

**Innovotech Inc.**

Interim Consolidated Financial Statements  
(Unaudited)

**For the three-month period ended  
March 31, 2024 and 2023**

## NOTICE OF NO AUDITOR REVIEW

Under National Instrument 51-102, part 4, subsection 4.3(3)(a); if an auditor has not performed a review of the interim Consolidated Financial Statements, they must be accompanied by a notice indicating that the Consolidated Financial Statements have not been reviewed by an auditor.

The accompanying unaudited interim Consolidated Financial Statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these Consolidated Financial Statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim Consolidated Financial Statements by the entity's auditors.

# Innovotech Inc.

## Consolidated Statements of Financial Position (Unaudited)

	March 31, 2024 \$	December 31, 2023 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	112,119	160,521
Marketable securities	72,547	68,136
Trade and other receivables	159,468	214,814
Inventory	80,873	70,012
Unbilled revenue	-	16,678
Prepaid expenses	34,134	34,960
	469,141	565,121
<b>Property and equipment</b>	156,793	157,745
<b>Patents</b>	157,826	163,666
<b>Investment</b>	330,000	330,000
	1,113,760	1,216,532
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	135,534	135,928
Deferred revenue	8,455	-
Deferred grant	29,712	39,544
	173,701	175,472
Deferred grant	42,461	42,461
	216,162	217,933
<b>Equity</b>		
<b>Shareholders' equity</b>	829,598	930,599
<b>Non-controlling interest</b>	68,000	68,000
	897,598	998,599
	1,113,760	1,216,532

Nature of operations (note 1)

*The accompanying notes are an integral part of these Consolidated Financial Statements.*

**Approved by the Board of Directors**

\_\_\_\_\_  
(Signed) "Alan Savage" Director

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(Signed) "James Timourian" Director

## Innovotech Inc.

### Consolidated Statements of Changes in Shareholder's Deficiency (Unaudited)

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	Notes	Share capital \$	Warrants \$	Contributed Surplus \$	Deficit \$	Total Shareholders' Equity \$	Non- controlling interest \$	Total \$
<b>Balance - January 1, 2024</b>		7,702,216	159,543	1,618,431	(8,549,591)	930,599	68,000	998,599
Net and comprehensive loss for the period		-	-	-	(102,201)	(102,201)	-	(102,201)
Shares issued on option exercise		2,870	-	(1,670)	-	1,200	-	1,200
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<b>Balance - March 31, 2024</b>		7,705,086	159,543	1,616,761	(8,651,792)	829,598	68,000	897,598
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<b>Balance - January 1, 2023</b>		7,695,237	159,543	1,594,737	(8,392,009)	1,057,508	-	1,057,508
Net and comprehensive loss for the period		-	-	-	(83,005)	(83,005)	-	(83,005)
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<b>Balance - March 31, 2023</b>		7,695,237	159,543	1,594,737	(8,475,014)	974,503	-	974,503

*The accompanying notes are an integral part of these Consolidated Financial Statements.*

# Innovotech Inc.

## Consolidated Statements of Operations and Comprehensive Income (Loss) (Unaudited) For the three-months ended March 31, 2024 and 2023

	2024 \$	2023 \$
<b>Revenue</b>		
Contract research fees	268,745	182,269
Product sales	45,231	73,423
	<u>313,976</u>	<u>255,692</u>
<b>Cost of sales</b>		
Contract research	62,657	49,317
Product sales	31,162	38,571
	<u>93,819</u>	<u>87,888</u>
<b>Gross profit</b>	<u>220,157</u>	<u>167,804</u>
<b>Operating expenses</b>		
General and administrative	315,516	220,381
Sales and marketing	7,242	7,622
Research and development	21,186	23,951
Grants	(15,171)	-
	<u>328,773</u>	<u>251,954</u>
<b>Other items</b>		
Fair value adjustment on financial instruments	4,412	-
Interest expense	-	(445)
Interest income	2,003	1,590
	<u>6,415</u>	<u>1,145</u>
<b>Net income (loss) and comprehensive income (loss) for the period</b>	<u>(102,201)</u>	<u>(83,005)</u>
<b>Basic and diluted income (loss) per common share</b>	(0.00)	(0.00)
	#	#
<b>Weighted average number of common shares outstanding for the period</b>	<u>38,997,942</u>	<u>38,909,612</u>

*The accompanying notes are an integral part of these Consolidated Financial Statements.*

# Innovotech Inc.

## Consolidated Statements of Cash Flows

(Unaudited) For the three-months ended March 31, 2024 and 2023

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	2024 \$	2023 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net income for the period	(102,201)	(83,005)
Adjustments for:		
Depreciation	14,292	29,417
Fair value adjustment on financial instruments	(4,412)	-
Interest expense	-	445
Deferred grant	(9,832)	-
	<u>(102,153)</u>	<u>(53,143)</u>
Net change in non-cash working capital items (note 5)	<u>66,551</u>	<u>12,236</u>
	<u>(35,602)</u>	<u>(40,907)</u>
<b>Investing activities</b>		
Purchase of equipment	<u>(7,500)</u>	<u>(11,155)</u>
	<u>(7,500)</u>	<u>(11,155)</u>
<b>Financing activities</b>		
Lease liability repaid	-	(22,554)
Exercise of stock options	<u>4,700</u>	<u>-</u>
	<u>4,700</u>	<u>(22,554)</u>
<b>Increase (decrease) in cash and cash equivalents</b>	(38,402)	(74,516)
<b>Cash and cash equivalents – Beginning of period</b>	<u>160,521</u>	<u>469,068</u>
<b>Cash and cash equivalents – End of period</b>	<u>112,119</u>	<u>394,452</u>

*The accompanying notes are an integral part of these Consolidated Financial Statements.*

# Innovotech Inc.

## Notes to Consolidated Financial Statements (Unaudited) March 31, 2024 and 2023

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### 1 Nature of operations and use of the going concern assumption

Innovotech Inc. (the Company) is incorporated under the Business Corporation Act of Alberta. The primary activities of the Company are sales of its products, conducting contract research for outside customers and research and development to identify products for future commercialization. The Company's current products include a family of silver periodate antimicrobial compounds (InnovoSIL™ silver) for medical application as well as an assay used in growing microbial biofilms for research purposes. The Company is publicly traded and listed on the TSX Venture Exchange, and its registered office is in Edmonton, Alberta.

These Consolidated Financial Statements have been prepared using International Financial Reporting Standards applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations for the foreseeable future.

### 2 Basis of preparation

The Company prepares its Consolidated Financial Statements in accordance with Part I of the Handbook of the Canadian Institute of Chartered Accountants (CICA Handbook) which incorporates International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

These Consolidated Financial Statements were approved by the Board of Directors for issue on \_\_\_\_\_.

### 3 Significant accounting policies

There were no new or amended International Financial Reporting standards or interpretations that required adoption by the Company during the quarter.

### 4 Share capital

#### Stock options

The Company has an incentive stock option program (the Program) pursuant to which the Board of Directors of the Company may allocate non-transferable options to purchase common shares to directors, officers, employees and consultants of the Company. The aggregate number of common shares that may be available for issuance from time to time under the Program is not to exceed ten (10%) percent of the number of common shares issued and outstanding in the capital of the Company, calculated on a fully diluted basis. Options granted under the Program must have an exercise price not less than the market value of the common shares (less any permissible discount) at the grant date and vest over a period of one year or as otherwise resolved by the Board of Directors. These options are exercisable for a period of up to ten years from the date of grant, unless otherwise resolved by the Board of Directors. For purposes of the option pricing model, expected volatility is calculated based on the most recent historical period equal to the option's expected term.

The Company recognized share based compensation expense of \$nil for the three months ended March 31, 2024 (2023 – \$nil).

# Innovotech Inc.

## Notes to Consolidated Financial Statements (Unaudited) March 31, 2024 and 2023

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### 5 Net change in non-cash working capital items

	March 31, 2024 \$	March 31, 2023 \$
Marketable securities	1	(1,588)
Trade and other receivable	55,346	45,673
Inventory	(10,861)	(615)
Unbilled revenue	16,678	-
Prepaid expenses	826	3,976
Accounts payable and accrued liabilities	(394)	(28,326)
Deferred revenue	8,455	(6,884)
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	70,051	12,236
Less: trade and other receivables related to shares issued on exercise of option during 2023	(3,500)	-
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	66,551	12,236
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### 6 Geographic information

Geographic information about the Company's revenue is based on the product shipment destination and, for contract research, on the location of the contracting organization.

	Three-month period ended March 31,	
	2024 \$	2023 \$
Canada	1,096	7,420
United States	283,693	211,299
Rest of world	29,187	36,973
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	313,976	255,692
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All of the Company's equipment and intangible assets are located in Canada.