

CHENOMX INC.
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022



CHENOMX INC.
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YEAR ENDED DECEMBER 31, 2022

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ST. ARNAUD PINSENT STEMAN

CHARTERED PROFESSIONAL ACCOUNTANTS

Daniel J. St. Arnaud, CPA, CA**

John H.C. Pinsent, FCPA, FCA, ICD.D**

Benardus C. Steman, CPA, CA, CFA**

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Chenomx Inc.

Opinion

We have audited the financial statements of Chenomx Inc. (the company), which comprise the balance sheet as at December 31, 2022, and the statements of deficit, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises (ASPE).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Material Uncertainty Related to Going Concern

We draw attention to note 1 to the financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASPE, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

(continues)

1653 – 91 Street SW ■ Edmonton, AB T6X 0W8
Phone: (780) 448-0399 ■ Fax: (780) 468-6400 ■ www.sps-ca.ca

* An Association to Practise Chartered Accountancy ** Operates as a Professional Corporation

Independent Auditor's Report to the Shareholders of Chenomx Inc. *(continued)*

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

John H.C. Pinsent Professional Corporation

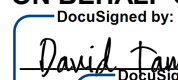
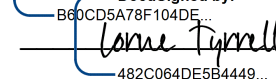
Edmonton, Alberta
August 21, 2023

John H.C. Pinsent Professional Corporation
Chartered Professional Accountant

CHENOMX INC.
BALANCE SHEET
DECEMBER 31, 2022

	2022 \$	2021 \$
ASSETS		
CURRENT		
Cash and cash equivalents	79,242	42,018
Accounts receivable	29,376	70,763
Goods and services tax recoverable	1,406	1,499
	110,024	114,280
EQUIPMENT (Note 4)	1,221	1,240
INTELLECTUAL PROPERTY (Note 3)	1,088	15,195
TOTAL ASSETS	112,333	130,715
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
CURRENT		
Accounts payable and accrued liabilities (Note 5)	44,166	38,871
Due to shareholders (Note 8)	503,500	553,500
Deferred revenue	1,603	1,603
TOTAL LIABILITIES	549,269	593,974
SHAREHOLDERS' DEFICIENCY		
Share capital (Note 6)	1,236,965	1,236,965
Contributed surplus (Note 6)	1,888,013	1,888,013
Deficit	(3,561,914)	(3,588,237)
	(436,936)	(463,259)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY	112,333	130,715

ON BEHALF OF THE BOARD

DocuSigned by:
 Director
 DocuSigned by:
 B60CD5A78F104DE...
 Director
 482C064DE5B4449...

The accompanying notes form part of these financial statements



CHENOMX INC.
STATEMENT OF DEFICIT
YEAR ENDED DECEMBER 31, 2022

	2022	2021
	\$	\$
DEFICIT - BEGINNING OF YEAR	(3,588,237)	(3,755,650)
NET INCOME FOR THE YEAR	26,323	167,413
DEFICIT - END OF YEAR	(3,561,914)	(3,588,237)

The accompanying notes form part of these financial statements



CHENOMX INC.
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2022

	2022 \$	2021 \$
REVENUES		
Software sales	336,739	508,799
Contract analysis services	18,389	21,914
Software support subscriptions	6,412	6,470
	<u>361,540</u>	<u>537,183</u>
DIRECT COSTS		
Direct contract services	6,254	15,284
Distributor commissions	20,154	27,314
	<u>26,408</u>	<u>42,598</u>
GROSS PROFIT (92.7%; 2021 - 92.1%)	<u>335,132</u>	<u>494,585</u>
EXPENSES		
Bad debts	3,276	-
Bank charges and interest	4,724	5,466
Dues, subscriptions and membership fees	659	1,032
Insurance	14,180	11,312
Lab materials and supplies	1,118	-
Legal and audit fees	16,215	11,652
Marketing	26,516	20,900
Office	8,709	8,791
Rent and occupancy costs	-	1,522
Salaries, wages and benefits	140,545	163,264
Subcontractors	74,437	56,357
Telephone and communications	1,001	1,043
	<u>291,380</u>	<u>281,339</u>
INCOME FROM OPERATIONS	<u>43,752</u>	<u>213,246</u>
OTHER ITEMS		
Loss on impairment of intellectual property	-	(22,449)
Amortization of equipment	(820)	(676)
Amortization of intellectual property	(14,107)	(14,107)
Realized loss on foreign exchange	(2,283)	(10,684)
Unrealized gain (loss) on foreign exchange	(219)	2,083
	<u>(17,429)</u>	<u>(45,833)</u>
NET INCOME FOR THE YEAR	<u>26,323</u>	<u>167,413</u>

The accompanying notes form part of these financial statements



CHENOMX INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2022

	2022 \$	2021 \$
OPERATING ACTIVITIES		
Net income	26,323	167,413
Items not affecting cash:		
Amortization of equipment	820	676
Amortization of intellectual property	14,107	14,107
Loss on impairment of intellectual property	-	22,449
	<u>41,250</u>	<u>204,645</u>
Changes in non-cash working capital:		
Accounts receivable	41,387	50,986
Accounts payable	5,295	(7,795)
Prepaid expenses	-	991
Goods and services tax payable	93	(944)
Deferred revenue	-	(57)
	<u>46,775</u>	<u>43,181</u>
Cash flow from operating activities	<u>88,025</u>	<u>247,826</u>
INVESTING ACTIVITY		
Purchase of equipment	<u>(801)</u>	<u>-</u>
FINANCING ACTIVITY		
Advances to shareholders	<u>(50,000)</u>	<u>(270,000)</u>
INCREASE (DECREASE) IN CASH FLOW	37,224	(22,174)
Cash - beginning of year	<u>42,018</u>	<u>64,192</u>
CASH - END OF YEAR	<u>79,242</u>	<u>42,018</u>

The accompanying notes form part of these financial statements



CHENOMX INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

1. NATURE OF OPERATIONS AND GOING CONCERN

Chenomx Inc. (the "company") is incorporated on November 9, 2000 under the Business Corporations Act of Alberta. The Company's commercial objective is to establish its technology platform as the premier complex mixture analysis tool used for understanding the relationship between health, disease and toxicology. The Company has developed and is selling a software product as a first step in reaching its objective.

These financial statements have been prepared using Canadian Accounting Standards for Private Enterprises ("ASPE") applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due.

For the year ended December 31, 2022 the Company reported a net profit of \$26,241 (2021 net profit - \$167,413) and had an accumulated deficit of \$3,561,996 (2021 - \$3,588,237) and, prior to becoming profitable, historically had relied on non-operational sources of financing to fund operations. The Company may need to raise financing for the repayment of notes payable to the shareholder in the amount of \$503,500 (2021 - \$553,500) which have no specified due date as detailed in note 8. These circumstances lend doubt as to the viability of the Company as a going concern. The Company may seek additional forms of debt or equity financing, but cannot provide assurance that it will be successful in doing so.

These financial statements do not reflect the adjustment to the carrying value of assets and liabilities and the reported revenue and expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

Use of estimates and measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Cash

Cash consists of cash on deposit which is highly liquid and accessible immediately.

Intellectual property

Intellectual property consists of the cost of the Magnetic Resonance Diagnostic technology acquired from BioTools Incorporated and trademarks subsequent to its acquisition. Intellectual property is recorded at the lower of cost and estimated fair value. Management annually reviews intellectual property for impairment. If management determines that costs exceed estimated net recoverable value, based on estimated future cash flows, the excess of such costs are charged to operations in that year.

(continues)



CHENOMX INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

For issued patents and trademarks, amortization is provided for on a straight-line basis over the patent/trademark term remaining. Amortized costs of inactive patents and trademarks are charged to operations in that year.

Equipment

Equipment is recorded at cost. Amortization is provided for on a straight-line basis over the useful life of the assets at the following rates and methods:

Computer equipment	3 years
Computer software	2 years

Impairment of long lived assets

The Company tests its long-lived assets when changes in circumstances indicate that the carrying amount of an asset may exceed the fair value. An impairment loss is recognized if the carrying value of the asset is no longer recoverable and exceeds its fair value.

Revenue recognition

Software license revenue is recognized when the software is invoiced to customers.

Revenue from software maintenance and contract analysis agreements is recognized on a straight-line basis over the contract or maintenance period. Deferred revenue is comprised of funds received for maintenance and contract services not yet rendered at the balance sheet date.

All other revenue is recognized as the services are rendered provided the amount of revenue is determinable and collection is reasonably assured.

Foreign currency translation

Translation of transactions arising in foreign currencies have been recorded at approximate rates of exchange in effect at the dates of the transactions, with resulting monetary assets and monetary liabilities arising in foreign currencies being translated at rates of exchange in effect at the balance sheet date. Gains or losses realized during the period have been included in the statement of operations.

Stock based compensation

The Company may grant stock options to employees, directors, officers and consultants pursuant to a stock option plan. Stock option awards are accounted for using the fair value method and result in stock-based compensation expense. The expense is recognized in income over the shorter of the service period of the employee to whom the option was granted or the vesting period of the specific option. Consideration paid on the exercise of stock options is credited to share capital.

Income taxes

The Company follows the liability method of income tax allocation. Under this method, future income taxes are recognized for the future income tax consequences attributable to differences between the carrying values of assets and liabilities and their respective income tax basis. Future income tax assets and liabilities are measured using substantively enacted income tax rates expected to apply to taxable income in the years in which temporary differences are expected to be recovered or settled. The effect on future income tax assets and liabilities of a change in rates is included in earnings in the period that includes the date of substantial enactment. Future income tax assets are recorded in the financial statements if realization is considered more likely than not.

(continues)



CHENOMX INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Financial instruments consist of accounts receivable, which will result in future cash receipts as well as accounts payable, accrued liabilities and notes payable to shareholder, which will result in future cash outlays. The fair values of these instruments approximate their carrying value due to their immediate or short-term maturity.

Credit risk

The Company is exposed to credit risk in the event of non-performance by customers, but does not anticipate such non-performance. The maximum exposure is the fair value of the accounts receivable. However, the Company has a diverse international customer base and amounts receivable are not concentrated with any one customer. As at December 31, 2022, the allowance for doubtful accounts was \$nil (2021 - \$nil).

Currency risk

The Company is exposed to currency risk through significant sales denominated in foreign currency. For the current year, 92% of sales were denominated in a foreign currency (2021 - 93%). The Company has not entered into any foreign exchange hedging arrangements to mitigate this risk.

Interest rate risk

The Company is exposed to interest rate risk arising from fluctuations in interest rates on the notes payable to shareholder. However, the interest was initially forgiven in fiscal 2013 and during fiscal 2014 the interest on the notes payable was amended to be at zero percent. The forgiveness and zero interest on the notes remained in place throughout fiscal 2022.

3. INTANGIBLE PROPERTY

	2022 \$	2021 \$
Trademarks	8,017	8,017
Patents	-	68,491
	8,017	76,508
Accumulated amortization	(6,929)	(61,313)
	<u>1,088</u>	<u>15,195</u>

4. EQUIPMENT

	Cost \$	Accumulated amortization \$	2022 Net book value \$	2021 Net book value \$
Computer equipment	3,808	3,188	620	1,240
Computer software	801	200	601	-
	<u>4,609</u>	<u>3,388</u>	<u>1,221</u>	<u>1,240</u>



CHENOMX INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

5. GOVERNMENT REMITTANCES

Government remittances consist of amounts such as sales taxes and payroll withholding taxes, required to be paid to government authorities, and are recognized when the amounts become due. In respect of government remittances, \$2,397 (2021 - \$3,550) is included within accounts payable and accrued liabilities as at December 31, 2022.

6. SHARE CAPITAL

Authorized:

Unlimited number of common shares

Unlimited number of preferred shares

Issued and outstanding

	2022		2021	
	Shares	Amount \$	Shares	Amount \$
Common shares	6,551,232	1,236,965	6,551,232	1,236,965
Shares outstanding at the end of the year	6,551,232	1,236,965	6,551,232	1,236,965

a) Stock option plan

The Company maintains a Stock Option Plan (the "Plan") under which the Company may grant options to purchase a maximum of 926,635 common shares of the Company. The options may be granted to service providers, which include employees, directors, officers and consultants as defined in the Plan.

There were no options outstanding and none exercisable at December 31, 2022 (2021 - nil).

b) Stock-based compensation expense

The Company recognized stock based compensation expense and contributed surplus during 2022 of \$nil (2021 - \$nil). Previous stock based compensation was determined using the Black-Scholes method where \$0.10 exercise price per option was determined to be reasonable.

Contributed surplus recorded in prior years resulted from a combination of stock-based compensation and the buy-back of previously issued preferred shares.



CHENOMX INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

7. INCOME TAXES AND INVESTMENT TAX CREDIT RECOVERABLE

At December 31, 2022, the Company had \$1,493,110 (2021 - \$1,452,938) of non-capital loss carry forwards and \$8,410 (2021 - \$9,677) of investment tax credits available to reduce taxable income in future years. These losses and investment tax credits expire as follows:

	2022 \$	2021 \$
<u>Non-capital loss carry forwards</u>		
2033	1,306,927	1,306,927
2034	146,011	146,011
2042	40,172	-
	1,493,110	1,452,938
<u>Investment tax credits</u>		
2022	-	1,267
2023	2,665	2,665
2024	2,030	2,030
2025	-	-
2026	1,038	1,038
2027	1,286	1,286
2028	801	801
2029	590	590
	8,410	9,677

Significant components of the Company's unrecorded long-term future tax assets and future tax liabilities are as follows:

<u>Future tax assets</u>		
Non-capital loss carry forwards	164,242	159,212
Intellectual property	288	7,728
Equipment	1,844	1,753
Less: Valuation allowance	(166,374)	(168,693)
Total future tax assets	-	-
<u>Future tax liabilities</u>		
Intellectual property	-	-

Potential income tax benefits have not been recognized because the expectation of their realization does not meet the requirement of "more likely than not" under the liability method of tax allocation. No net future tax assets have been recognized.



CHENOMX INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

8. DUE TO SHAREHOLDERS

	2022	2021
	\$	\$
Notes payable to shareholder	503,500	553,500

Advances from a shareholder, who is also a director and an officer of the Company bear interest at 0% (December 31, 2022 - 0%). During a prior year (2013), the Company and the shareholder extended the due dates of all of the advances so that there are no balances due in the next fiscal year. \$50,000 was repaid in 2022 (2021: \$270,000).

A member of the immediate family of a shareholder is employed by the Company at a market rate of remuneration. Gross salary of \$60,000 was paid during the year (2021: \$60,000).

Within accounts receivable at December 31, 2022 is \$nil (2021 - \$nil) owed by a minority institutional shareholder (2.14%) that is also a vendor to the Company.

Related party transactions are recorded at their exchange amounts which is the amount agreed to by the related parties.



Chenomx Inc.
Year End: December 31, 2022
Cash

Prepared by	Reviewed by
JD 2023-07-07	MA 2023-07-26

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Account	Prelim	Adj's	Reclass	Rep	Annotation	Rep 12/21	Amount	Chg %	Chg L/S
1010 Bank CAD: CIBC Operati	59,545.40	0.00	0.00	59,545.40	A. 1	26,376.91	33,168.49	126	A
1013 Bank CAD: PayPal	1,665.23	0.00	0.00	1,665.23	A. 3	899.58	765.65	85	A
1025 Bank USD: CIBC USD	10,529.87	1,608.17	0.00	12,138.04	A. 2	10,039.59	2,098.45	21	A
1026 Bank USD: CIBC USD F)	137.52	(137.52)	0.00	0.00	Note 1	137.52	(137.52)	(100)	A
1035 Bank USD: PayPal	7,583.08	(1,690.09)	0.00	5,892.99	A. 4	2,682.78	3,210.21	120	A
1200 AR - EUR	2,605.33	0.00	0.00	2,605.33	C. 1-1	3,373.52	(768.19)	(23)	C
1210 AR - CAD	5,257.35	(3,276.00)	0.00	1,981.35	C. 1-1	5,204.67	(3,223.32)	(62)	C
1220 AR - USD	24,789.61	0.00	0.00	24,789.61	C. 1-1	55,800.96	(31,011.35)	(56)	C
1224 AR - INR	0.00	0.00	0.00	0.00	C. 1-1	6,384.33	(6,384.33)	(100)	C
1372 Undeposited Funds	0.00	0.00	0.00	0.00		1,881.81	(1,881.81)	(100)	A
1721 Computer Equipment: Or	3,808.19	0.00	0.00	3,808.19		3,808.19	0.00	0	U
1724 Computer Equipment: Ac	(2,568.14)	(620.00)	0.00	(3,188.14)		(2,568.14)	(620.00)	24	U
1731 Computer Software:Origi	800.79	0.00	0.00	800.79		0.00	800.79	0	U
1732 Computer Software:Accu	0.00	(200.00)	0.00	(200.00)		0.00	(200.00)	0	U
1800 Intellectual Property: Pa	68,491.06	(68,491.06)	0.00	0.00		68,491.06	(68,491.06)	(100)	W
1810 Intellectual Property: Tr	8,017.20	0.00	0.00	8,017.20		8,017.20	0.00	0	W
1815 Intellectual Property: Tr	(6,830.28)	(98.91)	0.00	(6,929.19)		(6,830.28)	(98.91)	1	W
1820 Intellectual Property: Am	(54,483.06)	54,483.06	0.00	0.00		(54,483.06)	54,483.06	(100)	W
2105 Accounts Payable (CAD)	(26,152.35)	0.00	0.00	(26,152.35)		(6,300.00)	(19,852.35)	315	CC. 1
2107 Accrued Liabilities	(12,914.70)	1,901.30	0.00	(11,013.40)	Note 1	(17,653.21)	6,639.81	(38)	CC. 1
2110 Payroll Liabilities: CRA	(2,397.15)	0.00	0.00	(2,397.15)	CC. 2	(3,549.76)	1,152.61	(32)	CC. 2
2115 Payroll Liabilities:Group	(5,151.30)	4,754.08	0.00	(397.22)	CC. 6	(397.22)	0.00	0	CC. 2
2120 Payroll liability:Group R	2,114.08	(3,171.12)	0.00	(1,057.04)	CC. 5, No	(1,557.04)	500.00	(32)	CC. 2
2121 Payroll liabilities: Vaca	(11,114.87)	11,114.87	0.00	0.00	CC. 4	(11,114.87)	11,114.87	(100)	CC. 2
2122 Payroll Liabilities:Vacat	4,465.23	(7,614.20)	0.00	(3,148.97)	CC. 4	1,700.52	(4,849.49)	(285)	CC. 2
2250 GST/HST Payable	1,552.19	0.00	0.00	1,552.19		2,075.26	(523.07)	(25)	CC. 3
2252 GST/HST Payable: Rece	(146.09)	0.00	0.00	(146.09)		(576.33)	430.24	(75)	CC. 3
2550 Current portion of deferr	(1,603.11)	0.00	0.00	(1,603.11)	MM. 1	(1,603.11)	0.00	0	MM
2610 Payable to Shareholder: I	(503,500.00)	0.00	0.00	(503,500.00)	GG. 1-1	(553,500.00)	50,000.00	(9)	HH
3200 Contributed Surplus - C/E	(199,148.35)	0.00	0.00	(199,148.35)		(199,148.35)	0.00	0	UU. 2
3205 Contributed Surplus - P/E	(1,688,864.59)	0.00	0.00	(1,688,864.59)		(1,688,864.59)	0.00	0	UU. 2
3600 Share Capital: Calss A C	(1,236,964.81)	0.00	0.00	(1,236,964.81)	UU. 3-2	(1,236,964.81)	0.00	0	UU. 1
3805 Retained Earnings	3,588,236.86	0.00	0.00	3,588,236.86		3,755,650.29	(167,413.43)	(4)	UU. 3
4000 Software Sales: Outright	(140,239.15)	0.00	0.00	(140,239.15)		(291,793.56)	151,554.41	(52)	720. 1
4123 Software Support Subscr	(6,412.42)	0.00	0.00	(6,412.42)		(6,469.73)	57.31	(1)	720. 2
4124 Software Subscription : S	(175,097.11)	0.00	0.00	(175,097.11)		(180,416.81)	5,319.70	(3)	720
4125 Software Sales : License	(21,402.94)	0.00	0.00	(21,402.94)		(36,588.54)	15,185.60	(42)	720. 1
4400 Contract Analysis Service	(18,388.63)	0.00	0.00	(18,388.63)		(21,914.00)	3,525.37	(16)	720. 3
5010 Direct Contract Services	1,000.00	0.00	0.00	1,000.00		0.00	1,000.00	0	730. 1
5012 Direct Contract Services:	5,184.40	0.00	0.00	5,184.40		10,703.00	(5,518.60)	(52)	730. 1
5013 Direct Contract Services:	70.00	0.00	0.00	70.00		4,581.00	(4,511.00)	(98)	730. 1
5022 Distributor Commissions	20,154.04	0.00	0.00	20,154.04		27,313.87	(7,159.83)	(26)	730. 2
5110 Bank Charges	64.92	0.00	0.00	64.92		202.25	(137.33)	(68)	740. 2
5120 Bank Charges: Merchant	2,640.09	0.00	0.00	2,640.09		2,676.13	(36.04)	(1)	740. 2
5130 Bank Charges: Non Dedu	100.93	0.00	0.00	100.93	S1	3.00	97.933264		740. 2
5140 Bank Charges: Service C	1,919.61	0.00	0.00	1,919.61		2,583.82	(664.21)	(26)	740. 2
5160 Dues, Subscriptions & Me	659.24	0.00	0.00	659.24		1,032.12	(372.88)	(36)	740. 3
5180 Insurance: Errors & Omis	14,180.03	0.00	0.00	14,180.03		11,312.32	2,867.71	25	740. 4
5190 Lab Materials & Supplies	1,117.50	0.00	0.00	1,117.50		0.00	1,117.50	0	740. 5
5200 Legal & Audit Fees	2,894.44	(2,000.00)	0.00	894.44		1,389.50	(495.06)	(36)	740. 6
5210 Legal & Audit Fees: Audit	7,700.00	0.00	0.00	7,700.00	1.	9,500.00	(1,800.00)	(19)	740. 6
5220 Legal & Audit Fees: Lega	7,620.38	0.00	0.00	7,620.38		762.17	6,858.21	900	740. 6
5240 Marketing: Advertising	0.00	0.00	0.00	0.00		2,002.50	(2,002.50)	(100)	740. 7

Chenomx Inc.**Year End: December 31, 2022****Cash**

Prepared by	Reviewed by
JD 2023-07-07	MA 2023-07-26

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Account	Prelim	Adj's	Reclass	Rep	Annotation	Rep 12/21	Amount Chg %Chg L/S
5250 Marketing: Brochures	498.39	0.00	0.00	498.39		720.89	(222.50) (31) 740. 7
5260 Marketing: Marketing	380.00	0.00	0.00	380.00		0.00	380.00 0 740. 7
5335 Marketing: Travel: Confer	1,279.95	0.00	0.00	1,279.95		1,902.91	(622.96) (33) 740. 7
5380 Marketing: Website & Ma	24,357.31	0.00	0.00	24,357.31		16,273.62	8,083.69 50 740. 7
5400 Office Expenses: Misc. Of	5,891.91	0.00	0.00	5,891.91		5,405.84	486.07 9 740. 8
5410 OFFICE EXPENSES: OF	788.00	0.00	0.00	788.00		0.00	788.00 0 740. 8
5430 Office Expenses: Postagi	(23.00)	0.00	0.00	(23.00)		777.48	(800.48)(103) 740. 8
5440 Office Expenses: Softwar	1,953.41	98.70	0.00	2,052.11		2,614.94	(562.83) (22) 740. 8
5460 Rent	0.00	0.00	0.00	0.00		1,521.65	(1,521.65)(100) 740. 9
5508 Scientific Advisors	36,000.00	0.00	0.00	36,000.00		36,000.00	0.00 0 740.12
5509 Subcontractor IT	38,436.71	0.00	0.00	38,436.71		20,356.75	18,079.96 89 740.12
5510 Telephone & Communica	1,000.84	0.00	0.00	1,000.84		1,043.40	(42.56) (4) 740.11
5570 Amortization of tangible	0.00	820.00	0.00	820.00		676.40	143.60 21 770. 3
5575 Amortization of intangibl	0.00	14,106.91	0.00	14,106.91		14,106.91	0.00 0 770. 4
5585 Impairment loss	0.00	0.00	0.00	0.00		22,449.00	(22,449.00)(100) 770. 1
5586 Bad debt	0.00	3,276.00	0.00	3,276.00		0.00	3,276.00 0 740.13
5590 Loss (Gain) on Exchange	2,282.60	0.00	0.00	2,282.60		10,683.97	(8,401.37) (79) 770. 6
5595 Unrealized gain/loss on F	0.00	219.44	0.00	219.44		(2,083.46)	2,302.90 (111) 770. 6
5705 Payroll Expenses: Comp'	8,819.44	(4,754.08)	0.00	4,065.36		5,178.56	(1,113.20) (21) 740.10
5710 Payroll Expenses: Comp'	3,171.12	3,171.12	0.00	6,342.24		5,967.14	375.10 6 740.10
5715 Payroll Expenses: Taxes	9,558.55	0.00	0.00	9,558.55		9,503.70	54.85 1 740.10
5720 Payroll Expenses: Wage	124,079.25	(3,500.67)	0.00	120,578.58		142,614.63	(22,036.05) (15) 740.10
5730 Reconciliation Discrepan	0.00	0.00	0.00	0.00		(6.79)	6.79 (100) 740. 8
	0.00	0.00	0.00	0.00		0.00	0.00 0
Net Income (Loss)	37,760.19			26,322.77		167,413.42	(141,090.65) (84)

DocuSigned by:

Neil Taylor

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Chenomx Inc.
Year End: December 31, 2022
Cash
Date: 2022-01-01 To 2022-12-31

Prepared by	Reviewed by
JD 2023-07-11	MA 2023-07-26

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Number	Date	Name	Account No	Reference	Debit	Credit
Net Income (Loss) Before Adjustments						37,760.19
1	2022-12-31	Bank USD: CIBC USD	1025		1,608.17	
1	2022-12-31	Bank USD: CIBC USD FX portion	1026			137.52
1	2022-12-31	Bank USD: PayPal	1035			1,690.09
1	2022-12-31	Unrealized gain/loss on Fx	5595		219.44	
To adjust USD FX poriton to actual						
					1,827.61	1,827.61
2	2022-12-31	Computer Equipment: Accum. Amor	1724			620.00
2	2022-12-31	Computer Software:Accum.Amortiza	1732			200.00
2	2022-12-31	Amortization of tangible assets	5570		820.00	
To record current year amortization expenses.						
					820.00	820.00
3	2022-12-31	Intellectual Property: Trademarks Ac	1815			98.91
3	2022-12-31	Intellectual Property: Amortization	1820			14,008.00
3	2022-12-31	Amortization of intangible assets	5575		14,106.91	
To record current year amortization expense on intangible assets						
					14,106.91	14,106.91
4	2022-12-31	Accrued Liabilities	2107		2,000.00	
4	2022-12-31	Legal & Audit Fees	5200			2,000.00
To adjust accrued audit fees to actual						
					2,000.00	2,000.00
5	2022-12-31	Payroll Liabilities:Group Benefits P	2115		4,754.08	
5	2022-12-31	Payroll Expenses: Comp'y Contrib: F	5705			4,754.08
To reclass health care benefits liability recorded twice						
					4,754.08	4,754.08
6	2022-12-31	Payroll liability:Group RRSP Payable	2120			3,171.12
6	2022-12-31	Payroll Expenses: Comp'y Contrib: F	5710		3,171.12	
To adjust payroll liability: Group RRSP to actual, which has been reversed at this year.						
					3,171.12	3,171.12
7	2022-12-31	Payroll liabilities: Vacation Payabl	2121		3,500.67	
7	2022-12-31	Payroll Expenses: Wages	5720			3,500.67
To adjust vacation accrual per QBO						

Chenomx Inc.
Year End: December 31, 2022
Cash
Date: 2022-01-01 To 2022-12-31

Prepared by	Reviewed by
JD 2023-07-11	MA 2023-07-26

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Number	Date	Name	Account No	Reference	Debit	Credit
		payroll module			3,500.67	3,500.67
8	2022-12-31	Payroll liabilities: Vacation Payabl	2121		7,614.20	
8	2022-12-31	Payroll Liabilities:Vacation Pay	2122			7,614.20
		To reclassify payroll liabilites: vacation payable to Payroll liabilites: Vacation pay			7,614.20	7,614.20
9	2022-12-31	Current portion of deferred revenue	2550		1,603.11	
9	2022-12-31	Current portion of deferred revenue	2550			1,603.11
9	2022-12-31	Software Support Subscription: Sale	4123			1,603.11
9	2022-12-31	Software Support Subscription: Sale	4123		1,603.11	
		To recognize prior year deferred revenue, and defer portion of current year.			3,206.22	3,206.22
10	2022-12-31	AR - CAD	1210			3,276.00
10	2022-12-31	Bad debt	5586		3,276.00	
		To write off the outstanding amount of Si Chuang People's Hospital to bad debt.			3,276.00	3,276.00
11	2022-12-31	Accrued Liabilities	2107			98.70
11	2022-12-31	Office Expenses: Software (<\$500)	5440		98.70	
		To record January Amex charges to Neil'd card ((Diane - if you have already entered the Jan Amex in 2023, enter the reverse of this entry on Jan 01 /23)			98.70	98.70
12	2022-12-31	Intellectual Property: Patents	1800			68,491.06
12	2022-12-31	Intellectual Property: Amortization	1820		68,491.06	
		To write off paternst at the year			68,491.06	68,491.06
					112,866.57	112,866.57

DocuSigned by:

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Information Return for Corporations Filing Electronically

- Do not send this form to the Canada Revenue Agency (CRA) unless we ask for it. We will not keep or return this form.
- Complete this return for every initial and amended T2 Corporation Income Tax Return electronically filed with the CRA on your behalf.
- By completing Part 2 and signing Part 3, you acknowledge that, under the federal Income Tax Act, you have to keep all records used to prepare your T2 Corporation Income Tax Return, and provide this information to us on request.
- Part 4 must be completed by either you or the electronic transmitter of your T2 Corporation Income Tax Return.
- Give the signed original of this return to the transmitter and keep a copy in your own records for six years.
- We are responsible for ensuring the confidentiality of your electronically filed tax information only after we have accepted your return.

Part 1 – Identification

Corporation's name Chenomx Inc.					Business number * * * * * 9 4 1 7 R C 0 0 0 1																	
Tax year start	Year	Month	Day	Tax year-end	Year	Month	Day	Is this an amended return? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No														
	2	0	2	2	0	1	0	1	2	0	2	1	2	3	1							

Get your CRA mail electronically delivered in My Business Account at canada.ca/my-cra-business-account (optional)

Email address: _____

I understand that by providing an email address, I am **registering** the corporation to receive email notifications from the CRA. I understand and agree that all notices and other correspondence eligible for electronic delivery will no longer be printed and mailed. The CRA will notify the corporation at this email address when they are available in My Business Account and requiring immediate attention. They will be presumed to have been received on the date that the email is sent. For more information, see canada.ca/cra-business-email-notifications.

Part 2 – Declaration

Enter the following amounts, if applicable, from the T2 return for the tax year noted above:

Net income or loss for income tax purposes from Schedule 1, financial statements, or General Index of Financial Information (GIFI) (line 300)	(40,172)
Part I tax payable (line 700)	
Part III.1 tax payable (line 710)	
Part IV tax payable (line 712)	
Part IV.1 tax payable (line 716)	
Part VI tax payable (line 720)	
Part VI.1 tax payable (line 724)	
Part XIV tax payable (line 728)	
Net provincial and territorial tax payable (line 760)	

Protected B when completed**Part 3 – Certification and authorization**

I, Taylor Last name Neil First name President Position, office, or rank

am an authorized signing officer of the corporation. I certify that I have examined the T2 Corporation Income Tax Return, including accompanying schedules and statements, and that the information given on the T2 return and this T183 Corp information return is, to the best of my knowledge, correct and complete. I also certify that the method of calculating income for this tax year is consistent with that of the previous tax year except as specifically disclosed in a statement attached to this return.

I authorize the transmitter identified in Part 4 to electronically file the T2 Corporation Income Tax Return identified in Part 1. The transmitter can also modify the information originally filed in response to any errors Canada Revenue Agency identifies. This authorization expires when the Minister of National Revenue accepts the electronic return as filed.

8/23/2023 Date (yyyy/mm/dd)

DocuSigned by:
Neil Taylor Signature of an authorized signing officer of the corporation

(780) 732-0520 Telephone number

The CRA will accept an electronic signature if it is applied in accordance with the guidance specified by the CRA.

Part 4 – Transmitter identification

The following transmitter has electronically filed the tax return of the corporation identified in Part 1.

John H.C. Pinsent Professional Corporation Name of person or firm

Electronic filer number

Privacy notice

Personal information is collected for the purposes of the administration or enforcement of the Income Tax Act and related programs and activities including administering tax, benefits, audit, compliance, and collection. The information collected may be used or disclosed for purposes of other federal acts that provide for the imposition and collection of a tax or duty. It may also be disclosed to other federal, provincial, territorial, or foreign government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties, or other actions. Under the Privacy Act, individuals have a right of protection, access to and correction of their personal information, or to file a complaint with the Privacy Commissioner of Canada regarding the handling of their personal information. Refer to Personal Information Bank CRA PPU 047 and CRA PPU 211 on Info Source at canada.ca/cra-info-source.