



August 11, 2023

Report to Shareholders for year end December 31, 2022

2022 saw a continuation of the strategy started in 2019 with the change to a lower cost model. We became increasingly virtual, working in home offices, with a reduction of travel and trade show expenses. We have successfully implemented cloud computing systems to support this strategy.

We are disappointed to see a reduction in software licensing revenue compared to the last couple of years. We maintained a small profit in spite of the drop in revenue. We have seen a considerable increase in revenue so far in 2023 and hope that will continue. Year to date sales and net income in the first half of 2023 is about the same as all of 2022.

We saw reduced business for service projects, possibly due to uncertainty of working in labs in the covid protocols.

Other issues that may have affected our results:

- Our latest software release was delayed since it was a larger release than usual.
- There was considerable world uncertainty with the War in Ukraine
- The world experienced an uncertainty in business during the year due to supply chain issues (Helium) and internal standard ingredients.

A board member Gerry Terzakian has withdrawn from the board for family reasons. We thank Gerry for all his excellent support and advice over the last few years.

We welcome any comments from shareholders regarding these results.

A handwritten signature in purple ink, reading 'Neil Taylor', written over a horizontal line.

Neil Taylor
President and CEO
Chenomx Inc.