OVATION SCIENCE INC.

Condensed Consolidated Interim Financial Statements

For the Three Months Ended March 31, 2022 and 2021

Expressed in Canadian dollars
(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed consolidated interim financial statements for Ovation Science Inc. (the "Company") have been prepared by management in accordance with International Financing Reporting Standards ("IFRS"). These condensed consolidated interim financial statements, which are the responsibility of management, are unaudited and have not been reviewed by the Company's auditors. The Company's Audit Committee and Board of Directors have reviewed and approved these condensed consolidated interim financial statements. In accordance with the disclosure requirements of National Instrument 51-102 released by the Canadian Securities Administrators, the Company's independent auditors have not performed a review of these condensed consolidated interim financial statements**.**

OVATION SCIENCE INC.
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian dollars)
(Unaudited)

	Notes		As at March 31, 2022		As at December 31, 2021
ASSETS					
Current assets					
Cash		$	496,580	$	647,561
Trade and other receivables	3		64,092		93,946
Prepaid expenses	4		38,874		12,680
Inventory	5		2,005		4,000
			601,551		758,187
Furniture and equipment	7		9,569		11,709
Total assets		$	611,120	$	769,896
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Accounts payable and other liabilities	8, 12	$	113,168	$	63,741
Total liabilities			113,168		63,741
Shareholders' equity					
Share capital	9		4,280,458		4,280,458
Reserves	10		1,398,848		1,398,848
Accumulated other comprehensive income			11,269		11,388
Deficit			(5,192,623)		(4,984,539)
Total shareholders' equity			497,952		706,155
Total liabilities and shareholders' equity		$	611,120	$	769,896

Nature of business and going concern (Note 1)

These condensed consolidated interim financial statements were approved by the Board of Directors on May 30, 2022:

"Logan Anderson" Director *"Terry Howlett"* Director

OVATION SCIENCE INC.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)
(Unaudited)

	Note		Three months ended March 31, 2022		Three months ended March 31, 2021
Revenue					
Product sales			1,700		38,104
Royalty fees			36,852		35,389
	11		38,552		73,493
Cost of sales	5		(1,979)		(11,848)
Gross margin			36,573		61,645
Operating expenses					
Advertising and promotion			1,765		16,517
Depreciation	7		1,998		1,998
Investor relations			28,536		30,091
Management and director fees	12		89,902		93,833
Office and general			53,367		30,029
Product development			13,768		23,418
Professional fees			51,444		26,328
Royalty fees			37		3,297
			240,817		225,511
Other items					
Interest income			1		3,011
Foreign exchange loss			(3,841)		(514)
Net loss			(208,084)		(161,369)
Foreign currency translation to reporting currency			(119)		(6,592)
Net loss and comprehensive loss		$	(208,203)	$	(167,961)
Loss per share – basic and diluted		$	(0.01)	$	(0.01)
Basic and diluted weighted average number of common shares outstanding			29,374,836		26,667,047

OVATION SCIENCE INC.
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars)
(Unaudited)

	Share capital										
	Number		**Amount**		**Reserves**		**Accumulated Other Comprehensive Loss**		**Deficit**		**Total shareholders' equity**
Balance at December 31, 2020	**29,374,836**	**$**	**4,280,458**	**$**	**1,398,848**	**$**	**19,806**	**$**	**(2,590,762)**	**$**	**3,108,350**
Foreign currency translation adjustment	-		-		-		(6,592)		-		(6,592)
Loss for the period	-		-		-		-		(161,369)		(161,369)
Balance at March 31, 2021	**29,374,836**	**$**	**4,280,458**	**$**	**1,398,848**	**$**	**13,214**	**$**	**(2,752,131)**	**$**	**2,940,389**
Balance at December 31, 2021	**29,374,836**		**4,280,458**		**1,398,848**		**11,388**		**(4,984,539)**		**706,155**
Foreign currency translation adjustment	-		-		-		(119)		-		(119)
Loss for the period	-		-		-		-		(208,084)		(208,084)
Balance at March 31, 2022	**29,374,836**	**$**	**4,280,458**	**$**	**1,398,848**	**$**	**11,269**	**$**	**(5,192,623)**	**$**	**497,952**

The accompany notes are an integral part of these condensed consolidated interim financial statements

OVATION SCIENCE INC.
Condensed Interim Statements of Cash Flows
(Expressed in Canadian dollars)
(Unaudited)

		Three months ended March 31, 2022		Three months ended March 31, 2021
OPERATING ACTIVITIES				
Net loss for the period	$	(208,084)	$	(161,369)
Adjustments for non-cash items:				
Unrealized foreign exchange gain		(85)		-
Depreciation		1,998		1,998
Changes in working capital items:				
Trade and other receivables		29,854		(12,630)
Inventory		1,995		6,749
Prepaid expense		(26,194)		(25,138)
Accounts payable and other liabilities		49,427		(58,797)
Cash flows used in operating activities		(151,089)		(249,187)
INVESTING ACTIVITIES				
Redemptions of short-term investments		-		97,804
Cash flows provided by investing activities		-		97,804
Effect of foreign exchange		109		(6,368)
Change in cash		(150,980)		(157,751)
Cash, beginning		647,561		380,621
Cash, ending	$	496,580	$	222,870

The accompany notes are an integral part of these condensed consolidated interim financial statements

1. NATURE OF BUSINESS AND GOING CONCERN

Ovation Science Inc. (the "Company") was incorporated in the Province of British Columbia on July 18, 2017, under the Business Corporations Act of British Columbia. The Company is in the business of providing topical and transdermal cannabis products under the "Ovation" brand label utilizing patented "Invisicare" delivery technology which it acquired for exclusive use for cannabis formulated products from Skinvisible Pharmaceuticals, Inc. ("Skinvisible"). On February 3, 2020, the Company acquired the exclusive world-wide rights to a DermSafe® Hand Sanitizer, the Company's first non-cannabis product. The Company's shares are traded on the Canadian Securities Exchange under the symbol "OVAT" and the US exchange OTCQB under the symbol "OVATF".

The Company's head office is located at Suite 1140 – 625 Howe Street, Vancouver, B.C. V6C 2T6, and its registered office is Suite 704, 595 Howe Street, Vancouver, B.C. V6C 2T5.

The Company's wholly owned subsidiary, Ovation Science USA Inc.'s operations are located in Las Vegas, Nevada. All Research and Development is conducted in the Company's own laboratory headed by our PhD. Chemist. Additionally, global sales and marketing are located in the US office.

These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at March 31, 2022 the Company is not able to finance day to day activities through operations and has incurred losses since inception. The continuing operations of the Company are dependent upon its ability to develop a viable business and to attain profitable operations and generate funds there from. This indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs with loans from directors and companies controlled by directors and/or issuance of common shares. If the Company is unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its consolidated statements of financial position.

COVID-19
The recent outbreak of the coronavirus, also known as "COVID-19", has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the coronavirus continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. The outbreak and the related mitigation measures may have an adverse impact on global economic conditions as well as on the Company's business activities. The extent to which the coronavirus may impact the Company's business activities will depend on future developments, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in Canada, the United States. and other countries to contain and treat the disease. These events are highly uncertain and as such, the Company cannot determine their financial impact at this time.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed by the Company are set out in Note 2 to the audited annual consolidated financial statements for the year ended December 31, 2021 and have been consistently followed in the preparation of these condensed consolidated interim financial statements. Except as summarized below, the Company used the same accounting policies and methods of computation as in the audited annual consolidated financial statements for the year ended December 31, 2021.

Basis of preparation

Statement of compliance
These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standards ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The condensed consolidated interim financial statements were authorized for issue by the Board of Directors on May 30, 2022.

Basis of measurement
These condensed consolidated interim financial statements have been prepared on a historical cost basis, modified where applicable. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. The condensed consolidated interim financial statements are presented in Canadian dollars, unless otherwise noted.

Basis of consolidation
These consolidated financial statements include the amounts of the Company and its wholly-owned subsidiary, Ovation Science USA Inc. All inter-company balances, transactions, income and expenses have been eliminated upon consolidation.

Subsidiaries are entities controlled by the Company. Control exists when the Company has power over an entity, when the Company is exposed, or has rights, to variable returns from the entity and when the Company has the ability to affect those returns through its power over the entity. Subsidiaries are included in the consolidated financial results of the Company from the effective date of acquisition up to the effective date of disposition or loss of control. Where necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies in line with those used by the Company.

Significant estimates and judgments

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

In preparing these condensed consolidated interim financial statements, management has made judgments, estimates and assumptions that affect the applicable of the Company's accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. Management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

In preparing these condensed consolidated interim financial statements, the significant estimates and critical judgments were the same as those applied to the financial statements as at and for the year ended December 31, 2021.

Accounting standards issued but not yet effective

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any new standards and determined that there are no standards that are relevant to the Company.

(Expressed in Canadian dollars)

3. TRADE AND OTHER RECEIVABLES

		March 31, 2022		December 31, 2021
Trade receivables	$	42,690	$	78,781
GST receivable		21,193		14,956
Due from related party (Note 12)		209		209
	$	64,092	$	93,946

4. PREPAID EXPENSES

		March 31, 2022		December 31, 2021
Prepaid expenses	$	36,273	$	10,180
Legal retainer		2,500		2,500
	$	38,773	$	12,680

5. INVENTORY

		March 31, 2022		December 31, 2021
Finished goods	$	2,005	$	4,000
	$	2,005	$	4,000

During the three months ended March 31, 2022, the Company incurred $1,979 (2021 - $11,848) in costs of sales related to inventory.

6. LICENSES

On September 29, 2017, the Company entered into a License and Assignment Agreement (the “Assignment Agreement”) with Skinvisible, whereby Skinvisible granted the License to the Company. The agreement shall remain in effect, except for sub-licensees appointed by the Company. The consideration for the Assignment Agreement is $606,812 (USD$500,000) payable as follows:

- $312,000 (USD$250,000) within 90 days of execution of this agreement (paid);
- A promissory note for $294,812 (USD$250,000) due upon the earlier of the Company completing an initial public offering or March 31, 2018, which was later amended to June 30, 2018 and September 15, 2018 (paid).

On November 10, 2017, the Company entered into a License Agreement (the “Agreement”) with Lighthouse Strategies, LCC (“Lighthouse”), whereby the Company granted to Lighthouse the exclusive right to, utilize the License. The agreement shall remain in effect until terminated (with 30 days written notice from either party), unless failure to comply with the terms in the agreement. As part of the consideration related to this agreement, the Company has received a quarterly minimum packaging fee that started at the beginning of June 2018. On October 28, 2020, the Company amended the Lighthouse Agreement in a one-year agreement which limits their exclusivity to the state of Nevada.

On February 3, 2020, the Company entered into a License Agreement (the “License Agreement”), with Skinvisible, whereby Skinvisible granted the Company rights to Skinvisible’s hand sanitizer with the brand name “DermSafe” or DermSafe PC (“DermSafe”). The License Agreement provides the Company with the right to extend the License and patent the DermSafe sanitizer by paying a renewal fee of $135,183 (USD$100,000) in two payments over three and a half years from the date of the License Agreement.

(Expressed in Canadian dollars)

6. LICENSES (Continued)

On June 10, 2020, the Company entered into a License Renewal Agreement (the "Renewal Agreement") with Skinvisible, whereby Company shall accelerate the renewal payments to June 10, 2020, totaling $135,183 (USD$100,000), in exchange for the DermSafe Health Canada Drug Identification numbers, trademarks, clinical data and certain rights to patent to the Company.

A continuity of the licenses is as follows:

As at December 31, 2020	**$**	**741,995**
Write-down of licenses		(741,995)
As at December 31, 2021 and March 31, 2022	**$**	**-**

During the year ended December 31, 2021, the Company determined there were indicators of impairment relating to the DermSafe and Skinvisible licenses. The DermSafe and Skinvisible license are considered a cash generating unit. The recoverable amount for the DermSafe and Skinvisible licenses were determined to be a nominal amount and accordingly an impairment charge of $741,995 was recognized.

7. FURNITURE AND EQUIPMENT

		Furniture		**Computer equipment**		**Total**
Cost:						
At December 31, 2021	**$**	**15,214**		**15,214**	**$**	**30,428**
Foreign translation impact		(219)		(219)		(438)
At March 31, 2022	**$**	**14,995**	**$**	**14,995**	**$**	**29,990**
Accumulated amortization:						
At December 31, 2021	$	7,020	$	11,699	$	18,719
Depreciation		749		1,249		1,998
Foreign translation impact		(111)		(185)		(296)
At March 31, 2022	**$**	**7,658**	**$**	**12,763**	**$**	**20,421**
Net book value						
At December 31, 2021	$	8,194	$	3,515	$	11,709
At March 31, 2022	**$**	**7,337**	**$**	**2,232**	**$**	**9,569**

8. ACCOUNTS PAYABLE AND OTHER LIABILITIES

		March 31, 2022		**December 31, 2021**
Accounts payable	**$**	71,099	**$**	23,561
Accrued liabilities		31,832		31,980
Due to related parties (Note 12)		10,237		8,200
	$	113,168	**$**	63,741

(Expressed in Canadian dollars)

9. SHARE CAPITAL

Authorized share capital
Unlimited number of common shares without par value
Unlimited number of preferred shares without par value

Common shares

During the three months ended March 31, 2022:

There was no share capital activity during the three months ended March 31, 2022.

During the year ended December 31, 2021:

There was no share capital activity during the year ended December 31, 2021.

10. RESERVES

Stock option plan
The Directors of the Company adopted a stock option plan on April 10, 2018 (the "Plan"). The Plan provides that, subject to the requirements of the Canadian Securities Exchange, the aggregate number of securities reserved for issuance will be 10% of the number of the Company's Common Shares issued and outstanding at the time such options are granted. The Plan provides that the number of Common Shares that may be reserved for issuance to any one individual upon exercise of all stock options held by such individual may not exceed 5% of the issued Common Shares, if the individual is a director, officer, employee or consultant, or 1% of the issued Common Shares, if the individual is engaged in providing investor relations services, on a yearly basis. All options granted under the Plan will expire not later than the date that is ten years from the date that such options are granted. Options terminate earlier as follows: (i) immediately in the event of dismissal with cause; (ii) 90 days from date of termination other than for cause; or (iii) one year from the date of death or disability.

Stock options

During the three months ended March 31, 2022, there were no stock options granted.

During the year ended December 31, 2021, there were no stock options granted.

A summary of stock option activity for the three months ended March 31, 2022 is as follows:

	Options		Weighted average exercise price
Outstanding, December 31, 2020	1,925,000	$	0.39
Expired	(550,000)		0.38
Outstanding, December 31, 2021	1,375,000	$	0.40
Expired	(100,000)		0.30
Outstanding, March 31, 2022	1,275,000	$	0.40

As at March 31, 2022, the following stock options were outstanding:

Numbers of options	Exercise price	Expiry date
1,100,000	$0.41	April 13, 2022
175,000	$0.37	November 12, 2022
1,275,000		

(Expressed in Canadian dollars)

10. RESERVES (Continued)

At March 31 2022, the weighted-average remaining contractual life of options outstanding is 0.12 years (December 31, 2021 – 0.34 years).

Warrants

During the three months ended March 31, 2022, there were no warrants granted.

During the year ended December 31, 2022 there were no warrants granted.

A summary of warrant activity for the three months ended March 31, 2022 is as follows:

	Options	Weighted average exercise price
Outstanding, December 31, 2020	2,872,800	$ 0.60
Expired	(2,872,800)	0.60
Outstanding, December 31, 2021 and March 31, 2022	-	$ -

11. SEGMENTED INFORMATION

The Company primarily operates in one reportable operating segment, the sub-licensing and sales of cannabis products that utilize Invisicare®, a patented polymer-based technology for topical and transdermal skin care products as well as the sale of DermSafe hand sanitizer, the Company's first non-cannabis product. As the operations comprise a single reporting segment, amounts disclosed in the financial statements also represent segment amounts.

The operating segment of the Company is defined as a component of the Company for which separate financial information is available and is evaluated regularly by the chief operating decision maker in allocating resources and assessing performance. The chief operating decision maker of the Company is the Chief Executive Officer.

The Company has one group of similar products due to having a similar underlying technology, class of customers, and economic characteristics.

Revenue

	March 31, 2022	March 31, 2021
Canada	$ 871	$ 11,252
United States	37,681	41,903
Mexico	-	20,338
	$ 38,552	$ 73,493

Total Long-Lived Assets

	March 31, 2022	December 31, 2021
United States	$ 9,569	$ 11,709
	$ 9,569	$ 11,709

The majority of the revenue earned in the United States of America are generated from one major customer.

(Expressed in Canadian dollars)

12. RELATED PARTY TRANSANCTIONS

Key management compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers. The remuneration of directors and key management personnel is as follows:

		March 31, 2022		March 31, 2021
Management fees	$	87,902	$	91,833
Director fees		2,000		2,000
	$	89,902	$	93,833

Related party transactions and balances

As at March 31, 2022, trade and other payables consists of $10,237 (December 31, 2021 - $8,200) in directors fees, royalties, consulting fees, expense reimbursements, and rent expense owed to related parties. These amounts are non-interest bearing, unsecured and due on demand.

As at March 31, 2022, trade and other receivables includes $209 (December 31, 2021 - $209) owing from a director of the Company. This amount is non-interest bearing, unsecured and due on demand.

During the three months ended March 31, 2022, the Company incurred $3,000 (2021 - $3,000) in consulting fees to a Company owned by the CFO's spouse. As at March 31, 2022, the Company owed $1,050 (December 31, 2021 - $l,050) to this related party.

During the three months ended March 31, 2022 the Company incurred $6,200 (2021 - $6,000) in rent expenses to a Company controlled by a director and CFO of the Company. As at March 31, 2022, the Company owed $3,150 (December 31, 2021 - $3,150) to this related party.

During the three months ended March 31, 2022, the Company incurred $nil (2021 - $16,253) in rent expense, and $37 (2021 - $1,653) in royalties to a Company with a common CEO and director. As at March 31, 2022, the Company owed $37 (December 31, 2021 - $nil) to this related party.

13. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue its operations and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk. The Company considers its capital for this purpose to be its promissory notes, convertible notes and shareholders' equity.

The Company's primary source of capital is through the issuance of convertible notes and equity. The Company manages and adjusts its capital structure when changes in economic conditions occur. To maintain or adjust the capital structure, the Company may seek additional funding. The Company may require additional capital resources to meet its administrative overhead expenses in the long term. The Company believes it will be able to raise capital as required in the long term but recognizes there will be risks involved that may be beyond its control. There are no external restrictions on the management of capital.