

Innovotech Inc.

Interim Consolidated Financial Statements
(Unaudited)

**For the three and nine-month periods ended
September 30, 2025 and 2024**

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 Statement of Financial Position (Unaudited)

(Expressed in Canadian Dollar)

	September 30, 2025	December 31, 2024
Notes	\$	\$
Assets		
Current assets		
Cash and cash equivalents	1,012,196	725,399
Trade and other receivables	785,414	638,014
Indirect taxes receivable	28,754	19,604
Inventory	149,943	128,360
Unbilled revenue	62,192	51,234
Prepaid expenses and deposits	211,810	114,339
	2,250,309	1,676,950
Property, plant and equipment	597,874	500,756
Intangible assets	493,087	543,024
Long term investment	46,445	499,200
	3,387,715	3,219,930
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	344,463	286,939
Deferred revenue	36,610	24,029
Current portion of deferred grants	12,965	39,436
Current portion of contingent consideration	78,016	70,621
	472,054	421,025
Deferred grants	-	3,025
Contingent consideration	113,277	172,749
	585,331	596,799
Equity		
Shareholders' equity	2,749,450	2,565,111
Non-controlling interest	52,934	58,020
	2,802,384	2,623,131
	3,387,715	3,219,930

Approved by the Board of Directors

(Signed) "Craig Milne" Director

(Signed) "James Timourian" Director

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

Innovotech Inc.

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

	Notes	Share capital \$	Warrants \$	Contributed Surplus \$	Deficit \$	Total Shareholders' equity \$	Non- controlling interest \$	Total \$
Balance - January 1, 2025		8,844,237	256,096	1,789,634	(8,324,856)	2,565,111	58,020	2,623,131
Net and comprehensive income (loss) for the period		-	-	-	(79,645)	(79,645)	(5,086)	(84,731)
Shares issued on option exercise		22,886	-	(10,886)	-	12,000	-	12,000
Share issued on warrants exercise		209,817	(53,306)	-	-	156,511	-	156,511
Stock based compensation	4(a)	-	-	95,472	-	95,472	-	95,472
Balance - September 30, 2025		9,076,940	202,790	1,874,220	(8,404,501)	2,749,449	52,934	2,802,383
Balance - January 1, 2024		7,702,216	159,543	1,618,431	(8,549,591)	930,599	68,000	998,599
Net and comprehensive income (loss) for the year		-	-	-	(238,318)	(238,318)	-	(238,318)
Proceeds from private placement		253,950	-	-	-	253,950	-	253,950
Shares issued on option exercise		18,701	-	(9,301)	-	9,400	-	9,400
Stock based compensation		-	-	46,672	-	46,672	-	46,672
Balance - September 30, 2024		7,974,867	159,543	1,655,802	(8,787,909)	1,002,303	68,000	1,070,303

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 and six-months ended September 30, 2025 and 2024

	Notes	Three-month period ended		Nine-month period ended	
		2025	2024	2025	2024
		\$	\$	\$	\$
Revenue					
Services revenue		1,182,054	360,693	3,190,145	897,715
Product sales		85,638	68,514	220,059	162,606
Other revenue		-	6,864	-	88,313
	6(b)	1,267,692	436,071	3,410,204	1,148,634
Cost of sales		604,952	406,960	1,601,880	851,691
Gross profit		662,740	29,111	1,808,324	296,943
Operating expenses					
General and administrative		484,068	34,115	1,689,098	445,136
Marketing and business development		13,280	8,613	63,391	25,208
Research and development		129,590	103,543	426,356	198,453
Grants and tax credits		(58,842)	(95,860)	(202,374)	(126,207)
		568,096	50,411	1,976,471	542,590
Other items					
Finance income		2,747	-	8,432	2,917
Finance expenses		(7,062)	-	(22,923)	-
Fair value changes	8(b)	2,616	-	97,907	4,412
Net other income (expense)		(1,699)	-	83,416	7,329
Net income (loss) and comprehensive income (loss) for the period		92,945	(21,300)	(84,731)	(238,318)
Attributable to:					
Equity holders of the parent		94,631	(21,300)	(79,645)	(238,318)
Non-controlling interest		(1,686)	-	(5,086)	-
		92,945	(21,300)	(84,731)	(238,318)
Basic and diluted income per common share		0.00	(0.00)	(0.00)	(0.00)

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

Innovotech Inc.

Consolidated Statements of Cash Flows

(Unaudited) For the nine-months ended September 30, 2025 and 2024

	Notes	2025 \$	2024 \$
Cash provided by (used in):			
Operating activities:			
Net income (loss)		(84,731)	(238,318)
Adjustments for:			
Depreciation and amortization		107,165	47,549
Gain on disposal of property, plant and equipment		-	(222)
Non-cash finance expense		22,923	-
Non-cash finance income		(6,041)	-
Fair value adjustment on financial assets		(97,281)	(4,412)
Fair value adjustment on financial liabilities		(626)	-
Deferred grant		(29,496)	(29,604)
Stock-based compensation		95,472	46,672
		7,385	(178,335)
Net change in non-cash working capital	5	(210,416)	110,543
		(203,031)	(67,792)
Investing activities:			
Purchase of property, plant and equipment		(149,345)	(84,594)
Purchase of intangible assets	7	(5,000)	-
Proceeds from sale of property, plant and equipment		-	2,159
Proceeds from sale of long-term investment		550,036	-
		395,691	(82,435)
Financing activities:			
Issue of shares and warrants net of issuance costs		-	253,950
Exercise of options		12,000	12,900
Exercise of warrants		156,511	-
Due to shareholder		-	100,000
Contingent consideration repaid		(74,374)	-
		94,137	112,900
Increase (decrease) in cash and cash equivalents		286,797	(37,327)
Cash and cash equivalents - Beginning of year		725,399	160,521
Cash and cash equivalents - End of year		1,012,196	123,194

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

Innovotech Inc.

Notes to Consolidated Financial Statements

(Unaudited) September 30, 2025 and 2024

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 to conduct contract research, typically related to antimicrobials and medical devices, analytical and microbiology services, and commercialization of antimicrobial technologies. The Company's product sales are 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 Suite C203, 2011 – 94 Street, Edmonton, Alberta, Canada, T6N 1H1.

These consolidated financial statements have been prepared using IFRS Accounting Standards ("IFRS") 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

These consolidated financial statements have been prepared in accordance with IFRS issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These Consolidated Financial Statements were approved by the Board of Directors for issue on November 4, 2025.

3 Material 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 \$95,472 for the nine months ended September 30, 2025 (2024 – \$46,672).

Innovotech Inc.

Notes to Consolidated Financial Statements

(Unaudited) September 30, 2025 and 2024

5 Net change in non-cash working capital items

	2025	2024
	\$	\$
Short term investments (excluding fair value changes)	-	72,548
Trade and other receivables	(147,400)	21,939
Indirect taxes receivable	(9,150)	-
Inventory	(21,583)	(7,819)
Unbilled revenue	(10,958)	4,717
Prepaid expenses and deposits	(97,471)	(11,825)
Accounts payable and accrued liabilities	57,524	(5,699)
Deferred revenue	12,581	11,178
	(216,457)	85,039
Add: accrued interest receivable	6,041	(3,500)
	(210,416)	81,539

6 Segments

a) Basis of Segment Reporting

The Company's operations are organized into two reportable segments: Innovotech and Keystone Labs. These segments are identified based on the internal reports regularly reviewed by the Company's chief operating decision makers (CODM) to allocate resources and assess performance.

b) Financial Information by Segment

The following table presents the revenue, profit, and other relevant financial information regarding the Company's reportable segments for the nine months ended September 30, 2025. For the nine months ended September 30, 2024, the Company had only one reportable segment.

For the nine months ended September 30, 2025

	Innovotech	Keystone	Total Segments	Reconciling Items	Consolidated Total
Revenue					
External revenue	2,373,070	1,037,134	3,410,204	-	3,410,204
Inter-segment revenue	-	-	-	-	-
Total revenue	2,373,070	1,037,134	3,410,204	-	3,410,204
Segment profit	(111,427)	104,115	(7,312)	(77,419)	(84,731)
Segment assets	2,912,209	536,141	3,448,350	(60,635)	3,387,715
Segment liabilities	331,339	352,348	683,687	(98,356)	585,331

Innovotech Inc.

Notes to Consolidated Financial Statements

(Unaudited) September 30, 2025 and 2024

For the three months ended September 30, 2025

	Innovotech	Keystone	Total Reconciling Segments Items	Consolidated Total	
Revenue					
External revenue	933,642	334,050	1,267,692	-	1,267,692
Inter-segment revenue	-	-	-	-	-
Total revenue	933,642	334,050	1,267,692	-	1,267,692
Segment profit	148,103	(29,824)	118,279	(25,334)	92,945

7 Intangible assets

On April 11, 2025, the Company acquired all the identifiable intangible assets from a Canadian private corporation for a cost of \$5,000. The Company elected to apply the concentration test under IFRS 3 Business Combinations and determined the acquisition represented an asset acquisition. It assessed that the fair value of the assets being purchased upon exercise are concentrated in the customer list being acquired. The Company assigned a useful life of 10 years to the customer list.

8 Subsequent events

a) Convertible debenture

On October 15, 2025, the Company issued a convertible debenture valued at \$200,000 and conversion rights at \$0.25 per share. The debenture carries an interest rate of eight percent (8%) to be paid quarterly, and all accrued and unpaid interest shall mature in five years. The Company is using the proceeds to expand its analytical services and capabilities through its Keystone segment, including the purchase of state-of-the-art laboratory equipment to enable hazardous drug testing and further analytical and identification capabilities.

b) Stock options

On October 6, 2025, the Company granted to an officer 150,000 stock options at an exercise price of \$0.20 with an expiry date of October 5, 2030. These stock options vested immediately.

9 Reclassification of comparative figures

During the year ended December 31, 2024, the Company reviewed its financial statement presentation and made certain adjustments to the classification of prior period balances to conform to the current year's financial statement presentation. These reclassifications were made to improve the consistency and clarity of the financial information and better align with the Company's current accounting policies and presentation.