

Interim condensed consolidated financial statements of

**GeneTether Therapeutics Inc.**

For the three months ended March 31, 2023 and 2022  
(expressed in United States dollars)  
(unaudited)

**GeneTether Therapeutics Inc.**  
**Interim Condensed Consolidated Statements of Financial Position**  
(Expressed in United States dollars)  
(Unaudited)

As at	Notes	March 31, 2023	December 31, 2022
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash		1,678,440	1,795,630
Prepaid expenses and other receivables		11,012	148,493
Total current assets		<b>1,689,452</b>	1,944,123
<b>Total assets</b>		<b>1,689,452</b>	1,944,123
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		98,099	87,419
Total current liabilities		<b>98,099</b>	87,419
<b>Total liabilities</b>		<b>98,099</b>	87,419
<b>Shareholders' equity</b>			
Share capital	3, 5	4,185,116	4,175,438
Contributed surplus	3, 4, 5	1,424,023	1,476,381
Accumulated deficit		(3,798,534)	(3,594,197)
Accumulated other comprehensive loss		(219,252)	(200,918)
Total shareholders' equity		<b>1,591,352</b>	1,856,704
<b>Total liabilities and shareholders' equity</b>		<b>1,689,451</b>	1,944,123
Commitments and contingencies	7		

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

**GeneTether Therapeutics Inc.**  
**Interim Condensed Consolidated Statements of Loss and Comprehensive Loss**  
(Expressed in United States dollars, except share amounts)  
(Unaudited)

		Three months ended March 31, 2023	Three months ended March 31, 2022
	Notes	\$	\$
<b>Expenses</b>			
Research and development	10	14,389	114,449
General and administrative	10	197,353	362,935
<b>Total operating expenses</b>		<b>211,742</b>	<b>477,384</b>
<b>Loss from operations</b>		<b>(211,742)</b>	<b>(477,384)</b>
Interest income		7,760	—
Foreign exchange loss		(356)	(2,278)
<b>Net loss for the period</b>		<b>(204,338)</b>	<b>(479,662)</b>
Net loss per share, basic and diluted	6	(0.00)	(0.01)
Weighted average number of shares outstanding – basic and diluted	6	48,409,139	38,900,476
Cumulative translation adjustment		(18,334)	328
<b>Comprehensive loss for the period</b>		<b>(222,672)</b>	<b>(479,990)</b>

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

**GeneTether Therapeutics Inc.**  
**Interim Condensed Consolidated Statements of Cash Flows**

(Expressed in United States dollars)

(Unaudited)

	Three months ended March 31, 2023	Three months ended March 31, 2022
	\$	\$
<b>Operating activities</b>		
Net loss for the period	(204,338)	(479,662)
Add items not affecting cash		
Share-based compensation	(42,680)	300,657
Foreign exchange loss	356	2,278
Changes in non-cash working capital balances		
Deferred share issuance cost	—	190,614
Prepaid expenses	137,481	(167,888)
Trade and other payables	10,680	72,693
<b>Cash used in operating activities</b>	<b>(98,501)</b>	<b>(81,308)</b>
<b>Financing activities</b>		
Proceeds from issuance of common shares, net of issuance costs	—	3,007,690
<b>Cash provided by financing activities</b>	<b>—</b>	<b>3,007,690</b>
<b>Effect of foreign exchange on cash</b>	<b>(18,688)</b>	<b>(1,950)</b>
<b>Net increase</b>	<b>(117,190)</b>	<b>2,924,432</b>
Cash, beginning of period	1,795,630	179,834
<b>Cash, end of period</b>	<b>1,678,440</b>	<b>3,104,266</b>

**Other non-cash transactions:**

Agent units and compensation warrants issued (notes 3 and 5) —

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

**GeneTether Therapeutics Inc.**  
**Interim Condensed Consolidated Statements of Changes in Shareholders' Equity**  
(Expressed in United States dollars, except share amounts)  
(Unaudited)

		Common shares		Contributed surplus	Deficit	Accumulated other comprehensive loss	Total
	Notes	#	\$	\$	\$		\$
<b>Balance, December 31, 2021</b>		<b>38,505,450</b>	<b>1,248,027</b>	<b>788,143</b>	<b>(1,878,945)</b>	<b>—</b>	<b>157,225</b>
Issuance of common shares for the Offering	3	7,500,000	3,597,410	—	—	—	3,597,410
Share issuance costs (cash)	3	—	(589,720)	—	—	—	(589,720)
Share issuance costs (Agent's Units and Compensation Warrants)	3, 5	—	(252,059)	252,059	—	—	—
Issuance of common shares for the vesting of restricted common stock	3	1,778,229	129,097	—	—	—	129,097
Share-based compensation, vesting of stock options	4	—	—	171,560	—	—	171,560
Currency translation adjustment		—	—	—	—	328	328
Net loss		—	—	—	(479,662)	—	(479,662)
<b>Balance, March 31, 2022</b>		<b>47,783,679</b>	<b>4,132,755</b>	<b>1,211,762</b>	<b>(2,358,607)</b>	<b>328</b>	<b>2,986,238</b>
<b>Balance, December 31, 2022</b>		<b>48,376,563</b>	<b>4,175,438</b>	<b>1,476,381</b>	<b>(3,594,197)</b>	<b>(200,918)</b>	<b>1,856,704</b>
Issuance of common shares for the vesting of restricted common stock	3	197,628	9,678	—	—	—	9,678
Share-based compensation, vesting of stock options	4	—	—	(52,359)	—	—	(52,359)
Currency translation adjustment		—	—	—	—	(18,334)	(18,334)
Net loss		—	—	—	(204,338)	—	(204,338)
<b>Balance, March 31, 2023</b>		<b>48,574,191</b>	<b>4,185,116</b>	<b>1,424,023</b>	<b>(3,798,534)</b>	<b>(219,252)</b>	<b>1,591,352</b>

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

## **GeneTether Therapeutics Inc.**

### **Notes to the unaudited interim condensed consolidated financial statements**

For the Periods Ended March 31, 2023 and 2022

(expressed in United States dollars unless otherwise indicated)

#### **1. Nature of business**

GeneTether Therapeutics Inc. (“GeneTether”, or together with its wholly-owned subsidiary GeneTether Inc., the “Company”) is a biopharmaceutical company focused on the development of high efficiency precision gene editing. The Company was formed on October 13, 2021 in British Columbia, Canada, and GeneTether Inc. (“GT Inc.”) was incorporated in Delaware on February 12, 2018.

The Company’s registered and records office is located in Kelowna, British Columbia, Canada.

On March 29, 2022, the Company announced that it closed its initial public offering (“IPO”) of the Company’s shares and concurrent private placement for an issuance of 7,500,000 units at a price of C\$0.60 per unit for gross proceeds of C\$4,500,000. The Company’s common shares commenced trading on the Canadian Securities Exchange (“CSE”) under the symbol “GTTX” on March 30, 2022 (see Note 3).

#### **Going concern**

The consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. As at March 31, 2023, the Company is pre-revenue, has not initiated commercial sale of product and has an accumulated deficit of \$3,798,534 (December 31, 2022 - \$3,594,197). The Company’s working capital position as at March 31, 2023 was \$1,591,353 (December 31, 2022- \$1,856,704).

Management has forecasted the Company will have sufficient working capital to operate for the ensuing 12 months. While the Company has been successful in the past in obtaining financing, there can be no assurance that the Company will be able to obtain adequate financing, or that such financing will be on terms acceptable to the Company, to meet future operational needs which may result in the delay, reduction, or discontinuation of ongoing developments. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

#### **2. Basis of presentation**

##### **Statement of compliance**

These consolidated financial statements have been prepared by management in accordance with generally accepted accounting principles in Canada for publicly accountable enterprises, as set out in the *CPA Canada Handbook – Accounting*, which incorporates International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and the Interpretations of the International Financial Reporting and Interpretations Committee (“IFRIC”). The policies set out below have been consistently applied to all periods presented, unless otherwise noted.

These consolidated financial statements were approved and authorized for issuance by the Company’s Board of Directors on May 25, 2023.

##### **Principles of Consolidation**

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, GT Inc. The financial statements for the subsidiary are prepared for the same reporting period as the Company using consistent accounting policies. Intercompany transactions, balances, and gains and losses on transactions between subsidiaries are eliminated upon consolidation.

## **GeneTether Therapeutics Inc.**

### **Notes to the unaudited interim condensed consolidated financial statements**

For the Periods Ended March 31, 2023 and 2022

(expressed in United States dollars unless otherwise indicated)

#### **Basis of measurement**

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value. Historical costs are generally based upon the fair value of the consideration given in exchange for goods and services received. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

#### **Functional currency and presentation currency**

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of GeneTether is the Canadian dollar, and the functional currency of GT Inc. is the United States ("US") dollar.

These consolidated financial statements are presented in U.S. dollars, and all references to "\$" are to U.S. dollars. References to "C\$" are to Canadian dollars.

#### **Significant accounting policies, estimates and judgments**

The preparation of these consolidated financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities as at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Estimates are based on management's best knowledge of current events and actions that the Company may undertake in the future. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future, and other key sources of estimation uncertainty, as of the date of the unaudited interim condensed consolidated financial statements, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities, within the next fiscal year arise in connection with the valuation of stock-based compensation.

#### **New accounting policy**

No new standards, amendments to standards, or interpretations which may have a material impact on the Company's unaudited interim condensed consolidated financial statements have taken effect or have been applied in preparing these financial statements.

## GeneTether Therapeutics Inc.

### Notes to the unaudited interim condensed consolidated financial statements

For the Periods Ended March 31, 2023 and 2022

(expressed in United States dollars unless otherwise indicated)

### 3. Share capital

#### (a) Authorized

Unlimited common shares.

#### (b) Share issuances

##### (i) IPO and Concurrent Private Placement (“the Offering”)

On March 29, 2022, the Company announced it closed its Offering, following which the Company’s common shares commenced trading on the CSE under the symbol “GTTX” on March 30, 2022.

Under the Offering, the Company issued an aggregate of 7,500,000 units (“Offering Unit”) at a price of C\$0.60 per unit for aggregate gross proceeds of C\$4,500,000. Each Offering Unit consists of one common share, and one common share purchase warrant (“Offering Warrant”). Each Offering Warrant is exercisable into one common share at an exercise price of C\$0.72 until March 29, 2025. As at December 31, 2021, the Company recorded \$190,614 in expenses directly related to the Offering as deferred share issuance cost.

In connection with the IPO, on March 21, 2022, the Company entered into an agency agreement (the “Agency Agreement”) with Research Capital Corporation (“RCC” or “the Agent”), under which the Agent is eligible to receive 8% of the gross proceeds of the IPO in the form of a cash fee and compensation units (“Broker Units”). Each Broker Unit consists of one common share, and one common share purchase warrant (“Compensation Unit Warrant”), which entitles the Agent to purchase one additional common share at a price of C\$0.72 until March 29, 2025. In addition, the Agent is entitled to receive a management fee of C\$45,000, representing 1% on the gross proceeds of the IPO and concurrent private placement, as well as 4% of the gross proceeds of the concurrent private placement in the form of Broker Units, and a corporate finance fee of C\$166,000 in cash. Further, in accordance with the terms of the Agency Agreement, directors, officers, and insiders of the company have agreed to a 180-day lock-up period on the common shares of other securities of the Company (the “Subject Securities”) that they each hold. In addition, the directors, officers, and insiders have entered into an escrow agreement pursuant to which their Subject Securities will be held in escrow and released over a period of 36 months.

Including the cash fees paid to the Agent as described above, the estimated total cash share issuance cost in connection with the Offering is approximately \$600,000 (C\$751,000), resulting in a total share issuance cost of approximately \$852,000 (C\$1,066,000), and net proceeds of approximately \$2,745,000 (C\$3,434,000). The gross and net proceeds from the Offering are summarized below:

<b>Offering Closing Date – March 29, 2022</b>	<b>March 29, 2022</b>
Issue price per unit	C\$0.60
Common shares issued	7,500,000
Warrants issued (C\$0.72 exercise price)	7,500,000
<b>Cash Gross proceeds</b>	<b>C\$4,500,000</b>
<i>Share issuance costs:</i>	
<i>Cash fee to Agent</i>	<i>C\$(237,832)</i>
<i>Other cash share issuance costs</i>	<i>C\$(512,782)</i>
<i>Non-cash compensation to Agent</i>	<i>C\$(315,300)</i>
<b>Net Proceeds from the Offering</b>	<b>C\$3,434,085</b>



## GeneTether Therapeutics Inc.

### Notes to the unaudited interim condensed consolidated financial statements

For the Periods Ended March 31, 2023 and 2022

(expressed in United States dollars unless otherwise indicated)

#### *Agent Units and Compensation Warrants issued*

In connection with the Agency Agreement, the Agent received the following non-cash compensation for the issuance of Agent Units and Compensation Warrants as part of the Offering:

	# of potential shares to be issued upon exercise	C\$
<b>Agent Units</b>		
Common shares	322,360	\$193,416
Units (C\$0.60 exercise price)		\$66,567
Agent's Compensation Warrants (C\$0.72 exercise price)	322,360	\$55,317
<b>Total Non-Cash Compensation to Agent</b>	<b>644,720</b>	<b>\$315,300</b>

The share issuance cost arising from the grant of Agent Units and the underlying Agent Compensation Warrants recognized during the year ended December 31, 2022 was \$97,437 (C\$121,884) using the Black-Scholes option pricing model, resulting in total non-cash issue cost to the Agent of \$252,059 (C\$315,300). For purposes of fair value calculations, the following summarizes the weighted average assumptions used for the Black-Scholes valuation model:

	Agent Units	Compensation Warrants
Share price	C\$0.60	C\$0.60
Exercise price	C\$0.60	C\$0.72
Expected life	1.5 years	1.5 years
Volatility	72.77%	72.77%
Risk-free interest rate	0.022%	0.022%
<b>Total fair value per award</b>	<b>C\$0.2065</b>	<b>C\$0.1716</b>
# of Awards issued	322,360	322,360
<b>Total fair value (non-cash share issuance cost to Agent)</b>	<b>C\$66,567</b>	<b>C\$55,317</b>

#### (ii) Restricted common shares

In December 2020, the Company issued 4,742,217 common shares to each of two members of the Board of Directors, subject to repurchase provisions ("Repurchase Option") whereby the Company has the right to repurchase the common shares at \$0.0001 in the event the relationship with the restricted common shareholders terminates for any reason, no reason with or without cause. The restricted common shares vest (ie. are released from the Repurchase Option) in equal monthly amounts over three years with the last increment vesting on December 15, 2023. Vesting will accelerate to 100% upon the event of a change of control.

Following the completion of the Company's IPO on March 29, 2022, in accordance with the terms of the Restricted Stock Purchase Agreement of one member of the Board of Directors, 1,382,976 restricted common shares, representing the total vested restricted common shares for the one member of the Board of Directors as at that date, became fully vested, resulting in a non-cash share-based compensation expense of \$98,744 for the accelerated vesting.

During the three months ended March 31, 2023, the Company recognized a total of approximately \$9,700 of share-based compensation expenses related to restricted common shares (March 31, 2022 - \$129,000). As at March 31, 2023, 4,742,217 restricted common shares were outstanding (December 31, 2022 - 4,742,217), of which 4,149,747 restricted common shares have vested (December 31, 2022 - 3,952,121) and 592,470 (December 31, 2022 - 790,096) remain subject to the Repurchase Option.

## GeneTether Therapeutics Inc.

### Notes to the unaudited interim condensed consolidated financial statements

For the Periods Ended March 31, 2023 and 2022

(expressed in United States dollars unless otherwise indicated)

#### (c) Escrowed securities

In connection with the Offering completed on March 29, 2022, the directors, officers, and insiders have entered into an escrow agreement pursuant to which their securities will be held in escrow and released over a period of 36 months. As at March 31, 2023, 24,228,525 common shares, 3,787,948 warrants, and 3,504,529 stock options remain under escrow.

#### (d) Shares outstanding

Reconciliation of the Company's share capital is as follows:

	Common Shares	
	#	\$
Balance, December 31, 2022	48,376,563	4,175,438
Vesting of restricted common shares	197,628	9,678
Balance, March 31, 2023	48,574,191	4,185,116

## 4. Stock options

On January 26, 2022, the Company's Board of Directors approved the GeneTether Equity Plan (the "Plan"), under which any future stock options and incentive awards will be granted subsequent to the completion of the Offering. The aggregate number of Common Shares issuable upon the exercise of all Options granted under the Plan and GT Inc.'s legacy option plan ("Legacy Plan") has been fixed at 20% of the Company's issued and outstanding Common Shares, on a non-diluted basis, following the completion of the Offering, being 9,833,330 Common Shares.

During the three months ended March 31, 2023 and 2022, there were no stock options granted. During the three months ended March 31, 2023, 1,534,400 stock options were forfeited due to the amendments of certain consulting contracts.

The following table is a summary of the Company's stock options at March 31, 2023:

Options Outstanding			Options Exercisable		
Exercise Price	Outstanding #	Weighted average remaining contractual life (years)	Weighted Average Exercise price \$	Exercisable #	Weighted Average Exercise price \$
0.146	8,263,736	8.5	0.146	5,742,343	0.146
	<b>8,263,736</b>	<b>8.5</b>	<b>0.146</b>	<b>5,742,343</b>	<b>0.146</b>

As at March 31, 2023, of the 8,263,736 stock options outstanding, 3,504,529 stock options remain in escrow (see note 3c).

The Company recognized approximately \$52,400 of share-based compensation expense reversal during the three months ended March 31, 2023 (2022 -\$171,600 expense) related to stock options vesting, net of forfeitures.

## GeneTether Therapeutics Inc.

### Notes to the unaudited interim condensed consolidated financial statements

For the Periods Ended March 31, 2023 and 2022

(expressed in United States dollars unless otherwise indicated)

#### 5. Warrants

During the three months ended March 31, 2022, the Company closed its Offering and issued an aggregate of:

- 7,500,000 Offering Warrants, exercisable into one common share at an exercise price of C\$0.72 until March 29, 2025
- 322,360 Agent Units, exercisable into one common share and one Compensation Warrant at an exercise price of C\$0.60 until March 29, 2025
- 322,360 Compensation Warrants, exercisable into one common share at an exercise price of C\$0.72 until March 29, 2025

No warrants were issued during the three months ended March 31, 2023. The following table summarizes warrants outstanding and exercisable as at March 31, 2023:

Outstanding #	Exercise Price	Expiry Date
7,822,360	C\$0.60	March 29, 2025
322,360	C\$0.72	March 29, 2025
<b>8,144,720</b>		

#### 6. Loss per share

Net loss per common share represents net loss attributable to common shareholders divided by the weighted average number of common shares outstanding during the period.

Diluted loss per common share is calculated by dividing the applicable net loss by the sum of the weighted average number of common shares outstanding and all additional common shares that would have been outstanding if potentially dilutive common shares had been issued during the period.

For all the periods presented, diluted loss per share equals basic loss per share due to the anti-dilutive effect of the stock options, restricted shares, and warrants. The outstanding number and type of securities that could potentially dilute basic net loss per share in the future but would have decreased the loss per share (anti-dilutive) for the three months ended March 31, 2023 and 2022 presented are as follows:

	2023	2022
	#	#
Stock options	8,263,736	9,798,135
Warrants	8,144,720	1,382,976
Restricted common shares	592,470	8,144,720
<b>Outstanding as at March 31</b>	<b>17,000,926</b>	<b>19,325,831</b>

## GeneTether Therapeutics Inc.

### Notes to the unaudited interim condensed consolidated financial statements

For the Periods Ended March 31, 2023 and 2022

(expressed in United States dollars unless otherwise indicated)

#### 7. Commitments and contingencies

##### *Commitments*

As at March 31, 2023, the Company had no long-term commitments.

##### *Contingencies*

In the ordinary course of business, from time to time, the Company may be involved in various claims related to operations, rights, commercial, employment or other claims. Although such matters cannot be predicted with certainty, management does not consider the Company's exposure to such claims to be material to these consolidated financial statements.

#### 8. Related party transactions

Key management personnel compensation during the three months ended March 31, 2023, and 2022 consisted of the following:

	<u>2023</u>	<u>2022</u>
	\$	\$
Salaries and benefits	-	-
Share-based compensation	43,086	251,048
Other (consulting fees, fees paid to related parties)	56,340	87,537
<b>Total</b>	<b>99,426</b>	<b>338,585</b>

On March 29, 2022, two independent members of the Board and the CEO participated in the Offering, and acquired 5,883,824 Units at C\$0.60 per Unit for a total of C\$3,530,294, in aggregate. Each Unit consists of one Common Share, and one Warrant which is exercisable into one additional Common Share at an exercise price of C\$0.72 until March 29, 2025.

Following the completion of the Company's IPO on March 29, 2022, in accordance with the terms of the Restricted Stock Purchase Agreement of one member of the Board of Directors, 1,382,976 restricted Common Shares, representing the total unvested restricted Common Shares for the one member of the Board of Directors as at that date, became fully vested, resulting in a non-cash share-based compensation expense of \$98,744 for the accelerated vesting (see note 3b(ii)).

#### 9. Financial instruments and risk management

The Company's financial instruments are exposed to certain risks as summarized below.

##### **Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from deposits with banks and outstanding receivables. The Company does not hold any collateral as security but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance.

##### **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's exposure to liquidity risk is dependent on the Company's ability to raise additional financing to meet its commitments and sustain operations. The Company mitigates liquidity risk by management of working capital, cash flows and the issuance of share capital.

## GeneTether Therapeutics Inc.

### Notes to the unaudited interim condensed consolidated financial statements

For the Periods Ended March 31, 2023 and 2022

(expressed in United States dollars unless otherwise indicated)

As at March 31, 2023, the Company does not have any material contractual maturities and the Company's liabilities consist of current accounts payable.

#### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

##### *Currency risk*

Currency risk is the risk to the Company's earnings that arises from fluctuations of foreign exchange rates. The Company is exposed to currency risk from the consulting fees as well as the purchase of goods and services primarily in the United States and cash and cash equivalent balances held in foreign currencies. Fluctuations in the US dollar exchange rate could have a significant impact on the Company's results. Assuming all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against the US dollar would result in an immaterial increase or decrease in loss and comprehensive loss for the period ended March 31, 2023. Prior to January 1, 2022, the Company had minimal exposure to currency risk, as the Company operated primarily in the United States through its U.S. operating subsidiary, GT Inc., and held all cash in the US dollar, which was also the functional currency of GT Inc.

Balances in US dollars are as follows:

	<b>March 31, 2023</b>
	<b>\$</b>
Cash	<b>40,183</b>
Accounts payable and accrued liabilities	<b>(29,343)</b>
<b>Total</b>	<b>10,840</b>

##### *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no outstanding debt and is not exposed to interest rate risk as at March 31, 2023.

##### *Other price risk*

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to other price risks as at March 31, 2023.

#### Fair values

The carrying values of cash and trade and other payables approximate the fair values due to the short-term nature of these items. The risk of material change in fair value is not considered to be significant due to a relatively short-term nature. The Company does not use derivative financial instruments to manage this risk.

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The Company categorizes its fair value measurements according to a three-level hierarchy. The hierarchy prioritizes the inputs used by the Company's valuation techniques. A level is assigned to each fair value measurement based on the lowest-level input significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are defined as follows:

## GeneTether Therapeutics Inc.

### Notes to the unaudited interim condensed consolidated financial statements

For the Periods Ended March 31, 2023 and 2022

(expressed in United States dollars unless otherwise indicated)

- Level 1 – Unadjusted quoted prices as at the measurement date for identical assets or liabilities in active markets.
- Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 – Significant unobservable inputs that are supported by little or no market activity. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

#### 10. Components of expenses

	Three months ended March 31,	
	2023	2022
	\$	\$
<b>Research and development (“R&amp;D”) expenses</b>		
Consulting fees	49,311	48,411
Patent and IP	3,189	9,009
Research contracts and laboratory expenses	25,078	2,299
Laboratory rent and insurance	16,000	-
Share-based compensation	(80,115)	54,730
Other R&D	926	-
	<b>14,389</b>	<b>114,449</b>
	Three months ended March 31,	
	2023	2022
	\$	\$
<b>General and administrative (“G&amp;A”) expenses</b>		
Consulting fees	44,430	69,537
Investor relations and filing fees	27,003	39,746
Legal and professional fees	17,780	4,287
Share-based compensation	37,433	245,927
Insurance and other G&A	70,797	3,438
	<b>197,353</b>	<b>362,935</b>