



**VENTRIPOINT DIAGNOSTICS LTD.
CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS
THREE MONTHS ENDED MARCH 31, 2023
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)**

Notice To Reader

The accompanying unaudited condensed interim consolidated financial statements of Ventripoint Diagnostics Ltd. ("Diagnostics" or the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

Ventripoint Diagnostics Ltd.

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

Unaudited

	As at March 31, 2023	As at December 31, 2022
ASSETS		
Current assets		
Cash	\$ 4,275,462	\$ 5,185,770
Accounts receivable (note 4)	219,058	374,178
Prepaid expenses	63,235	103,487
Total current assets	4,557,755	5,663,435
Non-current assets		
Property and equipment (note 5)	5,185	6,885
Right-of-use asset (note 8)	291,279	306,380
Total assets	\$ 4,854,219	\$ 5,976,700
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (notes 6 and 15)	\$ 988,821	\$ 964,106
Lease liability (note 8)	50,306	41,815
Deferred revenue	26,353	-
Loans payable (note 7)	58,301	49,827
Total current liabilities	1,123,781	1,055,748
Non-current liabilities		
Loans payable (note 7)	89,458	93,058
Lease liability (note 8)	261,234	274,378
Total liabilities	1,474,473	1,423,184
Shareholders' equity		
Share capital (note 9)	42,675,264	42,675,264
Contributed surplus	10,592,144	10,421,026
Accumulated other comprehensive income	78,685	78,238
Deficit	(49,966,347)	(48,621,012)
Total equity	3,379,746	4,553,516
Total equity and liabilities	\$ 4,854,219	\$ 5,976,700

Nature of operations and going concern (note 1)

Commitments (note 16)

Subsequent events (note 17)

The accompanying notes are an integral part of these to the unaudited condensed interim consolidated financial statements.

Ventripoint Diagnostics Ltd.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

Unaudited

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Revenue	\$ 3,890	\$ 24,600
Cost of Sales	-	(1,230)
Gross Margin	3,890	23,370
Operating expenses		
General and administrative	873,956	849,894
Research and development	275,204	122,277
Sales and marketing	231,665	70,792
Total operating expenses	1,380,825	1,042,963
Loss from operations	(1,376,935)	(1,019,593)
Finance income (cost)	6,917	(6,336)
Other income (note 12)	18,952	24,276
Foreign currency differences	5,731	(7,553)
Net loss for the period	\$ (1,345,335)	\$ (1,009,206)
Other comprehensive income		
Items that will be reclassified subsequently to income		
Currency translation	\$ 447	\$ 7,480
Total loss and comprehensive loss for the period	\$ (1,344,888)	\$ (1,001,726)
Basic and diluted net loss per share (note 14)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding	156,823,905	155,558,905

The accompanying notes are an integral part of these to the unaudited condensed interim consolidated financial statements.

Ventripoint Diagnostics Ltd.

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

Unaudited

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Operating activities		
Net loss for the period	\$ (1,345,335)	\$ (1,009,206)
Adjustments for:		
Depreciation of property and equipment	1,700	1,197
Depreciation of right of use asset	15,101	8,831
Share-based compensation	171,118	244,538
Interest on lease liability	9,511	770
Interest accretion	4,874	4,002
Changes in non-cash working capital items:		
Accounts receivable	155,120	(57,850)
Prepaid expenses	40,252	-
Accounts payable and accrued liabilities	24,715	(127,940)
Deferred revenue	26,353	-
Net cash used in operating activities	(896,591)	(935,658)
Financing activities		
Lease payments	(14,164)	(12,450)
Net cash used in financing activities	(14,164)	(12,450)
Effect of foreign exchange on cash	447	7,481
Net change in cash	(910,308)	(940,627)
Cash, beginning of period	5,185,770	9,268,963
Cash, end of period	\$ 4,275,462	\$ 8,328,336

The accompanying notes are an integral part of these to the unaudited condensed interim consolidated financial statements.

Ventripoint Diagnostics Ltd.

Condensed Interim Consolidated Statements of Changes in Equity (Deficit)

(Expressed in Canadian Dollars)

Unaudited

	Number of common shares	Share capital	Contributed surplus	Accumulated other comprehensive income	Deficit	Total
Balance, December 31, 2021	155,558,905	\$ 42,213,957	\$ 9,755,930	\$ 112,337	\$(43,748,212)	\$ 8,334,012
Share-based compensation	-	-	244,538	-	-	244,538
Currency translation adjustment	-	-	-	7,480	-	7,480
Net loss for the period	-	-	-	-	(1,009,206)	(1,009,206)
Balance, March 31, 2022	155,558,905	\$ 42,213,957	\$ 10,000,468	\$ 119,817	\$(44,757,418)	\$ 7,576,824
Balance, December 31, 2022	156,823,905	\$ 42,675,264	\$ 10,421,026	\$ 78,238	\$(48,621,012)	\$ 4,553,516
Share-based compensation	-	-	171,118	-	-	171,118
Currency translation adjustment	-	-	-	447	-	447
Net loss for the period	-	-	-	-	(1,345,335)	(1,345,335)
Balance, March 31, 2023	156,823,905	\$ 42,675,264	\$ 10,592,144	\$ 78,685	\$(49,966,347)	\$ 3,379,746

The accompanying notes are an integral part of these to the unaudited condensed interim consolidated financial statements.

Ventripoint Diagnostics Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2023

(Expressed in Canadian Dollars)

Unaudited

1. Nature of operations and going concern

Ventripoint Diagnostics Ltd. ("Diagnostics" or the "Company") was incorporated by a Certificate of Incorporation pursuant to the provisions of the Business Corporations Act (Alberta) on May 4, 2005. Diagnostics acquired Ventripoint Inc. ("Ventripoint", Diagnostics and Ventripoint, collectively referred to herein as the "Company" or "Companies") on September 18, 2007. Diagnostics is a Canadian public company with its shares listed on the TSX Venture Exchange ("TSXV" or the "Exchange") with the trading symbol "VPT" and on the OTC Markets in the U.S. with the trading symbol "VPTDF". Ventripoint Inc. was incorporated in the State of Washington in July, 2004 and commenced operations in January, 2005. Ventripoint Inc.'s registration was migrated to the State of Delaware on December 21, 2017. The Companies' registered office is at 18 Hook Avenue, Unit 101, Toronto, Ontario, M6P 1T4.

The Company is a medical device company engaged in the development and commercialization of diagnostic tools that monitor patients with heart disease. The system is based upon patented technology, the commercialization rights of which Ventripoint has licensed from the University of Washington.

In March 2020 the World Health Organization declared coronavirus COVID19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The Company is dependent on the return of public access to hospitals and how quickly marketing and installations can proceed. During 2022, access to hospitals have improved.

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. There is no certainty whether the Company will generate significant revenues or attain profitable operations in the near future and there can be no assurance that it will achieve profitability in the future, as it incurred a loss of \$1,345,335 and had a negative cash flow from operating activities of \$896,591 for the three months ended March 31, 2023, and has accumulated \$49,966,347 of losses as at March 31, 2023. The Company's ability to continue as a going concern is dependent on its raising of future required capital, bringing its products to market and achieving and maintaining profitable operations. The outcome of these matters cannot be predicted at this time. As a result there exists a material uncertainty which creates significant doubt regarding the Company's ability to continue as a going concern. These unaudited condensed interim consolidated financial statements do not include any adjustments and classifications of assets and liabilities, which might be necessary should the Company be unable to continue its operations. Such adjustments could be material.

2. Significant accounting policies

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC, and should be read in conjunction with the annual December 31, 2022 consolidated financial statements.

Ventripoint Diagnostics Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2023

(Expressed in Canadian Dollars)

Unaudited

2. Significant accounting policies (continued)

Statement of compliance (continued)

The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2022.

Basis of consolidation

These unaudited condensed interim consolidated financial statements include the accounts of Diagnostics and Ventripoint Inc., its wholly-owned and controlled subsidiary. The financial statements of subsidiaries, including entities which the Company controls, are included in the unaudited condensed interim consolidated financial statements from the date that control commences until the date that control ceases. The financial statements of the subsidiary are prepared for the same reporting period as the Company, using consistent accounting policies. All intercompany transactions and balances have been eliminated.

Functional and presentation currency

These unaudited condensed interim consolidated financial statements are presented in Canadian dollars ("CDN\$"), the Company's functional currency. The functional currency of the Company's wholly owned US subsidiary is US dollars ("US\$").

Critical accounting judgements and estimates

The preparation of the unaudited condensed interim consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the reporting date and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These unaudited condensed interim consolidated financial statements include estimates, which, by their nature are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

The areas which require management to make significant judgements, estimates and assumptions in determining carrying values include, but are not limited to:

Derivatives and debt valuation

The valuation of debt and embedded derivatives for convertible instruments is based on the application of a recognized option valuation formula, which is highly dependent on, amongst other things, the expected volatility of the Company's registered shares and the expected life of the options. The Company uses an expected volatility rate for its shares based on past stock trading data, adjusted for future expectations, and actual volatility may be significantly different.

The resulting value calculated is not necessarily the value that the holder of the instrument could receive in an arm's length transaction. It is management's view that the value derived is highly subjective and dependent entirely upon the input assumptions made.

Ventripoint Diagnostics Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2023

(Expressed in Canadian Dollars)

Unaudited

2. Significant accounting policies (continued)

Critical accounting judgements and estimates (continued)

Share-based payments

The fair value of share-based payments are estimated using the Black Scholes option pricing model and rely on a number of estimates, such as the expected life of the option, the volatility of the underlying share price, the risk free rate of return, and the estimated rate of forfeiture of options granted.

New standards not yet adopted and interpretations issued but not yet effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2024. There are no relevant IFRS's or IFRS interpretations that are not yet effective that would be expected to have a material impact on the unaudited condensed interim consolidated financial statements.

3. Financial instruments

The carrying values of cash, accounts receivable, accounts payable and accrued liabilities, and current portion of loans payable are considered representative of their respective fair values due to the short-term period to maturity. The long-term portion of loans payable approximate their fair values as the interest and discount rates are considered market rates.

IFRS 13 *Fair Value Measurement* ("IFRS 13") establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly (ie. as prices) or indirectly (ie. derived from prices); and
- Level 3: Inputs that are not based on observable market data.

The Company does not have any financial instruments classified at fair value.

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk, market risk and foreign currency risk.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash, and accounts receivable. The carrying amount of the financial assets represents the maximum credit exposure.

The Company limits its exposure to credit risk on cash by placing these financial instruments with high- credit quality financial institutions and only investing in liquid, investment grade securities.

Ventripoint Diagnostics Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2023

(Expressed in Canadian Dollars)

Unaudited

3. Financial instruments (continued)

Credit risk (continued)

The carrying amount of accounts receivable is reduced through the use of an allowance account and the amount of the loss is recognized in profit or loss within operating expenses. When a receivable balance is considered uncollectable it is written off against the allowance. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss. Within the accounts receivable, all amounts receivable are considered to be collectible. As at March 31, 2023, the Company does not have any accounts receivable that is overdue and no bad debts have been recorded for three months ended March 31, 2023.

Amounts receivable from the Government for grants or sales tax refunds are considered to have no credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages its liquidity risk by monitoring forecasted and actual cash flows, as well as anticipated investing and financial activities. The majority of the Company's financial liabilities are due within 90 days.

The following table consists of accounts payable and accrued liabilities and sets out contractual maturities (representing undiscounted contractual cash flows) of the financial liabilities outstanding at March 31, 2023:

	2024	2025	2026	2027	Total
Accounts payable and accrued liabilities	\$ 988,821	\$ -	\$ -	\$ -	\$ 988,821
Lease liability	84,984	85,869	88,525	49,410	308,788
Loan payable	77,604	32,604	32,604	32,604	175,416
	\$ 1,151,409	\$ 118,473	\$ 121,129	\$ 82,014	\$ 1,473,025

The contractual maturities of commitments at period end are included in (note 16).

Market risk

Market risk is the risk that changes in market prices, such as foreign currency exchange rates and interest rates will affect the Company's income or the value of the financial instruments held.

Foreign currency risk

The majority of the Company's total expenditures were denominated in CDN\$ in 2023 (2022 - CDN\$). The Company's capital transactions are denominated in CDN\$ and the Company now maintains most of its cash in CDN\$. Foreign currency risk reflects the risk that the Company's earnings will be impacted by fluctuations in exchange rates.

With all other variables held constant, a 10% point increase in the value of the US\$ relative to the CDN\$ would increase (decrease) net loss by \$14,409 (March 31, 2022 - \$10,133).

The objective of the Company's foreign exchange risk management activities is to minimize transaction exposures and the resulting volatility of the Company's earnings. The Company manages this risk by pricing sales in CDN\$ where possible. The Company has not entered into any forward foreign exchange contracts.

Ventripoint Diagnostics Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2023

(Expressed in Canadian Dollars)

Unaudited

3. Financial instruments (continued)

Foreign currency risk (continued)

The Company was exposed to currency risk for the following assets (liabilities) as follows:

	March 31, 2023 US\$	December 31, 2022 US\$
Cash	7,614	34,808
Accounts payable and accrued liabilities	(415,448)	(433,359)
Total	(407,834)	(398,551)

4. Accounts receivable

	As at March 31, 2023	As at December 31, 2022
Trade accounts receivable	\$ 35,786	\$ 43,567
Goods and services taxes receivable	183,272	330,611
Total	\$ 219,058	\$ 374,178

5. Property and equipment

Cost	Total
Balance, December 31, 2021	\$ 168,109
Balance, December 31, 2021, December 31, 2022 and March 31, 2023	\$ 168,109
Accumulated Depreciation	
Balance, December 31, 2021	\$ 152,083
Depreciation for the year	9,141
Balance, December 31, 2022	\$ 161,224
Depreciation for the period	1,700
Balance, March 31, 2023	\$ 162,924
Carrying Value	
Balance, December 31, 2022	\$ 6,885
Balance, March 31, 2023	\$ 5,185

Ventripoint Diagnostics Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2023

(Expressed in Canadian Dollars)

Unaudited

6. Accounts payable and accrued liabilities

	As at March 31, 2023	As at December 31, 2022
Trade and other payables	\$ 862,045	\$ 841,973
Accrued management salaries and other payroll liabilities	31,757	23,374
Accrued liabilities	95,019	98,759
Total	\$ 988,821	\$ 964,106

7. Loans payable

In April 2020, the Company received a \$40,000 loan through the Canada Emergency Business Account program ("CEBA"). The CEBA was launched by the Government of Canada in response to the global COVID-19 health crisis, and has been implemented by financial institutions in cooperation with Export Development Canada. In December 2020, the Government of Canada increased the CEBA loan for eligible businesses from \$40,000 to \$60,000. In October 2021 the Company received an additional \$20,000 loan. The loans have no repayment terms and are non-interest bearing during the initial term, until December 31, 2022. If the loan balances are repaid in full on or before December 31, 2022, 25% of the loans will be forgiven. The forgivable portion of the loan has been accounted for as a government grant. On December 31, 2022, any remaining outstanding loan balances will be converted into three-year term loans at fixed interest rates of 5% per annum.

During the year ended March 31, 2023, the Government of Canada announced that the deadline to repay loans under the Canada Emergency Business Account program would be extended by one year (that is from December 31, 2022 to December 31, 2023). As of January 1, 2024, the loan balance will bear interest at 5% and will be repayable on maturity on December 31, 2025.

The loan is summarized as follows:

	As at March 31, 2023	As at December 31, 2022
Loan payable	\$ 45,000	\$ 45,000

In December 2020, the Company received \$130,400 as part of the Regional Economic Growth Through Innovation program (Regional Relief and Recovery Fund ("RRRF")) to support enterprises to enable recovery from economic disruptions associated with COVID-19. In April 2021, the company received the balance of \$32,600 for a total loan of \$163,000. The loan is repayable starting April 1, 2023 until March 1, 2028 at an amount of \$2,717 per month. The loan has been recorded at its fair value on initial recognition based on the discounted future cash flow at a market rate of interest of 19.5%. The benefit of the below-market rate of interest was measured as the difference between the initial fair value of the loan and the proceeds received.

Ventripoint Diagnostics Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2023

(Expressed in Canadian Dollars)

Unaudited

7. Federal loans (continued)

	As at March 31, 2023	As at December 31, 2022
Loan payable	\$ 97,885	\$ 80,377
Accretion	4,874	17,508
	102,759	97,885
Less: Current portion on loan	(13,301)	(4,827)
	89,458	93,058

8. Right-of-use asset and lease liability

The Company entered into a 5 year office lease on October 1, 2017. The Company used its incremental borrowing rate of 10.92% as the discount rate to determine the value of its five year office premises lease. The asset is depreciated on a straight-line basis over the lease term, starting October 1, 2017. The lease expired on September 30, 2022.

During the year ended December 31, 2022, the Company entered into a 5 year office lease starting February 1, 2023, and includes a rent free period starting October 1, 2022 and lease payments starting in February 1, 2023. The weighted average incremental borrowing rate applied to lease liabilities was 12%.

Right-of-use asset	Total
Balance, December 31, 2021	\$ 26,494
Additions	321,649
Depreciation	(41,763)
Balance, December 31, 2022	306,380
Depreciation	(15,101)
Balance, March 31, 2023	\$ 291,279

Lease liability	Total
Balance, December 31, 2021	\$ 34,592
Additions	321,648
Interest expense	10,654
Lease payments	(50,701)
Balance, December 31, 2022	316,193
Interest expense	9,511
Lease payments	(14,164)
Balance, March 31, 2023	\$ 311,540

Ventripoint Diagnostics Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2023

(Expressed in Canadian Dollars)

Unaudited

8. Right-of-use asset and lease liability (continued)

	As at March 31, 2023	As at December 31, 2022
Short-term lease liability	\$ 50,306	\$ 41,815
Long-term lease liability	261,234	274,378
Total lease liability	\$ 311,540	\$ 316,193

	Under 1 year	Between 1 - 2 years	Between 3 - 5 years	Over 5 years	Total
Lease liability	\$ 50,306	\$ 125,312	\$ 135,922	\$ -	\$ 311,540
Total	\$ 50,306	\$ 125,312	\$ 135,922	\$ -	\$ 311,540

9. Share capital

a) Authorized share capital

The Company has authorized share capital of an unlimited number of common shares without nominal or par value and an unlimited number of preferred shares without nominal or par value. No preferred shares have been issued. Common shareholders are entitled to receive dividends as declared by the Company at its discretion and are entitled to one vote per share at the Company's annual general meeting.

	Number of common shares	Amount
Balance, December 31, 2021 and March 31, 2022	155,558,905	\$ 42,213,957
Balance, December 31, 2022 and March 31, 2023	156,823,905	\$ 42,675,264

10. Stock options

The Company has adopted an incentive stock option plan in accordance with the policies of the Exchange (the "Stock Option Plan") which provides that the Board of Directors of the Company may from time to time, at its discretion, grant to Directors, Officers, employees and consultants of the Company non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance under the Stock Option Plan shall not exceed ten percent (10%) of the issued and outstanding common shares. In addition, the number of common shares reserved for issuance in any one period to any one optionee shall not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to any one consultant will not exceed two percent (2%) of the issued and outstanding common shares. The Board of Directors determines the price per common share and the number of common shares which may be allotted to each Director, Officer, employee and consultant and all other terms and conditions of the option, subject to the rules of the Exchange.

Ventripoint Diagnostics Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2023

(Expressed in Canadian Dollars)

Unaudited

10. Stock options (continued)

	Number of stock options	Weighted average exercise price
Balance, December 31, 2021	7,333,750	\$ 0.21
Granted	1,975,000	0.23
Balance, March 31, 2022	9,308,750	\$ 0.24
Balance, December 31, 2022	9,753,750	\$ 0.26
Granted	1,115,000	0.30
Expired	(1,150,000)	0.35
Balance, March 31, 2023	9,718,750	\$ 0.25

Share-based compensation expense was determined based on the fair value of the options at the date of measurement using the Black-Scholes model with the following weighted average assumptions:

	March 31, 2023	March 31, 2022
Expected option life	10.01 years	1.00 - 10.01 years
Risk-free rate	2.84% - 3.30%	1.20% - 1.99%
Expected forfeiture rate	0.00%	0.00%
Expected volatility	138.22% - 138.59%	96.8% - 130.2%
Dividend yield	nil	nil

The weighted average grant date fair value of options granted during the three months ended March 31, 2023, is \$0.27 (March 31, 2022 - \$0.18)

The following table reflects the actual stock options issued and outstanding as of March 31, 2023:

Grant price range	Weighted average		Number of options outstanding	Number of options vested
	Weighted average exercise price (\$)	remaining contractual life (years)		
<\$0.25	0.10	7.25	4,493,750	3,773,750
\$0.26 - \$0.50	0.37	6.07	5,025,000	2,580,000
<\$0.51	0.65	1.51	200,000	-
	0.25	6.52	9,718,750	6,353,750

For the three months ended March 31, 2023, share-based compensation of \$171,118, was recognized in the statement of loss and comprehensive loss (three months ended March 31, 2022 - \$244,538)

Ventripoint Diagnostics Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2023

(Expressed in Canadian Dollars)

Unaudited

11. Warrants

The following table reflects the continuity of warrants for the three months ended March 31, 2023 and March 31, 2022:

	Number of warrants	Weighted average exercise price
Balance, December 31, 2021 and March 31, 2022	15,880,835	\$ 0.680
Balance, December 31, 2022 and March 31, 2023	15,620,835	\$ 0.680

The following table reflects the warrants outstanding as of March 31, 2023:

Number of warrants outstanding	Exercise price (\$)	Expiry date
14,590,500	0.70	October 20, 2026
1,030,335	0.52	October 20, 2026
15,620,835	0.68	

12. Government Grants and Contributions

Other income for the three months ended March 31, 2023 consists of \$18,952 (three months ended March 31, 2022 - \$24,276) contribution from the National Research Council of Canada Industrial Research Assistance Program (NRC IRAP) under a Contribution Agreement for partial reimbursement of salary and contractor costs for research and development work on next generation product features.

13. Personnel costs

Personnel costs for the periods ended March 31, 2023 and March 31, 2022 were as follows:

	Three Months Ended March 31,	
	2023	2022
Salaries, fees and short-term benefits	\$ 168,186	\$ 191,030
Share-based compensation	171,118	244,538
Total personnel cost	\$ 339,304	\$ 435,568

14. Loss per share

For the three months ended March 31, 2023, basic and diluted loss per share has been calculated based on the loss attributable to common shareholders of \$1,345,335 (three months ended March 31, 2022 - \$1,009,206) and the weighted average number of common shares outstanding of 156,823,905 (three months ended March 31, 2022 - 155,558,905). Diluted loss per share did not include the effect of stock options and warrants as they are anti-dilutive.

Ventripoint Diagnostics Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2023

(Expressed in Canadian Dollars)

Unaudited

15. Related party transactions

The Company defines key management personnel as Board of Directors, Chief Executive Officer, Chief Financial Officer and Chief Science Officer.

a) Remuneration of directors and key management personnel of the Company was as follows:

	Three Months Ended March 31,	
	2023	2022
Salaries, fees and short term benefits	\$ 228,375	\$ 90,000
Share-based payments	96,737	61,657
Directors fees (i)	6,000	-
Total remuneration	\$ 331,112	\$ 151,657

i) The Company accrued directors fees for the three months ended March 31, 2023, and the amount is outstanding as of March 31, 2023.

b) Other transactions of directors and key management personnel of the Company was as follows:

i) For the three months ended March 31, 2023, the Company expensed \$14,717 (three months ended March 31, 2022 - \$13,655) to Marrelli Support Services Inc. ("Marrelli") for: the Chief Financial Officer ("CFO") of the Company; and for bookkeeping services. The CFO is an employee of Marrelli. These services were incurred in the normal course of operations for general accounting and financial reporting matters.

ii) As at March 31, 2023, \$8,318 (December 31, 2022 - \$2,318) was included in accounts payable and accrued liabilities due to related parties.

16. Commitments

The Company has the following contractual obligations as of March 31, 2023:

Fiscal year ended	2022	2023	2024-2029	Total
University of Washington Technology License Minimum Annual Royalty ⁽¹⁾	\$ 6,854	\$ 6,854	\$ 41,124	\$ 54,832

1) The annual Royalty due to the University of Washington under the Technology License Agreement is the higher of 1.5% of gross sales or the Minimum Annual Royalty of US\$5,000.

17. Subsequent events

i) Subsequent to March 31, 2023, the Company issued 500,000 stock options to a consultant at an exercisable at a price between \$0.20 per share, exercisable for a period of 2 years. The options vests quarterly at 3, 6, 9, and 12 months.