacell Legacy Warrants – see note 1(d) and note 7(a)

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NOTE 9: SHAREHOLDERS' EQUITY (Cont.)

e) Warrant liability continuity

(i) The following table presents the summary of the changes in the fair value of the warrants recorded as a liability on the Balance Sheet (*):

	Warrants liability
Balance as of July 31, 2023	29,139,301
Fair value of BriaPro Warrant Shares at Effective Date (note 1(e))	199,207
Change in fair value during the year	<u>(28,242,472)</u>
Balance as of July 31, 2024	<u>\$ 1,096,036</u>
Change in fair value during the year	<u>(758,364)</u>
Balance as of July 31, 2025	<u>\$ 337,672</u>

(*) Certain warrants were issued prior to August 1, 2022 in respect of public offerings and private placements that contain terms that require the warrants to be recorded as a liability at fair value under US GAAP. As a result, these warrants are valued at the end of each reporting period. For the year ended July 31, 2025, the Company recorded a gain on the revaluation of the total warrant liability of \$758,364 in the consolidated statements of operations and comprehensive loss.

The key inputs used in the valuation of the of the warrant as of July 31, 2025 and at July 31, 2024 and on the issuance dates, were as follows:

	February 26, 2021 (Issuance date)	April 12, 2021 (Issuance date)	July 31, 2025	July 31, 2024
Share price	\$ 510	\$ 588	\$ 7.50	\$ 112.50
Exercise price	\$ 796.88	\$ 796.88	796.88-928.50	\$ 796.88-928.50
Expected life (years)	5.00	5.00	0.57-1.35	1.57-2.35
Volatility	100%	100%	157-209%	77-79%
Dividend yield	0%	0%	0%	0%
Risk free rate	0.88%	0.97%	4.10%	4.27%

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NOTE 9: SHAREHOLDERS' EQUITY (Cont.)

The key inputs used in the valuation of the of the BriaPro Warrant Shares as of July 31, 2025 were as follows:

	July, 31 2025	August 31, 2023 (Effective Date)
Share price	\$ 0.0365	\$ 0.0365
Exercise price	\$ 0.0206-0.0308	\$ 0.0206-0.0308
Expected life (years)	0.30-1.35	2.21-3.27
Volatility	157-209%	100%
Dividend yield	0%	0%
Risk free rate	2.68-2.74%	4.40%

NOTE 10: SHARE-BASED COMPENSATION

On August 2, 2022, the Company approved an omnibus equity incentive plan ("Omnibus Plan"), which will permit the Company to grant incentive stock options, preferred share units, restricted share units ("RSU's"), and deferred share units (collectively, the "Awards") for the benefit of any employee, officer, director, or consultant of the Company or any subsidiary of the Company. The maximum number of shares available for issuance under the Omnibus Plan shall not exceed 15% of the issued and outstanding Shares, from time to time, less the number of Shares reserved for issuance under all other security-based compensation arrangements of the Company, including the existing Stock Option Plan. On February 9, 2023, the Omnibus Plan was approved by the shareholders.

a. The following table summarizes the number of options granted under the Stock Option Plan for the year ended July 31, 2025 and related information:

	Number of options	Weighted average exercise price (*)	Weighted average remaining contractual term (in years)	Aggregate intrinsic value
Balance as of July 31, 2023 and 2024	14,183	\$ 923.53	2.52	\$ -
Granted (i)	333	60.00	4.45	-
Forfeited	(1,265)	978.16		-
Balance as of July 31, 2025	13,251	896.61	1.62	-
Exercisable as of July 31, 2024	13,152	\$ 924.60	2.41	\$ -
Exercisable as of July 31, 2025	13,251	\$ 896.61	1.62	\$ -

- (i) On January 16, 2025, the Company granted 333 stock options to a consultant at an exercise price of \$60.00 per share. All options vested in full on April 16, 2025. The options expire on January 16, 2030. The grant-date fair value of the award was \$16,242.
- (ii) The weighted-average grant date per-share fair value of stock options granted during 2025 and 2024 was \$48.77 and \$ nil respectively. As of July 31, 2025, there are \$nil of total unrecognized costs related to share-based compensation, as all costs have been fully recognized.
- (*) certain options are exercisable in Canadian dollars and translated to US Dollars at year end.

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NOTE 10: SHARE-BASED COMPENSATION (Cont.)

b. The following table lists the inputs to the Black-Scholes option-pricing model used for the fair value measurement of equity-settled share options for the above Options Plans granted for the years 2025 and 2024:

	Year ended July 31,	
	2025	2024(*)
Dividend yield	0.00%	n/a
Expected volatility of the share prices	112%	n/a
Risk-free interest rate	4.45%	n/a
Expected term (in years)	5.0	n/a

(*) There were no options grants during the year end July 31, 2024.

c. The following table summarizes information about the Company's outstanding and exercisable options granted to employees as of July 31, 2025

Exercise price	Options outstanding as of July 31, 2025	Weighted average remaining contractual term (years)	Options exercisable as of July 31, 2025	Weighted average remaining contractual term (years)	Expiry Date
\$ 60.00	333	4.45	333	4.45	January 16, 2030
\$ 904.50	2,663	2.89	2,663	2.89	June 20, 2028
\$ 1,074.00	136	2.58	136	2.58	February 27, 2028
\$ 907.97	1,195	2.01	1,195	2.01	August 02, 2027
\$ 706.50	206	1.81	206	1.81	May 20, 2027
\$ 1,126.50	1,000	1.54	1,000	1.54	February 16, 2027
\$ 1,270.50	3,160	1.45	3,160	1.45	January 13, 2027
\$ 1,074.83	81	1.25	81	1.25	November 01, 2026
\$ 636.00	400	0.72	400	0.72	April 19, 2026
\$ 636.00	4,077	0.66	4,077	0.66	March 29, 2026
	<u>13,251</u>		<u>13,251</u>		

d. As result of the Arrangement, 2,131,400 BriaPro Options were issued and are outstanding as of July 31, 2025:

Exercise Price	Options outstanding as of July 31, 2025	Options exercisable as of July 31, 2025	Expiry Date
\$ 0.0933	440,000	440,000	June 20, 2028
\$ 0.1108	21,000	21,000	February 27, 2028
\$ 0.0984	180,100	180,100	August 02, 2027
\$ 0.0729	31,000	31,000	May 20, 2027
\$ 0.1162	150,000	150,000	February 16, 2027
\$ 0.1310	524,700	524,700	January 13, 2027
\$ 0.1165	12,600	12,600	November 01, 2026
\$ 0.0888	100,000	100,000	September 01, 2026
\$ 0.0656	60,000	60,000	April 19, 2026
\$ 0.0656	612,000	612,000	March 29, 2026
	<u>2,131,400</u>	<u>2,131,400</u>	

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NOTE 10: SHARE-BASED COMPENSATION (Cont.)

e. Restricted Share Units

The following table summarizes the number of RSU's granted to directors under the Omnibus Plan for year ended July 31, 2025:

	Number of RSU's outstanding	Aggregate intrinsic value
Balance, July 31, 2024	128	\$ 14,400
Granted (i)	6,166	370,000
Exercised(ii)	(6,294)	(384,000)
Balance, July 31, 2025	-	\$ -

- (i) On January 16, 2025, the Company granted 5,833 RSU's to the Chief Executive Officer ("CEO") as compensation for deferred salary, with immediate vesting. The fair value of these RSUs was \$350,000, offsetting previously accrued compensation owed to the CEO.

Additionally, on the same date, the Company granted 333 RSUs to a consultant, which fully vested on April 16, 2025. The fair value of these RSUs was \$20,000.

- (ii) All RSUs outstanding were exercised on July 13, 2025. As a result, no RSUs remained outstanding as of July 31, 2025.

f. The total share-based compensation expense related to all of the Company's equity-based awards, recognized for the years ended July 31, 2025 and 2024 is comprised as follows:

	Year ended July 31,	
	2025	2024
Research and development expenses	\$ 120,050	\$ 734,986
General and administrative expenses	656,829	1,069,092
Total share-based compensation	\$ 776,879	\$ 1,804,078

NOTE 11: TAXES ON INCOME

a. Components of income taxes excluding cumulative effects of changes in accounting principles, other comprehensive income, and equity in net results of affiliated companies accounted for after-tax for the years ended July 31 were as follows:

b. The Company recorded loss before taxes on income as follows:

	Year ended July 31,	
	2025	2024
Domestic	\$ (23,999,920)	\$ 23,946,952)
Foreign	(2,556,220)	(28,878,500)
	\$ (26,556,140)	\$ (4,931,548)

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NOTE 11: TAXES ON INCOME (Cont.)

c. The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 27% (2024 - 27%) to the effective tax rate is as follows:

	Year ended July 31,	
	2025	2024
Net loss before recovery of income taxes	\$ (26,556,140)	\$ (4,931,548)
Expected income tax (recovery) expense	(7,170,160)	(1,331,518)
Tax rate changes and effect of taxes of subsidiaries at foreign rates	1,448,710	1,467,021
Share-based compensation and other non-deductible expenses	240,070	1,697,204
Share issuance cost booked directly to equity	(375,750)	-
Adjustments in respect of prior periods	868,490	-
R&D Credits	(1,284,010)	(3,903,153)
Effect of spin-out transaction	-	(297,781)
Valuation allowance	6,272,650	2,368,228
Income tax (recovery)	<u>\$ -</u>	<u>\$ -</u>

d. The Company had no income tax expense for the years ended July 31, 2025, and 2024, due to its history of operating losses and valuation allowances.

e. Significant components of the Company's deferred tax assets are as follows:

	July 31,	
	2025	2024
Deferred Tax Assets:		
Property and equipment	\$ 730	731
Marketable Securities	11,760	15,678
Intellectual property	260,860	256,741
Warrant liability	-	-
Share issuance costs	310,230	376,978
Investment in BC Therapeutics	44,650	19,172
Operating tax losses carried forward	5,067,840	4,850,799
Operating tax losses carried forward- USA	8,494,300	5,545,125
Research and Development	14,240,640	10,879,373
Total deferred tax assets	<u>28,431,010</u>	<u>21,944,597</u>
Valuation allowance	(24,329,720)	(18,034,710)
Net deferred tax assets	<u>\$ 4,101,290</u>	<u>\$ 3,909,887</u>
Deferred Tax Liability:		
Intellectual Property	\$ -	\$ -
Warrant liability	(4,053,520)	(3,848,762)
Property, plant, and equipment	(47,770)	(61,125)
Total net deferred tax liabilities	<u>(4,101,290)</u>	<u>(3,909,887)</u>
Valuation allowance	-	-
Net deferred tax assets (liabilities)	<u>\$ -</u>	<u>\$ -</u>

f. The Company has net deferred tax assets relating primarily to net operating loss ("NOL") carryforwards, research and development, and share issuance costs. Subject to certain limitations, the Company may use these deferred tax assets to offset taxable income in future periods. Due to the Company's history of losses and uncertainty regarding future earnings, a full valuation allowance has been recorded against the Company's deferred tax assets, as it is more likely than not that such assets will not be realized. The net change in the total valuation allowance for the year ended July 31, 2025, was \$1,792,500.

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NOTE 11: TAXES ON INCOME (Cont.)

At July 31, 2025, the Company had US federal NOL carryforwards of approximately \$40,450,000. The federal net operating losses have expiry periods ranging between 2033 and indefinitely. The Company also has Canadian net operating loss carryovers of approximately \$18,770,000 as of July 31, 2025. The Canadian net operating losses have expiry periods ranging between 2035 and 2045.

The Company has adopted the provisions of ASC 740-10, which clarifies the accounting for uncertain tax positions. ASC 740-10 requires that the Company recognize the impact of a tax position in its financial statements if the position is more likely than not to be sustained upon examination based on the technical merits of the position. For the year ended July 31, 2025, the Company had no material unrecognized tax benefits, and based on the information currently available, no significant changes in unrecognized tax benefits are expected in the next 12 months.

The Company's policy is to recognize interest and penalties related to uncertain tax positions as income tax expense. The Company has no accruals for interest or penalties on its accompanying consolidated balance sheets as of July 31, 2025, and 2024, and has not recognized interest or penalties in the consolidated statements of operations for the years ended July 31, 2025, and 2024.

NOTE 12: RELATED PARTY TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making operating and financial decisions. This would include the Company's senior management, who are considered to be key management personnel by the Company. Parties are also related if they are subject to common control or significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

a. The following related party salaries and directors' fees are included in the consolidated statements of operations and comprehensive loss:

	Year ended July 31,	
	2025	2024
Directors (*)	\$ 892,005	\$ 534,861
Officers (**)	2,187,680	2,075,492
	<u>\$ 3,079,685</u>	<u>\$ 2,610,353</u>

(*) Excludes the CEO who is a director

(**) Includes the CEO who is also a director

b. The following related party balances are included in the consolidated balance sheets:

	July 31,	
	2025	2024
Directors (*)	\$ 34,009	\$ 153,852
Officers (**)	85,000	319,478
	<u>\$ 119,009</u>	<u>\$ 473,330</u>

NOTE 13: FINANCIAL INCOME, NET

	Year ended July 31,	
	2025	2024
Interest income	\$ 119,958	\$ 288,018
Unrealized gain on short-term investments	56,473	-
Interest Expense	(36,979)	-
Foreign exchange gain (loss)	(24,941)	(25,452)
Financial income (expenses), net	<u>\$ 114,511</u>	<u>\$ 262,566</u>

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NOTE 14: BASIC AND DILUTED NET LOSS PER SHARE

Basic net loss per ordinary share is computed by dividing net loss for each reporting period by the weighted-average number of ordinary shares outstanding during each period. Diluted net loss per ordinary share is computed by dividing net loss for each reporting period by the weighted average number of ordinary shares outstanding during the period, plus dilutive potential ordinary shares considered outstanding during the period, in accordance with ASC No. 260-10 "Earnings Per Share". The Company experienced a loss in the year ended July 31, 2025 and 2024; hence all potentially dilutive ordinary shares were excluded due to their anti-dilutive effect.

	<u>Year ended July 31,</u>	
	<u>2025</u>	<u>2024</u>
Numerator:		
Net loss available to shareholders of ordinary shares	(26,311,867)	(4,791,466)
Denominator:		
Shares used in computing net loss per ordinary shares, basic and diluted	423,114	109,699

NOTE 15: SUBSEQUENT EVENTS

- (i) On August 1, 2025, the Company granted 65,936 performance base restricted share units to the CEO, CFO, COO and VP Research. The performance milestones relate to the achievement of certain objectives as set out by the board of directors. On the same day, the Company granted 37,700 stock options to certain employees and scientific advisory board members. The stock options have an exercise price of \$12.50, vest quarterly over 2 years, and expire 5 years from the grant date.
- (ii) On September 25, 2025, the Company granted 100,000 PSU's to the chairman, linked to the milestones of the CEO and CMO and on the same day, the Company granted 40,000 RSU's to the non-executive directors. The RSU's vest in three years from the date of issuance.
- (iii) On August 25, 2025, the Company was awarded a non-dilutive research grant of approximately US\$2.05 million from the U.S. National Cancer Institute (NCI) to advance the clinical development of Bria-PROS+™, the Company's personalized off-the-shelf immunotherapy for prostate cancer. The grant will fund the completion of manufacturing of Bria-PROS+™ clinical supply and support the upcoming Phase 1/2a clinical trial in metastatic prostate cancer.