



Placentia, CA 92870

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SIC Code: Primary: 2835

Initial Disclosure Report

Quarterly Report

For the period ending March 31, 2024 (the "Reporting Period")

The number of shares outstanding of our Common Stock is 22,759,809 as of May 14, 2024

The number of shares outstanding of our Common Stock was 22,759,809 as of the fiscal year end September 30, 2023 and December 31, 2023 (previous reporting period)

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: No: (Double-click and select "Default Value" to check)

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: No:

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

Yes: No:

¹ "Change in Control" shall mean any events resulting in:

- (i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or condition.

Part A General Company Information

Item 1 **The exact name of the issuer and its predecessor (if any).**

In answering this item, please also provide any names used by predecessor entities in the past five years and the dates of the name changes.

Answer. The Company was incorporated in California on September 19, 1985, under the name Cherchez Corp. On October 22, 1985, the Company changed its name to National Testing Corporation. On October 19, 1989, the Company changed its name to Ropak Laboratories. On April 1, 1992, the Company changed its name to InVitro International and has not used any other names since.

Item 2 **The address of the issuer's principal executive offices and address(es) of the issuer's principal place of business:**

In answering this item, please also provide (i) the telephone of the issuer's principal executive offices, (ii) if applicable, the URL of each website maintained by or on behalf of the issuer, and (iii) if applicable, the name, phone number, email address, and mailing address of the person responsible for the issuer's investor relations.

Answer.

330 E. Orangethorpe Avenue, Suite D, Placentia, CA 92870

(949) 851-8356

www.invitrointl.com

invitro@invitrointl.com

Check box if principal executive office and principal place of business are the same address:

Item 3 **The jurisdiction(s) and date of the issuer's incorporation or organization:**

In answering this item, please provide the state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years. Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive).

Answer.

Current State and Date of Incorporation or Registration: California (September 19, 1985)

Standing in this jurisdiction: (e.g. active, default, inactive): Active

Part B Share Structure

Item 4 **The exact title and class of securities outstanding.**

In answering this item, provide the exact title and class of each class of outstanding securities. In addition, please provide the CUSIP and trading symbol.

Answer.

<u>Class</u>	<u>Trading Symbol</u>	<u>CUSIP</u>
Common Stock	IVRO	461853103
Preferred Stock	N/a	None.

Item 5 **Par or stated value and description of the security.**

- A. *Par or Stated Value.* Provide the par or stated value for each class of outstanding securities.

Answer.

Common Stock: no par value
Preferred Stock: no par value

- B. *Common or Preferred Stock.*

1. For common equity, describe any dividend, voting and preemption rights.

Answer. Voting rights are one (1) per share of common stock outstanding. Dividends may be declared and paid in the discretion of the Board of Directors from time to time, subject to Preferred Stock rights, if any. There are no preemption rights.

2. For preferred stock, describe the dividend, voting, conversion and liquidation rights as well as redemption or sinking fund provisions.

Answer. The Company currently has 1,000,000 shares of no-par preferred stock authorized. The shares may be issued in the future in one or more series as determined by the Company's Board of Directors. No shares of preferred stock are outstanding. Prior to issuance, the Board of Directors may set the dividend rate, the cumulative or non-cumulative nature of the dividends, and the redemption, liquidation, conversion and voting rights of the shares

3. Describe any other material rights of common or preferred stockholders.

Answer. None.

4. Describe any provision in the issuer's charter or by-laws that would delay, defer or prevent a Change in Control of the issuer.

Answer. None.

Item 6 The number of shares or total amount of the securities outstanding for each class of securities authorized.

In answering this item, provide the information below for each class of securities authorized. Please provide this information (i) as of the end of the issuer's most recent fiscal quarter and (ii) as of the end of the issuer's last two fiscal years.

- (i) Period end date;
- (ii) Number of shares authorized;
- (iii) Number of shares outstanding;
- (iv) Freely tradable shares (public float);
- (v) Number of beneficial shareholders owning at least 100 shares²; and
- (vi) Total number of shareholders of record.

Answer.

Exact title and class of securities outstanding:	Common Stock
Period end date:	March 31, 2024
Number of shares authorized:	40,000,000
Number of shares outstanding:	22,759,809
Freely tradeable shares (Public Float):	15,238,629
Number of beneficial shareholders	

² Securities quoted on OTCQX U.S. must have at least 50 beneficial shareholders each owning at least 100 shares. Securities quoted on OTCQX U.S. Premier must have at least 100 beneficial shareholders each owning at least 100 shares.

owning at least 100 shares: 301
Total number of shareholders of record: 339

Exact title and class of securities outstanding: Preferred Stock

Period end date: March 31, 2024
Number of shares authorized: 1,000,000
Number of shares outstanding: 0
Freely tradeable shares (Public Float): 0
Number of beneficial shareholders
owning at least 100 shares: 0
Total number of shareholders of record: 0

Item 7 The name and address of the transfer agent*.

In answering this item, please also provide the telephone number of the transfer agent, indicate whether or not the transfer agent is registered under the Exchange Act, and state the appropriate regulatory authority of the transfer agent.

*To be included in OTCQX or OTCQB, the issuers whose securities are incorporated in the U.S. or Canada *must* have a transfer agent registered under the Exchange Act.

Answer.

Name: Pacific Stock Transfer
Phone: 702.361.3033 ext.102, Toll Free - 800.785.PSTC (7782)
Email: jclaiborne@pacificstocktransfer.com
Address: 6725 Via Austi Pkwy, Suite 300, Las Vegas, Nevada 89119
Registered under the Exchange Act: Yes
Regulatory Authority: Securities and Exchange Commission

Part C Business Information

Item 8 The nature of the issuer's business.

In describing the issuer's business, please provide the following information:

A. **Business Development.** Describe the development of the issuer and material events during the last three years so that a potential investor can clearly understand the history and development of the business. If the issuer has not been in business for three years, provide this information for any predecessor company. This business development description must also include:

1. the form of organization of the issuer (e.g., corporation, partnership, limited liability company, etc.);

Answer: Corporation

2. the year that the issuer (or any predecessor) was organized;

Answer: 1985

3. the issuer's fiscal year end date;

Answer: September 30

4. whether the issuer (or any predecessor) has been in bankruptcy, receivership or any similar proceeding;

Answer: None.

5. any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets;

Answer: None.

6. any default of the terms of any note, loan, lease, or other indebtedness or financing arrangement requiring the issuer to make payments;

Answer: None

7. any change of control;

Answer: No.

8. any increase of 10% or more of the same class of outstanding equity securities;

Answer: None.

9. any past, pending or anticipated stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization;

Answer: None.

10. any delisting of the issuer's securities by any securities exchange; and

Answer: None.

11. any current, past, pending or threatened legal proceedings or administrative actions either by or against the issuer that could have a material effect on the issuer's business, financial condition, or operations and any current, past or pending trading suspensions by a securities regulator. State the names of the principal parties, the nature and current status of the matters, and the amounts involved.

Answer: The Company may be a party to legal proceedings from time to time in the ordinary course of business. No such proceedings are pending at the present time.

B. Business of Issuer. Describe the issuer's business so a potential investor can clearly understand it.

Answer: InVitro International, Inc. (the "Company"), headquartered in Placentia, California, was founded in 1985 and is a customer and technology-driven provider of non-animal testing methods. The Company's testing technologies are designed to produce data regarding corrosivity, or ocular/dermal irritation, which correlate with animal and human test results. This technology is commercialized through test kits and laboratory services globally.

The Company is a pioneer in the field of non-animal testing and was first to develop and commercialize its flagship product Corrositex® in 1991. The global regulatory bodies that govern non-animal testing did not exist at the time. These regulatory bodies started to evolve in the early 2000's and then consolidated into a more robust global regulatory system in the last few years. Organization for Economic Co-operation and Development (OECD) is the foremost regulatory body today with 45 member countries, including the US, and covers more than 80% of the world of commerce.

In 2014, Corrositex® was adopted by OECD, with the publication of Test Guideline (TG) 435. Following this regulatory approval, Corrositex®, became Global Harmonization System (GHS) accepted as a full replacement for animal test results virtually everywhere in the world of commerce. The OECD/European Centre for the Validation of Alternative Methods (ECVAM), Transport Canada, U.S. DOT, EPA, OSHA, Consumer Product Safety Commission, FDA, and the International Air Transport Authority (IATA) all have accepted Corrositex® as an alternative as well.

In November 2019, the OECD published Test Guideline (TG) 496, the final step in the adoption of the Company's now 30-year-old core technology, Ocular Irritation® (OI). OI thus completes an eleven-year effort to become the first 100% animal free ocular irritancy test method to be OECD accepted, validated, and adopted for 45 countries, including the U.S.

Each of the above-mentioned Regulatory Advancements are the result of many years in a strategic alliance with INT.E.G.RA in Italy. The Company partnership sells and distributes both laboratory test results and kits in Italy and several European markets. In addition, the partnership coordinates and facilitates regulatory approvals and acceptances from authorities and agencies within the OECD. The Company has over a dozen testing laboratory partnerships globally to help commercialize its technology.

To the extent material to an understanding of the issuer, please also include the following:

- 1.the issuer's primary and secondary SIC Codes;

Answer: Primary Standard Industrial Code ("SIC") is 2835. It does not have a secondary SIC

- 2.if the issuer has never conducted operations, is in the development stage, or is currently conducting operations;

Answer: Currently conducting operations.

- 3.whether the issuer has at any time been a "shell company";³

Answer: No

Instruction to paragraph B.3 of Item 8:

The issuer must attest that it is not currently a shell company. If the issuer discloses that it was formerly a shell company, it must also include the following disclosure on the front page of its disclosure statement in boldface, 12 point type:

"We previously were a shell company, therefore the exemption offered pursuant to Rule 144 is not available. Anyone who purchased securities directly or indirectly from us or any of our affiliates in a transaction or chain of transactions not involving a public offering cannot sell such securities in an open market transaction."

4. *the names and contact information of any parent, subsidiary, or affiliate of the issuer, and its business purpose, its method of operation, its ownership, and whether it is included in the financial statements attached to this disclosure statement;*

Answer: None.

5. *the effect of existing or probable governmental regulations on the business;*

Answer:

The Company operates in an unregulated industry, and is not effected by any government regulations on its business nor does it anticipate any change in regulations which might have a material effect on the business.

³ For the purpose of this section a "shell company" means an issuer, other than a business combination related shell company, as defined by Securities Act Rule 405, or an asset-backed issuer, as defined by Item 1101(b) of Regulation AB, that has:

(1) No or nominal operations; and

(2) Either:

(A) No or nominal assets;

(B) Assets consisting solely of cash and cash equivalents; or

(C) Assets consisting of any amount of cash and cash equivalents and nominal other assets.

The Organization for Economic Co-operation and Development (OECD) is the foremost regulatory body today governing non-animal testing with 45 member countries, including the US, and covers more than 80% of the world of commerce. The Company's technology is OECD approved.

6. *an estimate of the amount spent during each of the last two fiscal years on research and development activities, and, if applicable, the extent to which the cost of such activities were borne directly by customers;*

Answer: During each of the last two fiscal years ended September 30, 2023 and 2022, the Company spent \$13,149 and \$88,081, respectively, on research and development activities. The costs consist primarily of compensation and materials associated with the R&D of the Company's technologies. The cost of such activities are not borne directly by customers.

7. *costs and effects of compliance with environmental laws (federal, state and local); and*

Answer: The Company complies with all federal, state and local hazardous waste disposal and environmental laws, the costs of which are not material to the Company's financial position.

8. *the number of total employees and number of full-time employees.*

Answer: The Company has 6 total employees of which all are full-time.

For issuers engaged in mining, oil and gas production and real estate activities, substantial additional disclosure of the issuer's business is required. Contact OTC Markets Group for more information.

Item 9 The nature of products or services offered.

In responding to this item, please describe the following so that a potential investor can clearly understand the products and services of the issuer:

- A. principal products or services, and their markets;

Answer: The Company produces and sells in vitro assay kits to detect, rank and predict the potential level of irritancy, toxicity or corrosivity of substances on human eye (ocular) and/or skin tissue (dermal). It sells its products direct to customers, independent partner laboratories, and agents in the United States, Europe, Latin America, and Asia. It also conducts laboratory testing for those customers who prefer not to conduct their own tests.

An "in vitro" assay measures a substance of clinical interest without the use of live animal tissue. In vitro is Latin for "in glass." Tests using live animal tissue are known as "in vivo" (Latin for "in living"). Toxicity testing traditionally required the use of live animals or living animal tissue as a means of predicting the effect of various substances on human tissue. In recent years, in vitro tests have become Regulatory accepted substitutes for some in vivo testing due to increased social concerns of using animals as test subjects, provided the in vitro tests can be validated statistically to be as accurate as in vivo testing.

The Company sells three proprietary in vitro products: (1) Ocular Irritection® used to evaluate the potential for ocular irritation; (2) Irritection® Dermal used to evaluate the potential for dermal irritation; and (3) Corrositex® used to determine corrosivity level classifications within regulatory

guidelines that are applicable to the transport and storage of chemicals, formulations, and hazardous waste.

These unique assays are principally used by manufacturers to verify product safety of consumer, household, and industrial products, to comply with transportation and environmental regulations and to assist in evaluation of workplace safety.

The Corrositex® assay has been marketed since 1991 and the Irritection® assays have been marketed since 1989. All three test methods are currently marketed by Company internal personnel through industry contacts, standard advertising, and a strategic alliance with INT.E.G.RA in Italy, which sells and distributes the Company's test kits and laboratory testing services in Italy and several European markets. The Company has over a dozen testing laboratory partnerships globally to help commercialize its technology.

When compared to conventional animal testing, the Company's test methods require significantly less time, produce quantitative results which are consistently reproducible, cost effective, and are more humane. Through use of its testing technologies, the Company has accumulated a database of several thousand chemicals and formulations tested that validate the efficacy of the Company's proprietary methodology when compared to in vivo testing.

B. distribution methods of the products or services;

Answer: The Company sells its products to independent distributors, contract laboratories, and end users in approximately ten different industries in the United States, Europe, Latin America, and Asia. The Company also performs lab services which include testing for corrosive substances and assessing which transportation regulations apply, as discussed generally below.

Transportation Regulations -Background

The United Nations ("UN") has guidelines for classifying corrosive substances into four Packing Groups (Groups I, II or III), and noncorrosive. These groups are known as the UN Packing Groups. The UN guidelines have been implemented as regulations by the United States Department of Transportation ("DOT"). Shippers must certify the proper Packing Group classification for their materials to their packaging supplier and must use packaging and markings that comply with the regulations. Packaging, labeling, and transportation requirements are more stringent and expensive for substances classified as Packing Group I or II than for Packing Group III or noncorrosive materials. Proper packaging is required to comply with DOT regulations to avoid fines and/or civil liability in the event of an accident or spill while the materials are in transit and to permit safer cleanup in the event of a spill.

In addition to UN Packing Groups, the UN also has set guidelines for ensuring the safe production, transport, handling, use and disposal of hazardous materials known as the Globally Harmonized System for Classification and Labeling of Chemicals ("GHS"). The United States' Occupational Safety & Health Administration ("OSHA") adopted GHS in 2012. To date, over **65 countries** have adopted GHS or are in the process of adopting GHS. The most noticeable changes brought by GHS for most organizations will be changes to safety labels, safety data sheets and chemical classifications. There is no set time during which countries must adopt GHS. Utilizing the Company's Corrositex® assay enables manufacturers to comply with GHS and UN Packaging Groups.

Recent Developments:

In 2014, the Company's Corrositex® assay became GHS accepted as a full replacement for animal test results. The Organization for Economic Co-Operation and Development (OECD), which is

comprised of 45 member countries, Transport Canada, DOT, OSHA, the Consumer Product Safety Commission, the Food and Drug Administration and the International Air Transport Authority have also accepted Corrositex® as a full replacement test. OECD determined that Corrositex® is the only non-animal corrosivity test which classifies, with 96%+ accuracy, U.N. Packing Groups I, II, III, and noncorrosive as well as their GHS equivalents.

In November 2019, the OECD published Test Guideline (TG) 496, the final step in the adoption of the Company's now 30 years old core technology, Ocular Irritation® (OI). OI thus completes an eleven-year-old effort to become the first 100% animal free ocular irritancy test method to be OECD accepted, validated, and adopted by 45 countries, including the US.

- C. status of any publicly announced new product or service;

Answer: None.

- D. competitive business conditions, the issuer's competitive position in the industry, and methods of competition;

Answer: We offer invitro assay kits to detect, rank and predict the potential level or irritancy, toxicity, or corrosivity of substances on the human eye and/or skin tissue in USA, Latin America, and Asia. We compete by using artificial skin models that are purchased by testing labs from government or academia institutions commercially. Other laboratories are typically using ocular tissues supplied from cow eyes, mimicked by chicken egg membrane and animals. We are the only 100% non-animal testing company and OECD compliant, and there are no other companies we are aware of who have OECD approvals that would present direct competition currently. To continue to compete, we intend to grow organically and through M&A opportunities.

There can be no assurance that we will be able to compete successfully against future competitors or that competitive pressure will not have a material adverse effect on our business, operating results and financial condition.

- E. sources and availability of raw materials and the names of principal suppliers;

Answer: We source raw materials and components including proprietary synthetic protein matrices, standard laboratory materials and instruments. These materials and instruments are readily available from suppliers. We keep a limited inventory of raw materials and components on hand. Major suppliers include, but are not limited to, Sigma-Aldrich, VWR, and Fisher Scientific.

- F. dependence on one or a few major customers;

Answer: The Company sells its products to independent distributors, contract laboratories, and end users in approximately ten different industries in the United States, Europe, Latin America, and Asia. The combined foreign operations generated approximately 22% and 40% of the Company's total revenues during the six-month periods ended March 31, 2024 and 2023, respectively. The Company's largest customer generated approximately 11% and 16% of the Company's total revenues during the six-month periods ended March 31, 2024 and 2023, respectively.

Although we intend to expand our customer base, our revenue would likely decline if we lost any major customers or if one of these sizable customers were to significantly reduce its orders for any reason. We cannot assure you that our customers will continue to purchase our products at current levels, or at all.

- G. patents, trademarks, licenses, franchises, concessions, royalty agreements or labor contracts, including their duration; and

Answer: The Company's proprietary technology for eye and skin irritation testing is based upon the formulation of protein reagents used in conjunction with a porous membrane disc delivery system. This delivery system allows test substances to gradually diffuse and come into contact with the reagent. When exposed to potentially toxic or irritating compounds, the protein reagents become opaque, and accordingly mimic the biochemical reactions of proteins found in human eye and skin cells that are injured by irritant substances. Results are objectively measured and quantified using an adapted plate reader and proprietary software developed by the Company.

The proprietary Corrositex® technology is based upon a similar bio-barrier membrane system and a chemical detection system. When exposed to a corrosive substance, the time to permeate a bio-barrier membrane is correlated with the degree of tissue injury that would occur in a standard in vivo corrosives test. When a corrosive substance permeates the bio-barrier membrane, it causes a color change in the chemical detection system, thereby enabling the membrane "breakthrough" time to be determined.

Proprietary Rights

The Company maintains trade secrets and holds trademarks in the United States and abroad.

- G. the need for any government approval of principal products or services and the status of any requested government approvals.

Answer: None.

Item 10 The nature and extent of the issuer's facilities.

Please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

Answer: The Company leases approximately 4,100 square feet at 330 E. Orangethorpe Avenue, Suite D, Placentia, CA 92870 for its corporate headquarters. The facility consists of corporate offices, a testing laboratory, kit assembly space and warehouse space. It is leased from an unaffiliated third party. The lease was extended as of June 3, 2019, by Lease Extension Agreement for a term expiring on August 31, 2024. The lease currently provides for monthly rent of \$3,605 and is subject to increases each year, up to \$4,057 in 2023. The Company has no other facilities. It believes its current facilities are adequate to accommodate foreseeable requirements.

The Company's test kits are assembled and packaged at its facility in Placentia and all laboratory tests for customers are performed at this facility. The materials and supplies used by the Company in assembling test kits and performing laboratory tests consist of both proprietary synthetic protein matrices and standard laboratory materials and instruments. The materials and instruments are readily available from suppliers. The Company keeps a limited inventory of raw materials on hand.

Part D Management Structure and Financial Information

Item 11 Company Insiders (Officers, Directors, and Control Persons).

Please give a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant shareholders.

A. Officers and Directors. In responding to this item, please provide the following information for each of the issuer's executive officers, directors, general partners, as of the date of this information statement:

1. Full name;
2. Officer/Director Title;
3. Business address;
4. Employment history (which must list all previous employers for the past 5 years, positions held, responsibilities and employment dates);
5. Board memberships and other affiliations;
6. Compensation by the issuer; and
7. Number and class of the issuer's securities beneficially owned by each such person.

Answer: See tables below for Executive and Director information:

Names (First, Last)	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Business Address	Number of shares owned	Share type/ class	Ownership Percentage of Class Outstanding
W. Richard Ulmer	Chief Executive Officer, Chairman, President, Director	330 E Orangethorpe Avenue, Suite D Placentia, CA 92870	2,800,000	Common	12.31%
Cathy L. Richmond	Chief Financial Officer, Director	330 E Orangethorpe Avenue, Suite D Placentia, CA 92870	700,000	Common	3.08%
Irwin J. Gruverman	Chairman Emeritus; private stockholder	330 E Orangethorpe Avenue, Suite D Placentia, CA 92870	1,300,676	Common	5.72%
Dennis E. Chenoweth, M.D., PhD	Director	330 E Orangethorpe Avenue, Suite D Placentia, CA 92870	1,100,000	Common	4.84%
Sean Adrean, M.D.	Director	330 E Orangethorpe Avenue, Suite D Placentia, CA 92870	0	Common	0%
Steven A. Pitassi ¹	Director	330 E Orangethorpe Avenue, Suite D Placentia, CA 92870	1,110,000	Common	4.9%

(1) Shares are held indirectly by the Catherine M. Pitassi Rev. Trust Established September 30, 2019 (1,110,000 shares). The change in beneficial ownership solely reflects a determination that Mr. Pitassi asserts no voting or dispositive control over 525,000 shares owned by an adult child.

Names (First, Last)	Compensation by Issuer (fiscal 2023)	Employment history (last 5 years)	Board memberships and other affiliations
W. Richard Ulmer	\$40,007	Invitro International, Inc. –	n/a

		Vice Chairman - September 15, 2019-present; Chairman - September 23, 2020-present; CEO November 1994, to present	
Cathy L. Richmond	\$75,658	Invitro International, Inc. – Director – September 15, 2019 to present; CFO – October 2015 to present	n/a
Irwin J. Gruverman	\$0	Invitro International, Inc. – Chairman Emeritus– September 23, 2020 to present	n/a
Dennis E. Chenoweth, M.D., PhD	\$0	Invitro International, Inc. – Director– April 1, 2004 to present	n/a
Sean Adrean, M.D.	\$0	Invitro International, Inc. – Director– April 30, 2018 to present MD – Retina Consultants of Orange County – August 2007 to present	n/a
Steven A. Pitassi	\$0	Invitro International, Inc. – Director– February 3, 2021 to present Janney Montgomery Scott LLC – Senior VP/Manager –1981-2020	n/a

C. Other Control Persons. In responding to this item, please provide the following information for all persons beneficially owning more than five percent (5%) of any class of the issuer's equity securities as of the date of this information statement. Do not include Officers or Directors previously listed.

Answer: None, except as listed above.

To the extent not otherwise disclosed, if any of the above shareholders are corporations or other legal entities rather than individuals, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agent of each corporate shareholder.

B. Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);
Answer: None.
2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;
Answer: None.
3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or
Answer: None.
4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities.
Answer: None.

C. Disclosure of Family Relationships. Describe any family relationships⁴ among and between the issuer's directors, officers, persons nominated or chosen by the issuer to become directors or officers, or beneficial owners of more than five percent (5%) of the any class of the issuer's equity securities.

Answer: None.

D. Disclosure of Related Party Transactions. Describe any transaction during the issuer's last two full fiscal years and the current fiscal year or any currently proposed transaction, involving the issuer, in which (i) the amount involved exceeds the lesser of \$120,000 or one percent of the average of the issuer's total assets at year-end for its last three fiscal years and (ii) any related person had or will have a direct or indirect material interest. Disclose the following information regarding the transaction:

1. The name of the related person and the basis on which the person is related to the issuer;
Answer: None.
2. The related person's interest in the transaction;
Answer: None.
3. The approximate dollar value involved in the transaction (in the case of indebtedness, disclose the largest aggregate amount of principal outstanding during the time period for which disclosure is required, the amount thereof outstanding as of the latest practicable date, the amount of principal and interest paid during the time period for which disclosure is required, and the rate or amount of interest payable on the indebtedness);
Answer: None.
4. The approximate dollar value of the related person's interest in the transaction;
And
Answer: None.
5. Any other information regarding the transaction or the related person in the context of the transaction that is material to investors in light of the circumstances of the particular transaction.
Answer: None.

Instruction to paragraph D of Item 11:

1. *For the purposes of paragraph D of this Item 11, the term "related person" means any director, executive officer, nominee for director, or beneficial owner of more than five percent (5%) of any class of the issuer's equity securities, immediate family members⁵ of any such person, and any person (other than a tenant or employee) sharing the household of any such person.*
2. *For the purposes of paragraph D of this Item 11, a "transaction" includes, but is not limited to, any financial transaction, arrangement or relationship (including any indebtedness or guarantee of indebtedness) or any series of similar transactions, arrangements or relationships.*
3. *The "amount involved in the transaction" shall be computed by determining the dollar value of the amount involved in the transaction in question, which shall include:*

⁴ The term "family relationship" means any relationship by blood, marriage or adoption, not more remote than first cousin.

⁵ "Immediate family members" means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law.

- a. *In the case of any lease or other transaction providing for periodic payments or installments, the aggregate amount of all periodic payments or installments due on or after the beginning of the issuer's last fiscal year, including any required or optional payments due during or at the conclusion of the lease or other transaction providing for periodic payments or installments; and*
 - b. *In the case of indebtedness, the largest aggregate amount of all indebtedness outstanding at any time since the beginning of the issuer's last fiscal year and all amounts of interest payable on it during the last fiscal year.*
4. *In the case of a transaction involving indebtedness:*
- a. *The following items of indebtedness may be excluded from the calculation of the amount of indebtedness and need not be disclosed: amounts due from the related person for purchases of goods and services subject to usual trade terms, for ordinary business travel and expense payments and for other transactions in the ordinary course of business; and*
 - b. *Disclosure need not be provided of any indebtedness transaction for beneficial owners of more than five percent (5%) of any class of the issuer's equity securities or such person's family members.*
5. *Disclosure of an employment relationship or transaction involving an executive officer and any related compensation solely resulting from that employment relationship or transaction need not be provided. Disclosure of compensation to a director also need not be provided.*
6. *A person who has a position or relationship with a firm, corporation, or other entity that engages in a transaction with the issuer shall not be deemed to have an indirect material interest for purposes of paragraph D of this Item 11 where:*
- a. *The interest arises only:*
 - i. *From such person's position as a director of another corporation or organization that is a party to the transaction; or*
 - ii. *From the direct or indirect ownership by such person and all other related persons, in the aggregate, of less than a ten percent (10%) equity interest in another entity (other than a partnership) which is a party to the transaction; or*
 - iii. *From both such position and ownership;*
or
 - b. *The interest arises only from such person's position as a limited partner in a partnership in which the person and all other related persons have an interest of less than ten percent (10%), and the person is not a general partner of and does not hold another position in the partnership.*
7. *Disclosure need not be provided pursuant to paragraph D of this Item 11 if:*
- a. *The transaction is one where the rates or charges involved in the transaction are determined by competitive bids, or the transaction involves the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority;*
 - b. *The transaction involves services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services; or*

c. *The interest of the related person arises solely from the ownership of a class of equity securities of the issuer and all holders of that class of equity securities of the issuer received the same benefit on a pro rata basis.*

8. *Include information for any material underwriting discounts and commissions upon the sale of securities by the issuer where any of the specified persons was or is to be a principal underwriter or is a controlling person or member of a firm that was or is to be a principal underwriter.*

E. **Disclosure of Conflicts of Interest.** Describe any conflicts of interest. Describe the circumstances, parties involved and mitigating factors for any executive officer or director with competing professional or personal interests.

Answer: None.

Item 12 Financial information for the issuer's most recent fiscal period.

Instruction to Item 12: The issuer shall post the financial statements required by this Item 12 through www.OTCIQ.com under the appropriate report name for the applicable period end. (If the financial statements relate to a fiscal year end, publish it as an "Annual Report," or if the financial statements relate to a quarter end, publish it as a "Quarterly Report" or "Interim Financial Report") **The issuer must state in its disclosure statement that such financial statements are incorporated by reference.** The issuer must also (i) provide a list in the disclosure statement describing the financial statements that are incorporated by reference, (ii) clearly explain where the incorporated documents can be found, and (iii) provide a clear cross-reference to the specific location where the information requested by this Item 12 can be found in the incorporated documents.

The issuer shall provide the following financial statements for the most recent fiscal period (whether fiscal quarter or fiscal year).

- 1) balance sheet;
- 2) statement of income;
- 3) statement of cash flows;
- 4) statement of changes in stockholders' equity (for Annual Reports only);
- 5) financial notes; and
- 6) audit letter, if period ending is fiscal year

The financial statements requested pursuant to this item shall be prepared in accordance with generally accepted accounting principles (U.S. GAAP or IFRS, as applicable) by persons with sufficient financial skills and attached hereto as Appendix 1.

Information contained in annual financial statements will not be considered current more than 90 days after the end of the issuer's fiscal year immediately following the fiscal year for which such statements are provided, or with respect to quarterly financial statements, more than 45 days after the end of the quarter immediately following the quarter for which such statements are provided.

Additionally, if the issuer is an insurance company, the issuer shall also post its most recent "**Insurance Company Annual Regulatory Statement**" required to be filed with the Commissioner of Insurance (or other officer or agency performing a similar function) of its domiciliary state, per section 12(g)(2)(G)(i) of the Securities Exchange Act of 1934. This statement shall be posted through www.OTCIQ.com.

Answer: See "Appendix 1" attached hereto which includes a copy of the Company's Financial Statements for the period ended March 31, 2024, including, Balance Sheet, Statement of Income, Statement of Cash Flows, Statement of Changes in Stockholder's Equity, and Financial Notes, which are incorporated by reference herein.

Item 13 **Similar financial information for such part of the two preceding fiscal years as the issuer or its predecessor has been in existence.**

Please provide the financial statements described in Item 12 above for the issuer's two preceding fiscal years.

Instruction to Item 13: The issuer shall either (i) attach the financial statements required by this Item 13 to its initial disclosure or (ii) post such financial statements through www.OTCIQ.com as a separate report under the name of "Annual Report" for the applicable fiscal year end. **The issuer must state in its disclosure statement that such financial statements are incorporated by reference.** The issuer must also (x) provide a list in the disclosure statement describing the financial statements that are incorporated by reference, (y) clearly explain where the incorporated documents can be found, and (z) provide a clear cross-reference to the specific location where the information requested by this Item 13 can be found in the incorporated documents.

Answer: See "Appendix 2" attached hereto which includes a copy of the Company's Financial Statements for the year ended September 30, 2023 and 2022, including, Audit letter, Balance Sheet, Statement of Income, Statement of Cash Flows, Statement of Changes in Stockholder's Equity, and Financial Notes, which are incorporated by reference herein.

Item 14 **The name, address, telephone number, and email address of each of the following outside providers that advise the issuer on matters relating to operations, business development and disclosure:**

1. Investment Banker: **Answer:** None.

2. Promoter: **Answer:** None.

3. Securities Counsel

Answer:

Firm: Lockett + Horwitz, A Prof. Law Corporation
Name: Jessica Lockett
Address 1: 26632 Towne Centre Dr. Suite 300
Address 2: Foothill Ranch, CA 92610
Phone: 949-540-6540
Email: jlockett@lhlawpc.com

Firm: Dieterich & Associates, Corporate Securities Council
Name: Christopher H. Dieterich
Address 1: 815 Moraga Drive, Ste 207
Address 2: Los Angeles, CA 90064
Phone: 310-312-6888
Email: venturelaw@gmail.com

4. Accountant or Auditor - the information shall clearly (i) describe if an outside accountant provides audit or review services, (ii) state the work done by the outside accountant and (iii) describe the responsibilities of the accountant and the responsibilities of management (i.e. who audits, prepares or reviews the issuer's financial statements, etc.). The information shall include the accountant's phone number and email address and a description of the accountant's licensing and qualifications to perform such duties on behalf of the issuer.

Answer:

Name: Anthony Bozanic
Firm: PDM, LLP
Address 1: 3460 Torrance Blvd., Suite 200
Address 2: Torrance, CA 90503
Phone: 310-540-4118

Email: abozanic@pdmcpas.com

Qualifications and Licensing: PDM LLP, the company's independent auditor, has a history over 30 years in the accounting industry, and consists of several practicing tax professionals and CPA's. Mr. Bozanic is a CPA and partner of PDM LLP, with over 30 years of auditing experience. PDM provides audit and review services for quarterly and annual financial statements for Invitro International. PDM LLP is registered with the Public Company Accounting Oversight Board, and the firm is licensed in and located in California.

Management is responsible for closing the books and preparing the financial statements.

5. Public Relations Consultant: **Answer:** None.
6. Investor Relations Consultant: **Answer:** None.
7. Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement - the information shall include the name, address, telephone number and email address of each advisor.

Answer: None.

Item 15 Management's Discussion and Analysis or Plan of Operation.

Instructions to Item 15

Issuers that have not had revenues from operations in each of the last two fiscal years, or the last fiscal year and any interim period in the current fiscal year for which financial statements are furnished in the disclosure statement, shall provide the information in paragraphs A and C of this item. All other issuers shall provide the information in paragraphs B and C of this item.

The discussion and analysis shall focus specifically on material events and uncertainties known to management that would cause reported financial information not to be necessarily indicative of future operating results or of future financial condition.

Issuers are not required to supply forward-looking information. This is distinguished from presently known data that will impact upon future operating results, such as known future increases in costs of labor or materials. This latter data may be required to be disclosed.

A. Plan of Operation.

Answer: Not Applicable.

1. Describe the issuer's plan of operation for the next twelve months. This description should include such matters as:
 - i. a discussion of how long the issuer can satisfy its cash requirements and whether it will have to raise additional funds in the next twelve months;
 - ii. a summary of any product research and development that the issuer will perform for the term of the plan;
 - iii. any expected purchase or sale of plant and significant equipment; and
 - iv. any expected significant changes in the number of employees.

B. Management's Discussion and Analysis of Financial Condition and Results of Operations.

1. *Full fiscal years.* Discuss the issuer's financial condition, changes in financial condition and results of operations for each of the last two fiscal years. This discussion should address the past and future financial condition and results of operation of the issuer, with particular emphasis on the prospects for the future. The discussion should also address those key variable and other qualitative and quantitative factors that are necessary to an understanding and evaluation of the issuer. If material, the issuer should disclose the following:

- i. Any known trends, events or uncertainties that have or are reasonably likely to have a material impact on the issuer's short-term or long-term liquidity;
- ii. Internal and external sources of liquidity;
- iii. Any material commitments for capital expenditures and the expected sources of funds for such expenditures;
- iv. Any known trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations;
- v. Any significant elements of income or loss that do not arise from the issuer's continuing operations;
- vi. The causes for any material changes from period to period in one or more line items of the issuer's financial statements; and
- vii. Any seasonal aspects that had a material effect on the financial condition or results of operation.

2. *Interim Periods.* Provide a comparable discussion that will enable the reader to assess material changes in financial condition and results of operations since the end of the last fiscal year and for the comparable interim period in the preceding year.

C. Off-Balance Sheet Arrangements.

1. In a separately-captioned section, discuss the issuer's off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the issuer's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors. The disclosure shall include the items specified in paragraphs C(1)(i), (ii), (iii) and (iv) of this Item 15 to the extent necessary to an understanding of such arrangements and effect and shall also include such other information that the issuer believes is necessary for such an understanding.

- i. The nature and business purpose to the issuer of such off-balance sheet arrangements;
- ii. The importance to the issuer of such off-balance sheet arrangements in respect of its liquidity, capital resources, market risk support, credit risk support or other benefits;
- iii. The amounts of revenues, expenses and cash flows of the issuer arising from such arrangements; the nature and amounts of any interests retained, securities issued and other indebtedness incurred by the issuer in connection with such arrangements; and the nature and amounts of any other obligations or liabilities (including contingent obligations or liabilities) of the issuer arising from such arrangements that are or are

reasonably likely to become material and the triggering events or circumstances that could cause them to arise; and

- iv. Any known event, demand, commitment, trend or uncertainty that will result in or is reasonably likely to result in the termination, or material reduction in availability to the issuer, of its off-balance sheet arrangements that provide material benefits to it, and the course of action that the issuer has taken or proposes to take in response to any such circumstances.

2. As used in paragraph C of this Item 15, the term off-balance sheet arrangement means any transaction, agreement or other contractual arrangement to which an entity unconsolidated with the issuer is a party, under which the issuer has:

- i. Any obligation under a guarantee contract that has any of the characteristics identified in Financial Accounting Standards Board("FASB") Accounting Standards Codification ("ASC") Topic 460-10, Guarantees; formerly FIN 45;
- ii. A retained or contingent interest in assets transferred to an unconsolidated entity or similar arrangement that serves as credit, liquidity or market risk support to such entity for such assets;
- iii. Any obligation, including a contingent obligation, under a contract that would be accounted for as a derivative instrument, except that it is both indexed to the issuer's own stock and classified in stockholders' equity in the issuer's statement of financial position, and therefore excluded from the scope of FASB ASC 815, Derivatives and hedging; formerly FAS 133; or
- iv. Any obligation, including a contingent obligation, arising out of a variable interest (as referenced in FASB ASC 810, Consolidation; formerly FIN 46R) in an unconsolidated entity that is held by, and material to, the issuer, where such entity provides financing, liquidity, market risk or credit risk support to, or engages in leasing, hedging or research and development services with, the issuer.

Instructions to paragraph C of Item 15

- i. No obligation to make disclosure under paragraph C of this Item 15 shall arise in respect of an off-balance sheet arrangement until a definitive agreement that is unconditionally binding or subject only to customary closing conditions exists or, if there is no such agreement, when settlement of the transaction occurs.
- ii. Issuers should aggregate off-balance sheet arrangements in groups or categories that provide material information in an efficient and understandable manner and should avoid repetition and disclosure of immaterial information. Effects that are common or similar with respect to a number of off-balance sheet arrangements must be analyzed in the aggregate to the extent the aggregation increases understanding. Distinctions in arrangements and their effects must be discussed to the extent the information is material, but the discussion should avoid repetition and disclosure of immaterial information.
- iii. For purposes of paragraph C of this Item 15 only, contingent liabilities arising out of litigation, arbitration or regulatory actions are not considered to be off-balance sheet arrangements.
- iv. Generally, the disclosure required by paragraph C of this Item 15 shall cover the most recent fiscal year. However, the discussion should address changes from

the previous year where such discussion is necessary to an understanding of the disclosure.

In satisfying the requirements of paragraph C of this Item 15, the discussion of off-balance sheet arrangements need not repeat information provided in the footnotes to the financial statements, provided that such discussion clearly cross-references to specific information in the relevant footnotes and integrates the substance of the footnotes into such discussion in a manner designed to inform readers of the significance of the information that is not included within the body of such discussion.

Answer:

Management’s Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion of our financial condition and results of operations should be read in conjunction with the financial statements and related notes to the financial statements included elsewhere in this Disclosure Statement. Some of the statements under “Management’s Discussion and Analysis,” “Description of Business” and elsewhere herein may include forward-looking statements which reflect our current views with respect to future events and financial performance. These statements include forward-looking statements both with respect to us specifically and the renewable energy industry in general. Statements which include the words “expect,” “intend,” “plan,” “believe,” “project,” “anticipate,” “will,” and similar statements of a future or forward-looking nature identify forward-looking statements for purposes of the federal securities laws or otherwise. The safe harbor provisions of the federal securities laws do not apply to any forward-looking statements contained in this Disclosure Statement. All forward-looking statements address such matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause our actual results to differ materially from those indicated in these statements. We undertake no obligation to publicly update or review any forward-looking statements, whether as a result of new information, future developments or otherwise. If one or more of these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may vary materially from what we projected. Any forward-looking statements you read herein reflect our current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to our written and oral forward-looking statements attributable to us or individuals acting on our behalf and such statements are expressly qualified in their entirety by this paragraph.

Overview

InVitro International, Inc. (“IVRO”, the “Company”), headquartered in Placentia, California, was founded in 1985 and is a customer and technology-driven provider of non-animal testing methods. The Company’s testing technologies are designed to produce data regarding corrosivity, or ocular/dermal irritation, which correlate with animal and human test results. Our technologies are commercialized through test kits and laboratory services globally.

The Company is a pioneer in the field of non-animal testing and was first to develop and commercialize its flagship product Corrositex® in 1991. The global regulatory bodies that govern non-animal testing did not exist at the time. These regulatory bodies started to evolve in the early 2000’s and then consolidated into a more robust global regulatory system in the last few years. Organization for Economic Co-operation and Development (OECD) is the foremost such regulatory body today, with more than 35 member countries, including the U.S., and covers more than 80% of the world of commerce.

IVRO’s reorganization began in 2000 with a concept of establishing strategic alliances with other laboratories around the world. They lacked the resources to replace “Animal” testing without their help. IVRO entered a strategic alliance with INTEGRA in Italy naming them their 1st European “partner laboratory”. In addition, the Company asked them to be their training center in Europe and their permanent agent/distributor. They also asked INTEGRA to help them learn the Regulatory landscape for in vitro test technologies with the OECD.

IVRO completed the restructure of its organization while it won OECD adoption of Corrositex® (OECD 435) and Ocular Irritection® (OECD 496). These technologies deliver test results scientifically and legally accepted as full replacements for animal test results. Such results are Global Harmonization System (GHS) recognized in all the aforementioned OECD member countries. All three of IVRO’s technologies are now capable of delivering GHS level test results.

Today, IVRO is building its base of partner laboratories globally. Their primary function is to aid in furthering awareness among clients and prospects within their respective geographies. The message is that NON-Animal test technologies now have the same Regulatory and Legal standing as animal testing. In addition, IVRO's test methods save companies both time and money; clearly, they eliminate unnecessary sacrifice of animals and finally they allow new products to get to market faster. Our strategic direction will emphasize collaboration with laboratories around the world while continuing to research and develop replacement tests for animals in more areas as well.

Results of operations for fiscal year ended September 30, 2023 compared to year ended September 30, 2022

Revenues

During the fiscal year ended September 30, 2023 and 2022, we generated revenue of \$792,628 and \$853,511, respectively. Revenue is primarily attributable to the sales of our products and services to customers.

Operating Expenses

We incurred total operating expenses of \$817,967 for the fiscal year ended September 30, 2023, compared to \$970,279 for the fiscal year ended September 30, 2022. These amounts consisted of the following:

	For Year Ended September 30, 2023	For Year Ended September 30, 2022
Cost of revenues	\$ 156,643	173,319
Selling, general and administrative	648,175	708,879
Research and development	13,149	88,081
Total Operating Expenses	\$817,967	\$970,279

Overall operating expenses decreased by \$152,312 to \$817,967 for the year ended September 30, 2023, as compared to \$970,279 for the year ended September 30, 2022. Selling, general and administrative costs decreased by \$60,704 due to a decrease of operational expenses due to reduction of payroll expense and departure of an executive employee. Research and development costs decreased by \$74,932 to \$13,149 for the year ended September 30, 2023 compared to \$88,081 for the year ended September 30, 2022, which was the result of reduction in core research.

Net Income

We had a net income of \$1,553 for the fiscal year ended September 30, 2023, compared to a net income of \$21,276 for the fiscal year ended September 30, 2022.

Liquidity and Capital Resources

As of September 30, 2023, we have \$1,467,173 in current assets and \$78,990 in current liabilities. We had \$356,987 in cash. As of September 30, 2022, we have \$1,479,557 in current assets and \$68,237 in current liabilities and \$1,232,474 in cash.

Cash Flow from Operating Activities

For the fiscal year ended September 30, 2023, the net cash flows from our operating activities was \$(59,111) compared to \$40,624 for the same period ended September 30, 2022. This amount was primarily related to a (i) net income of \$1,553; (ii) accounts receivable of \$(45,172), (iii) accrued payroll of \$(32,472); and (iv) share based compensation of \$11,655.

Cash Flow from Investing Activities

For the fiscal year ended September 30, 2023, the net cash from investing activities by the Company was \$(816,376) compared to \$685,303 for the same period ended September 30, 2022. The amount was related to purchases of investments in 2023, and proceeds of sale of investments in 2022.

Cash Flow from Financing Activities

For the fiscal year ended September 30, 2023, the net cash from financing activities by the Company was \$0 compared to \$(14,999) for the same period ended September 30, 2022.

Results of operations for the three and six months ended March 31, 2024 compared to March 31, 2023

Revenues

During the three months ended March 31, 2024, compared to March 31, 2023, we generated revenue of \$210,615 and \$199,090, respectively. During the six months ended March 31, 2024, compared to March 31, 2023, we generated revenue of \$422,240 and \$408,340, respectively. Revenue is primarily attributable to the sales of our products and services to customers.

Operating Expenses

We incurred total operating expenses of \$172,555 for the three months ended March 31, 2024, compared to \$214,549 for the three months ended March 31, 2023. We incurred total operating expenses of \$375,618 for the six months ended March 31, 2024, compared to \$454,968 for the three months ended March 31, 2023. These amounts consisted of the following:

	For the:			
	Three months Ended March 31, 2024	Three months Ended March 31, 2023	Six months Ended March 31, 2024	Six months Ended March 31, 2023
Cost of revenues	\$38,698	\$39,778	\$86,407	\$79,754
Selling, general and administrative	131,299	174,492	286,147	370,626
Research and development	2,558	279	3,064	4,588
Total Operating Expenses	\$172,555	\$214,549	\$375,618	\$454,968

Total operating expenses decreased by \$41,994 to \$172,555 in the three months ended March 31, 2024 as compared to the three months ended March 31, 2023. This was primarily related to a reduction in selling, general and administrative costs which decreased by \$43,193 in the three months ended March 31, 2024 as compared to the three months ended March 31, 2023, due to a decrease of operational expenses related to reduction in payroll and departure of an executive.

Total operating expenses decreased by \$79,350 to \$375,618 in the six months ended March 31, 2024 as compared to the six months ended March 31, 2023. This was primarily related to a reduction in selling, general and administrative costs which decreased by \$84,479 to \$286,147 in the six months ended March 31, 2024 as compared to the three months ended March 31, 2023, due to a decrease of operational expenses related to reduction in payroll and departure of an executive.

Net Income

We had a net income of \$47,678 for the three months ended March 31, 2024, compared to a net income of \$(3,353) for the three months ended March 31, 2023.

We had a net income of \$65,345 for the six months ended March 31, 2024, compared to a net income of \$(34,320) for the six months ended March 31, 2023.

Liquidity and Capital Resources

As of March 31, 2024, we have \$1,531,861 in current assets and \$55,002 in current liabilities. We had \$425,876 in cash. As of September 30, 2023, we had \$1,467,173 in current assets and \$78,990 in current liabilities, and we had \$356,987 in cash.

Cash Flow from Operating Activities

For the six months ended March 31, 2024, the net cash flows from our operating activities was \$87,612 compared to \$(18,076) for the same period ended March 31, 2023. This amount was primarily related to a (i) net income of \$65,345; (ii) accounts receivable of \$40,148, (iii) accrued payroll of \$12,492; and (iv) share based compensation of \$5,751.

Cash Flow from Investing Activities

For the six months ended March 31, 2024, the net cash from investing activities by the Company was \$(18,723) compared to \$(502,263) for the same period ended March 31, 2023. The amount was related to purchases of investments.

Cash Flow from Financing Activities

For the six months ended March 31, 2024 and 2023, we had no cash flow from financing activities.

Future Financings

We will continue to rely on the sales of our products and services to fund our operations. In the future, we may consider relying on the equity sales of our common shares to continue to fund our business operations or promote growth. Issuances of additional shares will result in dilution to existing stockholders. There is no assurance that we will achieve any additional sales of the equity securities or arrange for debt or other financing to fund our operations and other activities.

Expected Purchase or Sale of Significant Equipment

We do not anticipate the purchase or sale of any significant equipment, as such items are not required by us at this time or in the next twelve months.

Off-Balance Sheet Arrangements

We have no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to stockholders.

Critical Accounting Policies

The preparation of consolidated financial statements in conformity with generally accepted accounting principles of the United States (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. The more significant areas requiring the use of estimates include contingent assets and liabilities, accounts receivable, and future income tax amounts. Management bases its estimates on historical experience and on other assumptions considered to be reasonable under the circumstances. However, actual results may differ from the estimates.

We suggest that our significant accounting policies, as described in our consolidated financial statements in the Summary of Significant Accounting Policies in Note 2, be read in conjunction with this Management's Discussion and Analysis of Financial Condition and Results of Operations.

Part E Issuance History

Item 16 List of securities offerings and shares issued for services in the past two years.

- A. List below any events, in chronological order, that resulted in direct changes to the total shares outstanding by the issuer (1) within the two-year period ending on the last day of the issuer's most recent fiscal year and (2) since the last day of the issuer's most recent fiscal year.

The list shall include all offerings of securities, including debt convertible into equity securities, whether private or public, and shall indicate:

- (i) The nature of each offering (e.g., Securities Act Rule 504, intrastate, etc.);
- (ii) Any jurisdictions where the offering was registered or qualified;
- (iii) The number of shares offered;
- (iv) The number of shares sold;
- (v) The price at which the shares were offered, and the amount actually paid to the issuer;
- (vi) The trading status of the shares, whether they are restricted or unrestricted; and
- (vii) Whether the certificates or other documents that evidence the shares contain a legend (1) stating that the shares have not been registered under the Securities Act and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

The list shall also include all shares or any other securities or options to acquire such securities issued for services in the past two fiscal years and any interim periods, describing (1) the securities, (2) the persons or entities to whom such securities were issued and (3) the services provided by such persons or entities.

With respect to private offerings of securities, the list shall also indicate the identity of the persons who purchased securities in such private offering; *provided, however*, that in the event that any such person is an entity, the list shall also indicate (a) the identity of each natural person beneficially owning, directly or indirectly, more than five percent (5%) of any class of equity securities of such entity and (b) to the extent not otherwise disclosed, the identity of each natural person who controlled or directed, directly or indirectly, the purchase of such securities for such entity.

Answer: We have not issued any securities in the prior fiscal years ended September 30, 2023 and 2022, nor since the last day of the most recent fiscal year.

- B. List below and describe any issuance of Promissory Notes, Convertible Notes, or Convertible Debentures. In responding to this item, please provide the date of execution of the Note or the Agreement, a description of the reason for the issuance, the outstanding balance and any interest accrued. Provide the maturity dates for each Note or Agreement, their conversion terms, names of beneficial owners or holders and the exact class of security such Notes or Agreement may be converted to. Also, specify if the Note is Secured or Unsecured and whether or not it is in Default.

Answer: None.

Part F Exhibits

The following exhibits must be either described in or attached to the disclosure statement:

Item 17 Material Contracts.

A. Every material contract, not made in the ordinary course of business, that will be performed after the disclosure statement is posted through www.OTCIQ.com or was entered into not more than two years before such posting. Also include the following contracts:

- 1) Any contract to which directors, officers, promoters, voting trustees, security holders named in the disclosure statement, or the Designated Advisor for Disclosure are parties other than contracts involving only the purchase or sale of current assets having a determinable market price, at such market price;
Answer: None.
- 2) Any contract upon which the issuer's business is substantially dependent, including but not limited to contracts with principal customers, principal suppliers, and franchise agreements;
Answer: None.
- 3) Any contract for the purchase or sale of any property, plant or equipment for consideration exceeding 15 percent of such assets of the issuer; or
Answer: None.
- 4) Any material lease under which a part of the property described in the disclosure statement is held by the issuer.
Answer: None.

B. Any management contract or any compensatory plan, contract or arrangement, including but not limited to plans relating to options, warrants or rights, pension, retirement or deferred compensation or bonus, incentive or profit sharing (or if not set forth in any formal document, a written description thereof) in which any director or any executive officer of the issuer participates shall be deemed material and shall be included; and any other management contract or any other compensatory plan, contract, or arrangement in which any other executive officer of the issuer participates shall be filed unless immaterial in amount or significance.

Answer: None.

C. The following management contracts or compensatory plans need not be included:

- 1) Ordinary purchase and sales agency agreements;
- 2) Agreements with managers of stores in a chain organization or similar organization;
- 3) Contracts providing for labor or salesmen's bonuses or payments to a class of security holders, as such; and
- 4) Any compensatory plan that is available to employees, officers or directors generally and provides for the same method of allocation of benefits between management and non-management participants

Item 18 Articles of Incorporation and Bylaws.

A. A complete copy of the issuer's articles of incorporation or in the event that the issuer is not a corporation, the issuer's certificate of organization. Whenever amendments to the articles of incorporation or certificate of organization are filed, a complete copy of the articles of incorporation or certificate of organization as amended shall be filed.

B. A complete copy of the issuer's bylaws. Whenever amendments to the bylaws are filed, a complete copy of the bylaws as amended shall be filed.

Answer: We have provide a copy of our articles of incorporation, as restated February 8, 1996, and a copy of our Amended and Restated Bylaws dated October 7, 2015 as filed on OTC Markets as "Articles of Incorporation" and "Bylaws" on May 23, 2024.

Item 19 Purchases of Equity Securities by the Issuer and Affiliated Purchasers.

A. In the following tabular format, provide the information specified in paragraph (B) of this Item 20 with respect to any purchase made by or on behalf of the issuer or any "Affiliated Purchaser" (as defined in paragraph (C) of this Item 19) of shares or other units of any class of the issuer's equity securities.

Answer: None

ISSUER PURCHASES OF EQUITY SECURITIES				
Period	Column (a) Total Number of Shares (or Units) Purchased	Column (b) Average Price Paid per Share (or Unit)	Column (c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Column (d) Maximum Number (of Approximate Dollar Value) that May Yet Be Purchased Under the Plans or Programs
Month #1 (identify beginning and ending dates)				
Month #2 (identify beginning and ending dates)				
Month #3 (identify beginning and ending dates)				
Total				

B. The table shall include the following information for each class or series of securities for each month included in the period covered by the report:

1. The total number of shares (or units) purchased (Column (a)). Include in this column all issuer repurchases, including those made pursuant to publicly announced plans or programs and those not made pursuant to publicly announced plans or programs. Briefly disclose, by footnote to the table, the number of shares purchased other than through a publicly announced plan or program and the nature of the transaction (e.g., whether the purchases were made in open-market transactions, tender offers, in satisfaction of the company's obligations upon exercise of outstanding put options issued by the company, or other transactions).
2. The average price paid per share (or unit) (Column (b)).
3. The total number of shares (or units) purchased as part of publicly announced repurchase plans or programs (Column (c)).
4. The maximum number (or approximate dollar value) of shares (or units) that may yet be purchased under the plans or programs (Column (d)).

Instructions to paragraphs (B)(3) and (B)(4) of this Item 20:

- a. In the table, disclose this information in the aggregate for all plans or programs publicly announced.
- b. By footnote to the table, indicate:
 - i. The date each plan or program was announced;
 - ii. The dollar amount (or share or unit amount) approved;
 - iii. The expiration date (if any) of each plan or program;
 - iv. Each plan or program that has expired during the period covered by the table; and
 - v. Each plan or program the issuer has determined to terminate prior to expiration, or under which the issuer does not intend to make further purchases.

C. For purposes of this Item 19, "Affiliated Purchaser" means:

1. A person acting, directly or indirectly, in concert with the issuer for the purpose of acquiring the issuer's securities; or
2. An affiliate who, directly or indirectly, controls the issuer's purchases of such securities, whose purchases are controlled by the issuer, or whose purchases are under common control with those of the issuer; *provided, however*, that "Affiliated Purchaser" shall not include a broker, dealer, or other person solely by reason of such broker, dealer, or other person effecting purchases on behalf of the issuer or for its account, and shall not include an officer or director of the issuer solely by reason of that officer or director's participation in the decision to authorize purchases by or on behalf of the issuer

Item 20 Issuer's Certifications.

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles, but having the same responsibilities).

The certifications shall follow the format below:

I, W. Richard Ulmer, certify that:

1. I have reviewed this quarterly disclosure statement of Invitro International;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: May 23, 2024

/s/ W. Richard Ulmer
W. Richard Ulmer
Chief Executive Officer

I, Cathy L. Richmond, certify that:

1. I have reviewed this quarterly disclosure statement of Invitro International;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: May 23, 2024

/s/ Cathy L. Richmond
Cathy L. Richmond
Chief Financial Officer



INVITRO INTERNATIONAL, INC.

FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIODS ENDED MARCH 31, 2024 AND 2023



INVITRO INTERNATIONAL, INC.

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INVITRO INTERNATIONAL, INC.

BALANCE SHEETS AS OF MARCH 31, 2024 AND SEPTEMBER 30, 2023

	<u>March 31, 2024</u>	<u>September 30, 2023</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 425,876	\$ 356,987
Investments	834,173	815,526
Accounts receivable, net of allowance of \$3,500	56,465	96,613
Inventories	191,848	163,135
Prepaid expenses	23,499	34,912
	<u>1,531,861</u>	<u>1,467,173</u>
LONG-TERM ASSETS		
Property and equipment, net	11,430	12,886
Operating lease right-of-use assets	18,994	41,322
Deposits and other assets	18,830	12,626
	<u>49,254</u>	<u>66,834</u>
	<u>\$ 1,581,115</u>	<u>\$ 1,534,007</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 3,051	\$ 8,042
Accrued payroll and employee benefits	16,246	3,754
Income taxes payable	800	800
Other accrued liabilities	14,764	22,549
Operating lease liabilities	20,141	43,845
	<u>55,002</u>	<u>78,990</u>
SHAREHOLDERS' EQUITY		
Preferred stock, no par value; 1,000,000 shares authorized; no shares issued or outstanding	-	-
Common stock, no par value; 40,000,000 shares authorized; 20,509,809 shares issued and outstanding	654,081	654,081
Additional paid in capital	26,681	20,930
Accumulated other comprehensive income	63,996	63,996
Retained earnings	781,355	716,010
	<u>1,526,113</u>	<u>1,455,017</u>
	<u>\$ 1,581,115</u>	<u>\$ 1,534,007</u>

*The accompanying notes are an
integral part of these financial statements*

INVITRO INTERNATIONAL, INC.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE AND SIX-MONTH PERIODS ENDED MARCH 31, 2024 AND 2023

	March 31, 2024		March 31, 2023	
	3 months ended	6 months ended	3 months ended	6 months ended
REVENUES	\$ 210,615	\$ 422,240	\$ 199,090	\$ 408,340
EXPENSES				
Cost of revenues	38,698	86,407	39,778	79,754
Selling, general, and administrative	131,299	286,147	174,492	370,626
Research and development	2,558	3,064	279	4,588
	172,555	375,618	214,549	454,968
OPERATING INCOME (LOSS)	38,060	46,622	(15,459)	(46,628)
OTHER INCOME				
Interest and dividend income	9,618	18,723	12,906	13,108
INCOME (LOSS) BEFORE PROVISION FOR INCOME TAXES	47,678	65,345	(2,553)	(33,520)
PROVISION FOR INCOME TAXES	-	-	800	800
NET INCOME (LOSS)	\$ 47,678	\$ 65,345	\$ (3,353)	\$ (34,320)
COMPREHENSIVE INCOME (LOSS)	\$ 47,678	\$ 65,345	\$ (3,353)	\$ (34,320)
NET INCOME PER COMMON SHARE:				
Basic	\$ 0.002	\$ 0.003	\$ (0.000)	\$ (0.002)
Diluted	\$ 0.002	\$ 0.003	\$ (0.000)	\$ (0.001)
Weighted average common shares outstanding - basic	20,509,809	20,509,809	22,659,809	22,659,809
Weighted average common shares outstanding - diluted	21,754,158	21,754,158	23,259,809	23,259,809

The accompanying notes are an integral part of these financial statements

INVITRO INTERNATIONAL, INC.

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX MONTHS ENDED MARCH 31, 2024**

	Common Stock		Additional	Accumulated	Other	Retained	Total
	<u>Shares</u>	<u>Amount</u>	<u>in Capital</u>	<u>Comprehensive</u>	<u>Income</u>	<u>Earnings</u>	<u>Total</u>
BALANCE, September 30, 2023	20,509,809	\$ 654,081	\$ 20,930	\$ 63,996	\$ 716,010	\$ 1,455,017	
Share based compensation	-	-	5,751	-	-	5,751	
Net income	-	-	-	-	65,345	65,345	
BALANCE, March 31, 2024	<u>20,509,809</u>	<u>\$ 654,081</u>	<u>\$ 26,681</u>	<u>\$ 63,996</u>	<u>\$ 781,355</u>	<u>\$ 1,526,113</u>	

*The accompanying notes are an
integral part of these financial statements*

INVITRO INTERNATIONAL, INC.

STATEMENTS OF CASH FLOWS FOR THE SIX-MONTH PERIODS ENDED MARCH 31, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ 65,345	\$ (34,320)
Adjustments to reconcile net loss to net cash from operating activities:		
Depreciation and amortization	2,321	2,144
Share-based compensation	5,751	5,450
Changes in operating assets and liabilities:		
Accounts receivable, net	40,148	9,960
Inventories	(28,713)	4,820
Prepaid expenses	11,413	15,413
Other assets	(7,069)	750
Accounts payable	(4,991)	1,257
Accrued payroll and employee benefits	12,492	(13,844)
Operating lease right-of-use assets and liabilities, net	(1,376)	-
Other accrued liabilities	(7,709)	(9,706)
Net cash flows from operating activities	87,612	(18,076)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	-	(850)
Purchases of investments	(18,723)	(501,413)
Net cash flows from investing activities	(18,723)	(502,263)
Net change in cash and cash equivalents	68,889	(520,339)
Cash and cash equivalents, beginning of period	356,987	1,232,474
Cash and cash equivalents, end of period	\$ 425,876	\$ 712,135
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for income taxes	\$ -	\$ -

The accompanying notes are an integral part of these financial statements

INVITRO INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIODS ENDED MARCH 31, 2024 AND 2023

NOTE 1 - NATURE OF OPERATIONS

InVitro International, Inc. (“IVRO”, the “Company”), headquartered in Placentia, California, was founded in 1985 and is a customer and technology-driven provider of non-animal testing methods. The Company’s testing technologies are designed to produce data regarding corrosivity, or ocular/dermal irritation, which correlate with animal and human test results. Our technologies are commercialized through test kits and laboratory services globally.

The Company is a pioneer in the field of non-animal testing and was first to develop and commercialize its flagship product Corrositex® in 1991. The global regulatory bodies that govern non-animal testing did not exist at the time. These regulatory bodies started to evolve in the early 2000’s and then consolidated into a more robust global regulatory system in the last few years. Organization for Economic Co-operation and Development (OECD) is the foremost such regulatory body today, with more than 35 member countries, including the U.S., and covers more than 80% of the world of commerce.

IVRO’s reorganization began in 2000 with a concept of establishing strategic alliances with other laboratories around the world. They lacked the resources to replace “Animal” testing without their help. IVRO entered a strategic alliance with INTEGRA in Italy naming them their 1st European “partner laboratory”. In addition, the Company asked them to be their training center in Europe and their permanent agent/distributor. They also asked INTEGRA to help them learn the Regulatory landscape for in vitro test technologies with the OECD.

IVRO completed the restructure of its organization while it won OECD adoption of Corrositex® (OECD 435) and Ocular Irritation® (OECD 496). These technologies deliver test results scientifically and legally accepted as full replacements for animal test results. Such results are Global Harmonization System (GHS) recognized in all the aforementioned OECD member countries. All three of IVRO’s technologies are now capable of delivering GHS level test results.

Today, IVRO is building its base of partner laboratories globally. Their primary function is to aid in furthering awareness among clients and prospects within their respective geographies. The message is that NON-Animal test technologies now have the same Regulatory and Legal standing as animal testing. In addition, IVRO’s test methods save companies both time and money; clearly, they eliminate unnecessary sacrifice of animals and finally they allow new products to get to market faster. Our strategic direction will emphasize collaboration with laboratories around the world while continuing to research and develop replacement tests for animals in more areas as well.

As described in Note 6, quasi reorganization was implemented on October 1, 2014.

INVITRO INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIODS ENDED MARCH 31, 2024 AND 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting - The Company prepares its financial statements based upon the accrual method of accounting, recognizing income when earned and expenses when incurred.

Recently adopted accounting standard - In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial instruments with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Company that are subject to the guidance in FASB ASC 326 were trade accounts receivable.

The Company adopted the standard effective October 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Material estimates that may be subject to change relate to the collectability of accounts receivable, realizability of inventories, investments, and long-lived assets, and the valuation allowance on deferred tax assets.

Revenue recognition - The Company recognizes revenue for its products upon shipment of goods to its customers, upon the reporting of results to its customers for its lab services by applying the following five step approach: (1) identify the contract with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to performance obligations in the contract, and (5) recognize revenue when or as a performance obligation is satisfied.

Customers - The Company sells its products to independent distributors, contract laboratories, and end users in approximately ten different industries in the United States, Europe, Latin America, and Asia. The combined foreign operations generated approximately 22% and 40% of the Company's total revenues during the six-month periods ended March 31, 2024 and 2023, respectively. The Company maintains reserves for potential credit losses. Management believes that future credit losses will not be material.

The Company's largest customer generated approximately 11% and 16% of the Company's total revenues during the six-month periods ended March 31, 2024 and 2023, respectively.

INVITRO INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIODS ENDED MARCH 31, 2024 AND 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued*

The customer had an outstanding balance of \$9,576 owed to the Company as of March 31, 2024.

Cash and cash equivalents - The Company defines its cash and cash equivalents to include only cash on hand, demand deposits, money market fund accounts, and investments with original maturities of ninety days or fewer. The Company maintains its cash and cash equivalents at financial institutions, the balances of which may, at times, exceed federally insured limits. Management believes that the risk of loss due to the concentration is minimal.

Investments - Investments in marketable securities are reported at fair value as determined by quoted market prices in an active market with unrealized and realized gains and losses included in investment income. Interest and dividend income are recorded on the accrual basis of accounting.

Fair value of financial instruments - Financial instruments primarily consist of marketable securities and interest-bearing cash. The Company estimates that the fair value of its financial instruments at March 31, 2024 do not differ materially from its aggregate carrying value. Considerable judgment is required in interpreting market data to develop the estimates of fair value and, accordingly, the estimates are not necessarily indicative of the amounts that the Company could realize in a current market exchange.

Fair value measurements - The Company defines fair value as 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. The Company measures fair value under a framework that provides 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 (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Accounts receivable - Accounts receivable are stated at the amount that management expects to collect from balances outstanding at fiscal year-end. Management closely monitors outstanding balances and provides a reserve for probable uncollectible amounts through a charge to earnings and a credit to the receivables allowance accounts based on its assessments of the current status of individual accounts. At March 31, 2024 and September 30, 2023, management recorded a reserve for potentially bad debts of \$3,500, respectively.

INVITRO INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIODS ENDED MARCH 31, 2024 AND 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued*

Inventories - Inventories are stated at the lower of cost or net realizable value. Cost is determined on the first-in, first-out method. Cost includes materials, labor, and an allocable portion of direct and indirect overhead. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation.

The Company regularly monitors inventories for excess or obsolete items and makes any valuation corrections when such adjustments are needed. Once established, write downs are considered permanent adjustments to the cost basis of obsolete or excess inventories.

Leases - The Company determines if an arrangement is a lease at inception. Leases with a term of more than twelve months are recorded on the balance sheet. Leases with an initial term of twelve months or less are not recorded on the balance sheet and the Company records the lease expense for these leases on a straight-line basis over the lease term.

Right-of-use (“ROU”) assets represent the Company’s right to use an underlying asset for the lease term and lease liabilities represent its obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. When the implicit rate is not readily determinable, as most of the Company’s leases do not provide an implicit rate, the Company uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments.

The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for operating leases is recognized on a straight-line basis over the lease term and the operating lease ROU assets are adjusted for lease incentives. The Company’s lease agreements typically do not contain any material variable lease payments, residual value guarantees or restrictive covenants.

Property and equipment - Property and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful life. Normal repairs and maintenance are expensed as incurred. Expenditures that materially adapt, improve, or alter the nature of the underlying assets are capitalized. When property and equipment are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and the resulting gain or loss is credited or charged to income.

Patents and trademarks - The costs of patents and trademarks acquired are amortized on the straight-line method over their estimated remaining lives. The identifiable costs to develop and defend the Company’s patents and trademarks are capitalized and amortized on the straight-line method over their estimated remaining lives. The unidentifiable costs to develop and defend the Company’s patents and trademarks are charged to expense as incurred.

INVITRO INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIODS ENDED MARCH 31, 2024 AND 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

The Company is not aware of any infringing uses that could materially affect its current business or any prior claim to the patents and/or trademarks that would prevent the Company from using such patents and/or trademarks in its business. The Company's policy is to pursue registration of its patents and trademarks, whenever possible, and to oppose vigorously any infringement of its patents and/or trademarks.

Aggregate patent costs, net of accumulated amortization of \$252,146, totaled \$2,234 at March 31, 2024 and are included in deposits and other assets. Amortization expense related to patents was \$264 and \$250 during the six-month periods ended March 31, 2024 and 2023, respectively.

Capitalized software - The costs of software acquired are amortized on the straight-line method over their estimated remaining lives. Aggregate software costs, net of accumulated amortization of \$112,127, totaled \$6,096 at March 31, 2024 and are included in deposits and other assets. Amortization expense related to software totaled \$238 and \$474 during the six-month periods ended March 31, 2024 and 2023, respectively.

Long-lived assets - The Company assesses, using a qualitative then a quantitative approach, the recoverability of long lived assets, including property and equipment, whenever triggering events, or changes in circumstances, indicate that the historical-cost carrying value of an asset may no longer be appropriate. The evaluation is performed by determining whether the depreciation and amortization of such assets over their remaining lives can be recovered through projected undiscounted cash flows. The amount of impairment, if any, is measured based on fair value and is charged to operations in the period in which such impairment is determined by management. To date, the Company has not identified any impairment of long-lived assets. As of and for the three months ended March 31, 2024, no triggering events were deemed present and therefore no impairment charges related to long lived assets were recognized. However, there can be no assurance that market conditions will not change, which could result in impairment of long-lived assets in the future.

Research and development - Research and development costs consist primarily of compensation and materials associated with the research and development of the Company's technologies and are expensed as incurred.

Advertising - The Company expenses advertising costs, charged to operations under selling, general, and administrative expenses, as they are incurred. Advertising costs during the six-month periods ended March 31, 2024 and 2023 amounted to \$18,351 and \$11,477, respectively.

Income taxes - The Company accounts for income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases.

INVITRO INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIODS ENDED MARCH 31, 2024 AND 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued*

Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized as income in the period that includes the enactment date. A valuation allowance is provided for significant deferred tax assets when it is more likely than not that such assets will not be recovered.

When tax returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than fifty percent likely of being realized upon settlement with the applicable taxing authority.

The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for unrecognized tax benefits along with any associated interest and penalties that would be payable to the taxing authorities upon examination. As of March 31, 2024, the Company had no unrecognized tax benefits, and the Company had no positions which, in the opinion of management, would be reversed if challenged by a taxing authority.

The Company's evaluation of tax positions was performed for those tax years which remain open to audit. The Company may, from time to time, be assessed interest or penalties by the taxing authorities, although any such assessments historically have been minimal and immaterial to the Company's financial results. In the event the Company is assessed for interest and/or penalties, such amounts will be classified as income tax expense in the financial statements.

Foreign currency translation - The financial statements of the Company's foreign operations have been translated to U.S. dollars. Assets and liabilities are translated at exchange rates as of the balance sheet date. Revenues and expenses are translated at average rates of exchange in effect during the fiscal year. The translation adjustment is excluded from results of operations but is included in comprehensive income and is accumulated in a separate component of shareholders' equity. Gains and losses from foreign currency transactions denominated in a currency other than the Company or its foreign operations' local currencies are included in results of operations.

INVITRO INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIODS ENDED MARCH 31, 2024 AND 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued*

Accounting for stock-based compensation - At March 31, 2024, the Company measures and recognizes the cost of employee services received in exchange for an award of equity instruments based on the grant-date at fair value, including share-based compensation based on the grant-date fair value for all share-based payments granted prior to and not yet vested as of January 1, 2006 and share-based compensation based on the grant-date fair-value for all share-based payments granted after October 1, 2006. For non-employee stock-based compensation, the Company values the equity securities based on the fair value of the security on the date of grant. For stock-based awards, the value is based on the market value of the stock on the date of the grant or the value of services, whichever is more readily available.

Stock option awards are valued using the Black-Scholes-Merton option-pricing model. As of March 31, 2024, the Company had two stock-based employee compensation plans. At January 1, 2024, the first agreement was terminated and the respective stock-based compensation was recognized as of December 31, 2023 (Note 6).

Net income (loss) per common share - The Company reports earnings per share (“EPS”) with a dual presentation of basic EPS and diluted EPS on the face of the statement of comprehensive income. Basic EPS is computed as net income (loss) divided by the weighted average of common shares for the period. Diluted EPS reflects the potential dilution that could occur from common shares issued through stock options, or warrants. During the six-month periods ended March 31, 2024 and 2023, respectively, the Company had no potentially dilutive common stock equivalents. Therefore, the basic EPS and the diluted EPS are the same.

Comprehensive income (loss) - The Company reports and displays all components of comprehensive income in a full set of financial statements. Accumulated other comprehensive income (loss) as reported in the accompanying balance sheet represents foreign currency translation adjustments.

Segments of an enterprise and related information - The Company currently operates in one business segment.

Subsequent events - Subsequent events have been evaluated by the Company through April 26, 2024, which is the date these financial statements were issued, and no subsequent material events have arisen, other than those described in these financial statements, that would require disclosure.

NOTE 3 - FAIR VALUE MEASUREMENTS

Certificate of deposit - Valued at fair value by discontinuing the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer. As of March 31, 2024, the certificates of deposits had a maturity of five months from the origination date with interest rates between 3.68% and 4.16%.

INVITRO INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIODS ENDED MARCH 31, 2024 AND 2023

NOTE 3 - FAIR VALUE MEASUREMENTS, continued

Investments totaled \$834,173 and \$815,526 as of March 31, 2024 and September 30, 2023, respectively. Included in the investment balance is accrued interest receivable, which totaled \$27,126 and \$15,526 as of March 31, 2024 and September 30, 2023, respectively.

The valuation method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, although the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

All of the Company's assets measured at fair value on a recurring basis are measured as level 1 within the fair value hierarchy.

NOTE 4 - INVENTORIES

Inventories consist of the following at March 31, 2024 and September 30, 2023:

	<u>March 31, 2024</u>	<u>September 30, 2023</u>
Raw materials and powder	\$ 58,544	\$ 61,368
Components	76,919	59,861
Finished goods	<u>56,385</u>	<u>41,906</u>
	<u>\$ 191,848</u>	<u>\$ 163,135</u>

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment as of March 31, 2024 and September 30, 2023 consist of:

	<u>March 31, 2024</u>	<u>September 30, 2023</u>
Equipment	\$ 313,131	\$ 313,131
Leasehold improvements	<u>34,539</u>	<u>34,539</u>
	347,670	347,670
Less accumulated depreciation and amortization	<u>(336,240)</u>	<u>(334,784)</u>
	<u>\$ 11,430</u>	<u>\$ 12,886</u>

Depreciation and amortization expense on property and equipment was \$1,819 and \$1,420 during the six-month periods ended March 31, 2024 and 2023, respectively.

INVITRO INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIODS ENDED MARCH 31, 2024 AND 2023

NOTE 6 - SHAREHOLDERS' EQUITY

Quasi reorganization - During the year ended September 30, 2015, upon recommendation by the officers of the Company and approval by the board of directors, a corporate readjustment was implemented.

The Company accumulated a deficit of \$24,556,683 prior to September 30, 2014, under previous management. The Company's prior management was replaced and reorganized from 1995 through 1999. The new management, through September 30, 2014, had modified the operational strategy successfully to enable the Company to operate in the present form which had been profitable over the six consecutive years ending September 30, 2014.

As a result, as of October 1, 2014, the Company's accumulated deficit was reduced to \$0 from \$24,556,683, and the common stock account was reduced to \$609,630 from \$25,166,313.

Stock option plans - The Company had two stock option plans, of which one expired during the period, whereby incentive stock options or nonqualified stock options ("Options") may be granted to employees, directors, officers, and others to purchase shares of the Company's common stock ("Shares"). The options are exercisable at prices which equal or exceed the fair value of the Company's common stock at the date of grant. The option exercise price may be payable in cash or shares of previously owned Company common stock (if any) (valued by a committee of the Board of Directors). Options granted pursuant to the plan vest and expire according to the terms of each option agreement.

On August 12, 2020 (the "Grant Date"), the Company granted 1,800,000 incentive stock options to the President of the Company. These options vest 300,000 shares per year over a six-period year period ("FY2020 Installment"). Installments shall vest to the 300,000 shares annually up to 1,800,000 options. The options shall expire, and all rights hereunder to purchase the Shares shall terminate, 5 years from the vesting date. On January 1, 2024, the agreement was terminated and the respective stock-based compensation of \$3,354 was recognized for the three months ended December 31, 2023. Beginning January 2024, no further stock compensation expense was recorded relative to this stock option plan as the agreement was terminated. Also, the option agreement states that, due to the agreement termination, all 1,800,000 incentive stock options are canceled. At March 31, 2024, this plan had no options outstanding.

On October 27, 2022 (the "Grant Date"), the Company granted stock options to its President, four employees, and one consultant. The President received 350,000 stock options and of the four employees and one consultant, one employee and one consultant each received 100,000 stock options. In addition, three employees each received 50,000 options to purchase shares of common stock. These shares vest in even installments over a four-year period ("FY2023 Installment"). The shares price is equal to the fair market value of the shares on the Grant Date. The options shall expire, and all rights hereunder to purchase the shares shall terminate, ten years from the vesting date.

INVITRO INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIODS ENDED MARCH 31, 2024 AND 2023

NOTE 6 - SHAREHOLDERS' EQUITY, continued

On January 1, 2024, the 350,000 stock options received by the President expired due to the termination of the agreement. At March 31, 2024, this plan had 350,000 options outstanding.

A summary of the Company's stock option activity is presented in the following table:

	Number of Shares	Exercise price per Share
Options outstanding at September 30, 2023	2,500,000	\$ 0.075 - 0.100
Granted	-	-
Canceled	(2,150,000)	\$ 0.075 - 0.100
Options outstanding at March 31, 2024	350,000	\$ 0.075

The following table summarized information about stock options outstanding at March 31, 2024:

Price	Options outstanding		Options exercisable
	Number of Shares	Contractual life (in years)	Number of Shares
\$ 0.075	350,000	13.82	87,500
\$ 0.075	350,000	13.82	87,500

The Company recorded stock-based compensation expense of \$5,751 and \$5,450 in connection with the Plans for the six-month periods ended March 31, 2024 and 2023, respectively.

The stock-based compensation expense is measured using "Black-Scholes-Merton option-pricing model", incorporating the following weighted average assumption as of the grant dates on October 27, 2022:

Expected Dividend yield	0%
Expected stock-price volatility	40%
Risk-free interest rate	3.96%
Expected term of options (years)	14
Stock price	\$0.075
Exercise price	\$0.075

INVITRO INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIODS ENDED MARCH 31, 2024 AND 2023

NOTE 6 - SHAREHOLDERS' EQUITY, continued

Preferred stock - The Company has authorized 1,000,000 shares of preferred stock to be issued. These shares may be issued in one or more series as determined by the Board of Directors. At the time of determination, the rate of dividends (whether cumulative or non-cumulative), redemption features, and liquidation preferences will be established. At March 31, 2024, no preferred stock determinations or issuances have been authorized by the Board of Directors.

Repurchase of common stock - The Company's Board of Directors from time to time has authorized the repurchase of shares of the Company's common stock, in the open market or through negotiated transactions, at such times and at such prices as management may decide. During fiscal year 2022, the Corporation agreed to acquire 100,000 shares of its common stock from a shareholder in exchange for \$14,999.

NOTE 7 - PROVISION FOR INCOME TAXES

The provision for income taxes for the six-month periods ended March 31, 2024 and 2023 is comprised of the following:

	<u>2024</u>	<u>2023</u>
Current provision	\$ -	\$ 800
Deferred benefit	-	-
	<u>\$ -</u>	<u>\$ 800</u>

As of March 31, 2024, the significant components of the Company's net deferred tax assets are as follows:

Deferred tax assets:	
Net operating loss carryforwards	\$ 23,200
Research and development tax credits	77,000
Allowances and other	<u>11,500</u>
	111,700
Valuation allowance	<u>(111,700)</u>
	<u>\$ -</u>

During the six months ended March 31, 2024, the valuation allowance decreased by \$16,100.

The Company did not utilize funds in either net operating loss carryforwards ("NOLs") nor in state research tax credits to reduce their taxable income during the six months ended March 31, 2024.

INVITRO INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIODS ENDED MARCH 31, 2024 AND 2023

NOTE 7 - PROVISION FOR INCOME TAXES, continued

As of March 31, 2024, the Company had NOLs for federal reporting purposes of approximately \$146,400, of which \$57,900 expire through fiscal 2024 and \$88,500 are available indefinitely.

The Federal tax codes provide for restrictive limitations on the annual utilization of NOLs to offset taxable income when the stock ownership of a company significantly changes, as defined.

As of March 31, 2024, the Company has research tax credits of \$77,000 for Federal tax purposes and \$0 for state tax purposes. The research tax credits are available to offset future tax liabilities, if any, through 2040. Due to historical ownership changes, the utilization of the research tax credits are subject to annual limitations in future periods, which could substantially reduce the Company's ability to offset future taxable income. Utilization of these amounts could be further limited if additional ownership changes occur in the future.

As of March 31, 2024, the Company's federal tax returns since the 2020 tax year and state tax returns since the 2019 tax year remain open for examination by the tax jurisdictions. No tax returns are currently being examined by taxing authorities.

NOTE 8 - LEASES

Operating leases - The Company leases its corporate headquarters under a non-cancelable operating lease agreement expiring in August 2024. Total lease expense for all locations in the United States was \$22,966 for both the six-month periods ended March 31, 2024 and 2023, respectively.

Other information related to leases for the period ended March 31, 2024 were as follows:

Supplemental cash flow information:

Cash paid for amounts included in the measurement
of lease liabilities:

Operating cash flows from operating leases	<u>\$ 22,966</u>
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Weighted average remaining lease term:

Operating leases	<u>0.50 Years</u>
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Weighted average discount rate:

Operating leases	<u>4.22%</u>
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INVITRO INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIODS ENDED MARCH 31, 2024 AND 2023

NOTE 8 - LEASES, continued

Future annual minimum payments under all operating leases for the remaining years ending September 30th are:

For the remaining year ending September 30,		
2024	\$	<u>20,395</u>
Total future minimum lease payments		20,395
Less: amount representing interest		<u>(254)</u>
Present value of lease liabilities		20,141
Less: current portion		<u>(20,141)</u>
Long-term portion	\$	<u><u>-</u></u>

In March 2024, the Company signed an agreement to extend the terms of its lease through August 2029.

NOTE 9 - BASIC AND DILUTED INCOME (LOSS) PER SHARE

The following is a reconciliation of the numerators and denominators of the basic and diluted income (loss) per share computations for the six-month periods ended March 31, 2024 and 2023, respectively:

	<u>2024</u>	<u>2023</u>
Numerator for basic and diluted income (loss) per share:		
Net income (loss)	\$ <u>65,345</u>	\$ <u>(34,320)</u>
Denominator for basic and diluted income per share:		
Weighted average shares (basic)	20,509,809	22,659,809
Common stock equivalents	<u>1,244,349</u>	<u>600,000</u>
Weighted average shares (diluted)	<u><u>21,754,158</u></u>	<u><u>23,259,809</u></u>
Basic and diluted income (loss) per share:		
Basic	\$ <u>0.003</u>	\$ <u>(0.002)</u>
Diluted	\$ <u>0.003</u>	\$ <u>(0.001)</u>

NOTE 10 - BUSINESS SEGMENT AND GEOGRAPHIC INFORMATION

INVITRO INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIODS ENDED MARCH 31, 2024 AND 2023

The Company operates in multiple industry segments providing in-vitro (non-animal) consumer, product, and environmental safety test method to customers in the cosmetics, personal care, household products, textiles, pharmaceuticals, chemicals, and hazardous waste transportation industries.

Revenues, net income, and identifiable assets by geographic area as of and for the six-month periods ended March 31, 2024 and 2023, respectively, are as follows:

	<u>2024</u>	<u>2023</u>
Revenues:		
United States	\$ 290,300	\$ 245,800
Other countries	<u>131,940</u>	<u>162,540</u>
	<u>\$ 422,240</u>	<u>\$ 408,340</u>
Net income (loss):		
United States	\$ 44,926	\$ (20,659)
Other countries	<u>20,419</u>	<u>(13,661)</u>
	<u>\$ 65,345</u>	<u>\$ (3,353)</u>
Identifiable assets:		
United States	\$ 1,566,934	\$ 1,453,449
Other countries	<u>14,181</u>	<u>5,434</u>
	<u>\$ 1,581,115</u>	<u>\$ 1,458,883</u>

NOTE 11 - EMPLOYEE BENEFIT PLAN

The Company sponsors a defined contribution plan covering full time employees. Employees may contribute up to the maximum 401(k) contribution allowed under the Internal Revenue Code each plan year. Employee contributions to the plan are withheld from wages and are vested 100% immediately.

The Company matches each employee's contribution up to the first 3% of their pay and all such contributions are vested immediately. The Company's contributions to the defined contribution plan was \$6,064 and \$8,238 for the six-month periods ended March 31, 2024 and 2023, respectively.



INVITRO INTERNATIONAL, INC.

AUDITED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2023 AND FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022
with

INDEPENDENT AUDITOR'S REPORT THEREON



CERTIFIED PUBLIC ACCOUNTANTS

INVITRO INTERNATIONAL, INC.

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Independent Auditor's Report

To the Board of Directors and Shareholders
InVitro International, Inc.

Opinion

We have audited the accompanying financial statements of InVitro International (the "Company"), which comprise the balance sheet as of September 30, 2023, and the related statements of comprehensive income, changes in shareholders' equity, and cash flows for the years ended September 30, 2023 and 2022, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of InVitro International, Inc. as of September 30, 2023, and the results of its operations and its cash flows for the years ended September 30, 2023 and 2022 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audits.

Torrance, California
November 13, 2023

INVITRO INTERNATIONAL, INC.

BALANCE SHEET
SEPTEMBER 30, 2023

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	356,987
Investments		815,526
Accounts receivable, net of allowance of \$3,500		96,613
Inventories		163,135
Prepaid expenses		34,912
		<u>1,467,173</u>

LONG-TERM ASSETS

Property and equipment, net		12,886
Operating lease right-of-use assets		41,322
Deposits and other assets		12,626
		<u>66,834</u>
	\$	<u>1,534,007</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES

Accounts payable	\$	8,042
Accrued payroll and employee benefits		3,754
Income taxes payable		800
Other accrued liabilities		22,549
Operating lease liabilities		43,845
		<u>78,990</u>

SHAREHOLDERS' EQUITY

Preferred stock, no par value; 1,000,000 shares authorized; no shares issued or outstanding		-
Common stock, no par value; 40,000,000 shares authorized; 22,659,809 shares issued and outstanding		654,081
Additional paid in capital		20,930
Accumulated other comprehensive income		63,996
Retained earnings		716,010
		<u>1,455,017</u>
	\$	<u>1,534,007</u>

*The accompanying notes are an
integral part of these financial statements*

INVITRO INTERNATIONAL, INC.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
REVENUES	\$ 792,628	\$ 853,511
EXPENSES		
Cost of revenues	156,643	173,319
Selling, general, and administrative	648,175	708,879
Research and development	13,149	88,081
	<u>817,967</u>	<u>970,279</u>
OPERATING LOSS	<u>(25,339)</u>	<u>(116,768)</u>
OTHER INCOME		
Interest and dividend income	27,692	11,501
Forgiveness CARES Act PPP loan	-	101,015
Employee retention credits, net	-	107,108
Realized gain (loss) on securities	-	(90,290)
	<u>27,692</u>	<u>129,334</u>
INCOME BEFORE PROVISION FOR INCOME TAXES	2,353	12,566
PROVISION FOR (BENEFIT FROM) INCOME TAXES	<u>800</u>	<u>(8,710)</u>
NET INCOME	<u>\$ 1,553</u>	<u>\$ 21,276</u>
COMPREHENSIVE INCOME	<u>\$ 1,553</u>	<u>\$ 21,276</u>
NET INCOME PER COMMON SHARE:		
Basic	<u>\$ 0.000</u>	<u>\$ 0.001</u>
Diluted	<u>\$ 0.000</u>	<u>\$ 0.001</u>
Weighted average common shares outstanding - basic	<u>22,659,809</u>	<u>22,659,809</u>
Weighted average common shares outstanding - diluted	<u>23,762,138</u>	<u>23,300,083</u>

*The accompanying notes are an
integral part of these financial statements*

INVITRO INTERNATIONAL, INC.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	Common Stock		Restricted Stock Issued	Additional Paid in Capital	Accumulated Other Comprehensive Income	Retained Earnings	Total
	<u>Shares</u>	<u>Amount</u>					
BALANCE, September 30, 2021	22,759,809	\$ 669,080	\$ -	\$ 4,019	\$ 63,996	\$ 693,181	\$ 1,430,276
Repurchase of common stock	(100,000)	(14,999)	-	-	-	-	(14,999)
Share based compensation	-	-	-	5,256	-	-	5,256
Net income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,276</u>	<u>21,276</u>
BALANCE, September 30, 2022	22,659,809	654,081	-	9,275	63,996	714,457	1,441,809
Share based compensation	-	-	-	11,655	-	-	11,655
Net income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,553</u>	<u>1,553</u>
BALANCE, September 30, 2023	<u>22,659,809</u>	<u>\$ 654,081</u>	<u>\$ -</u>	<u>\$ 20,930</u>	<u>\$ 63,996</u>	<u>\$ 716,010</u>	<u>\$ 1,455,017</u>

*The accompanying notes are an
integral part of these financial statements*

INVITRO INTERNATIONAL, INC.

STATEMENT OF CASH FLOWS FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 1,553	\$ 21,276
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	4,327	3,894
Share-based compensation	11,655	5,256
Loss (gain) on securities	-	90,290
CARES Act PPP loan forgiveness income	-	(101,015)
Changes in operating assets and liabilities:		
Accounts receivable, net	(45,172)	70,818
Inventories	(5,619)	(17,137)
Prepaid expenses	3,214	(1,900)
Other assets	1,500	1,500
Accounts payable	2,821	2,395
Accrued payroll and employee benefits	(32,473)	(26,467)
Operating lease right-of-use assets and liabilities, net	2,523	-
Income taxes payable	-	(8,710)
Other accrued liabilities	(3,440)	424
Net cash flows from operating activities	<u>(59,111)</u>	<u>40,624</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(850)	(9,375)
Purchases of investments	(815,526)	(98,610)
Proceeds from the sale of investments	-	793,288
Net cash flows from investing activities	<u>(816,376)</u>	<u>685,303</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repurchase of common stock	-	(14,999)
Net cash flows from financing activities	<u>-</u>	<u>(14,999)</u>
Net change in cash and cash equivalents	(875,487)	710,928
Cash and cash equivalents, beginning of year	<u>1,232,474</u>	<u>521,546</u>
Cash and cash equivalents, end of year	<u>\$ 356,987</u>	<u>\$ 1,232,474</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for income taxes	<u>\$ 800</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

INVITRO INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2023 AND FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

NOTE 1 - NATURE OF OPERATIONS

InVitro International, Inc. (“IVRO”, the “Company”), headquartered in Placentia, California, was founded in 1985 and is a customer and technology-driven provider of non-animal testing methods. The Company’s testing technologies are designed to produce data regarding corrosivity, or ocular/dermal irritation, which correlate with animal and human test results. Our technologies are commercialized through test kits and laboratory services globally.

The Company is a pioneer in the field of non-animal testing and was first to develop and commercialize its flagship product Corrositex® in 1991. The global regulatory bodies that govern non-animal testing did not exist at the time. These regulatory bodies started to evolve in the early 2000’s and then consolidated into a more robust global regulatory system in the last few years. Company for Economic Co-operation and Development (OECD) is the foremost such regulatory body today, with more than 35 member countries, including the U.S., and covers more than 80% of the world of commerce.

IVRO’s reorganization began in 2000 with a concept of establishing strategic alliances with other laboratories around the world. They lacked the resources to replace “Animal” testing without their help. IVRO entered a strategic alliance with INTEGRA in Italy naming them their 1st European “partner laboratory”. In addition, the Company asked them to be their training center in Europe and their permanent agent/distributor. They also asked INTEGRA to help them learn the Regulatory landscape for in vitro test technologies with the OECD.

IVRO completed the restructure of its Company while it won OECD adoption of Corrositex® (OECD 435) and Ocular Irritation® (OECD 496). These technologies deliver test results scientifically and legally accepted as full replacements for animal test results. Such results are Global Harmonization System (GHS) recognized in all the aforementioned OECD member countries. All three of IVRO’s technologies are now capable of delivering GHS level test results.

Today, IVRO is building its base of partner laboratories globally. Their primary function is to aid in furthering awareness among clients and prospects within their respective geographies. The message is that NON-Animal test technologies now have the same Regulatory and Legal standing as animal testing. In addition, IVRO’s test methods save companies both time and money; clearly they eliminate unnecessary sacrifice of animals and finally they allow new products to get to market faster. This strategic direction will emphasize collaboration with laboratories around the world while continuing to research and develop replacement tests for animals in more areas as well.

As described in Note 8, quasi reorganization was implemented on October 1, 2014.

INVITRO INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2023 AND FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting - The Company prepares its financial statements based upon the accrual method of accounting, recognizing income when earned and expenses when incurred.

Recently adopted accounting standard - In February 2016, the FASB issued Accounting Standards Update (“ASU”) No. 2016-02, *Leases*, and established Accounting Standards Codification (“ASC”) 842 which supersedes ASC 840, *Leases*. The new lease standard requires lessees to recognize assets and liabilities on the balance sheet for the rights and obligations created by all leases with lease terms of more than twelve months. ASU 2016-02 also expands on the required quantitative and qualitative disclosures surrounding leases.

The Company adopted ASU 2016-02 and any subsequent amendments effective October 1, 2022 using the modified retrospective method, with certain practical expedients available. The Company elected the package of practical expedients permitted under transition which permits the Company to not reassess the following: 1) whether a contract is or contains a lease, 2) lease classification, and 3) initial direct costs. The cumulative effect of adopting this standard on October 1, 2022 resulted in no impact to opening net assets. The adoption of the standard did not have a material impact on the Company’s statement of activities and cash flows.

In addition, the Company elected the hindsight practical expedient to determine the lease term for existing leases. The election of hindsight practice expedient resulted in the extension of lease terms for certain existing leases.

In the Company’s application of hindsight, the Company evaluated the performance of the leased spaces and the associated markets in relation to their overall real estate strategies, which resulted in the determination that most renewal options would be reasonable certain in determining the lease term.

As a result of adopting this standard on October 1, 2022, for its operating leases, the Company recognized operating lease right-of-use (“ROU”) assets amounting to \$84,545 and operating lease liabilities amounting to \$88,512, based on the present value of the remaining operating lease payments. The adoption of the standard did not have a material impact on the Company’s statements of income and cash flows.

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Material estimates that may be subject to change relate to the collectability of accounts receivable, realizability of inventories, investments, and long-lived assets, and the valuation allowance on deferred tax assets.

INVITRO INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2023 AND FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Revenue recognition - The Company recognizes revenue for its products upon shipment of goods to its customers, upon the reporting of results to its customers for its lab services by applying the following five step approach: (1) identify the contract with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to performance obligations in the contract, and (5) recognize revenue when or as a performance obligation is satisfied.

Customers - The Company sells its products to independent distributors, contract laboratories, and end users in approximately ten different industries in the United States, Europe, Latin America, and Asia. The combined foreign operations generated approximately 34% and 27% of the Company's total revenues during fiscal 2023 and 2022, respectively. The Company maintains reserves for potential credit losses. Management believes that future credit losses will not be material.

The Company's largest customer generated approximately 11% of the Company's total revenues during fiscal 2023; the same customer generated 11% during fiscal 2022 as well. The largest customer had an outstanding balance of \$43,852 owed to the Company as of September 30, 2023.

Cash and cash equivalents - The Company defines its cash and cash equivalents to include only cash on hand, demand deposits, money market fund accounts, and investments with original maturities of ninety days or less. The Company maintains its cash and cash equivalents at financial institutions, the balances of which may, at times, exceed federally insured limits. Management believes that the risk of loss due to the concentration is minimal.

Investments - Investments in marketable securities are reported at fair value as determined by quoted market prices in an active market with unrealized and realized gains and losses included in investment income. Interest and dividend income are recorded on the accrual basis of accounting.

Fair value of financial instruments - Financial instruments primarily consist of marketable securities and interest-bearing cash. The Company estimates that the fair value of its financial instruments at September 30, 2023 do not differ materially from its aggregate carrying value. Considerable judgment is required in interpreting market data to develop the estimates of fair value and, accordingly, the estimates are not necessarily indicative of the amounts that the Company could realize in a current market exchange.

Fair value measurements - The Company defines fair value as 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. The Company measures fair value under a framework that provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

INVITRO INTERNATIONAL, INC.

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The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Accounts receivable - Accounts receivable are stated at the amount that management expects to collect from balances outstanding at fiscal year-end. Management closely monitors outstanding balances and provides a reserve for probable uncollectible amounts through a charge to earnings and a credit to the receivables allowance accounts based on its assessments of the current status of individual accounts. At September 30, 2023, management has recorded a reserve for potentially bad debts of \$3,500.

Inventories - Inventories are stated at the lower of cost or net realizable value. Cost is determined on the first-in, first-out method. Cost includes materials, labor, and an allocable portion of direct and indirect overhead. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. The Company regularly monitors inventories for excess or obsolete items and makes any valuation corrections when such adjustments are needed. Once established, write downs are considered permanent adjustments to the cost basis of obsolete or excess inventories.

Leases - The Company determines if an arrangement is a lease at inception. Leases with a term of more than twelve months are recorded on the balance sheet. Leases with an initial term of twelve months or less are not recorded on the balance sheet and the Company records the lease expense for these leases on a straight-line basis over the lease term.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent its obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. When the implicit rate is not readily determinable, as most of the Company's leases do not provide an implicit rate, the Company uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments.

The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for operating leases is recognized on a straight-line basis over the lease term and the operating lease ROU assets are adjusted for lease incentives. The Company's lease agreements typically do not contain any material variable lease payments, residual value guarantees or restrictive covenants.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Property and equipment - Property and equipment are recorded at cost and depreciated using the

INVITRO INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2023 AND FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

straight-line method over the estimated useful life. Normal repairs and maintenance are expensed as incurred. Expenditures that materially adapt, improve, or alter the nature of the underlying assets are capitalized. When property and equipment are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and the resulting gain or loss is credited or charged to income.

Patents and trademarks - The costs of patents and trademarks acquired are amortized on the straight-line method over their estimated remaining lives. The identifiable costs to develop and defend the Company's patents and trademarks are capitalized and amortized on the straight-line method over their estimated remaining lives. The unidentifiable costs to develop and defend the Company's patents and trademarks are charged to expense as incurred.

The Company is not aware of any infringing uses that could materially affect its current business or any prior claim to the patents and/or trademarks that would prevent the Company from using such patents and/or trademarks in its business. The Company's policy is to pursue registration of its patents and trademarks, whenever possible, and to oppose vigorously any infringement of its patents and/or trademarks.

Aggregate patent costs, net of accumulated amortization of \$251,757, totaled \$998 at September 30, 2023 and are included in deposits and other assets. Amortization expense related to patents was \$499 and \$500 during the years ended September 30, 2023 and 2022, respectively.

Capitalized software - The costs of software acquired are amortized on the straight-line method over their estimated remaining lives. Aggregate software costs, net of accumulated amortization of \$111,652, totaled \$6,571 at September 30, 2023 and are included in deposits and other assets. Amortization expense related to software totaled \$950 during the years ended September 30, 2023 and 2022.

Long-lived assets - The Company assesses, using a qualitative then a quantitative approach, the recoverability of long lived assets, including property and equipment, whenever triggering events, or changes in circumstances, indicate that the historical-cost carrying value of an asset may no longer be appropriate. The evaluation is performed by determining whether the depreciation and amortization of such assets over their remaining lives can be recovered through projected undiscounted cash flows. The amount of impairment, if any, is measured based on fair value and is charged to operations in the period in which such impairment is determined by management. To date, the Company has not identified any impairment of long-lived assets. As of and for the year ended September 30, 2023, no triggering events were deemed present and therefore no impairment charges related to long lived assets were recognized. However, there can be no assurance that market conditions will not change, which could result in impairment of long-lived assets in the future.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Research and development - Research and development costs consist primarily of compensation and materials associated with the research and development of the Company's technologies and

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NOTES TO FINANCIAL STATEMENTS

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are expensed as incurred.

Advertising - The Company expenses advertising costs, charged to operations under selling, general, and administrative expenses, as they are incurred. Advertising costs during the years ended September 30, 2023 and 2022 amounted to \$24,628 and \$74,214, respectively.

Income taxes - The Company accounts for income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized as income in the period that includes the enactment date. A valuation allowance is provided for significant deferred tax assets when it is more likely than not that such assets will not be recovered.

When tax returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than fifty percent likely of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for unrecognized tax benefits along with any associated interest and penalties that would be payable to the taxing authorities upon examination. As of September 30, 2023, the Company had no unrecognized tax benefits, and the Company had no positions which, in the opinion of management, would be reversed if challenged by a taxing authority.

The Company's evaluation of tax positions was performed for those tax years which remain open to audit. The Company may, from time to time, be assessed interest or penalties by the taxing authorities, although any such assessments historically have been minimal and immaterial to the Company's financial results. In the event the Company is assessed for interest and/or penalties, such amounts will be classified as income tax expense in the financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Foreign currency translation - The financial statements of the Company's foreign operations have been translated to U.S. dollars. Assets and liabilities are translated at exchange rates as of

INVITRO INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS

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the balance sheet date. Revenues and expenses are translated at average rates of exchange in effect during the fiscal year. The translation adjustment is excluded from results of operations but is included in comprehensive income and is accumulated in a separate component of shareholders' equity. Gains and losses from foreign currency transactions denominated in a currency other than the Company or its foreign operations' local currencies are included in results of operations.

Accounting for stock-based compensation - At September 30, 2023, the Company measures and recognizes the cost of employee services received in exchange for an award of equity instruments based on the grant-date at fair value, including share-based compensation based on the grant-date fair value for all share-based payments granted prior to and not yet vested as of January 1, 2006 and share-based compensation based on the grant-date fair-value for all share-based payments granted after October 1, 2006. For non-employee stock-based compensation, the Company values the equity securities based on the fair value of the security on the date of grant. For stock-based awards, the value is based on the market value of the stock on the date of the grant or the value of services, whichever is more readily available. Stock option awards are valued using the Black-Scholes-Merton option-pricing model. As of September 30, 2022, the Company had one stock-based employee compensation plan. A second stock option plan was granted during this fiscal year, on October 27, 2022.

Net income per common share - The Company reports earnings per share ("EPS") with a dual presentation of basic EPS and diluted EPS on the face of the statements of comprehensive income. Basic EPS is computed as net income divided by the weighted average of common shares for the period. Diluted EPS reflects the potential dilution that could occur from common shares issued through stock options, or warrants. During fiscal years 2023 and 2022, the Company had no potentially dilutive common stock equivalents. Therefore, the basic EPS and the diluted EPS are the same.

Comprehensive income - The Company reports and displays all components of comprehensive income in a full set of financial statements. Accumulated other comprehensive income as reported in the accompanying balance sheet represents foreign currency translation adjustments.

Segments of an enterprise and related information - The Company currently operates in one business segment.

Subsequent events - Subsequent events have been evaluated by the Company through November 13, 2023, which is the date these financial statements were issued, and no subsequent material events have arisen, other than those described in these financial statements, that would require disclosure.

NOTE 3 - FAIR VALUE MEASUREMENTS

Certificate of deposit - Valued at fair value by discontinuing the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer. As of September 30, 2023, the certificates of deposits had a maturity of five months

INVITRO INTERNATIONAL, INC.

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from the origination date with interest rates between 3.68% and 4.16%. Investments totaled \$815,526 as of September 30, 2023 and accrued interest of \$15,526.

The valuation method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, although the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

All of the Company's assets measured at fair value on a recurring basis are measured as level 1 within the fair value hierarchy.

NOTE 4 - INVENTORIES

Inventories consist of the following at September 30, 2023:

Raw materials and powder	\$	61,368
Components		59,861
Finished goods		<u>41,906</u>
	\$	<u>163,135</u>

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment as of September 30, 2023 consist of:

Equipment	\$	313,131
Leasehold improvements		<u>34,539</u>
		347,670
Less accumulated depreciation and amortization		<u>(334,784)</u>
	\$	<u>12,886</u>

Depreciation and amortization expense on property and equipment was \$2,878 and \$2,442 during the years ended September 30, 2023 and 2022, respectively.

NOTE 6 - CARES ACT PPP LOAN FORGIVENESS INCOME

COVID-19 impact - On March 11, 2020, the World Health Company declared the spread of Coronavirus disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses and communities. It is expected

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the COVID-19 pandemic could potentially impact the Company's Fiscal 2024 operations resulting in a decline in revenue, additional bad debts and other unanticipated costs.

Management believes the Company is taking appropriate actions to mitigate the negative financial impact, including participation in the Payroll Protection Program (or "PPP"). However, the full financial impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

Forgiveness income - On April 4, 2021, the Company obtained a low-interest loan in the amount of \$101,015 from a financial institution in connection with the U.S Small Business Administration's ("SBA") Paycheck Protection Program (the "PPP Loan"). In December 2021, the PPP Loan was forgiven in full by the SBA based on the Company's use of the proceeds for its payroll costs and other expenses in accordance with the requirements of the CARES Act. The amount forgiven for \$101,015 is included in Other Income in the Statement of Comprehensive Income for the year ended September 30, 2022.

NOTE 7 - EMPLOYEE RETENTION CREDITS

In August 2022, the Company claimed Employee Retention Credits ("ERC") of \$107,108 on qualified wages paid in the fourth quarter of fiscal year 2022. This amount is net of an \$11,900 administration filing fee. The Company has accounted for the ERC by analogizing to International Accounting Standard ("IAS") 20, which provides a model for the accounting of different forms of government assistance. Under the IAS 20 model, government assistance is not recognized until there is reasonable assurance (similar to the probable threshold in U.S. GAAP) that any conditions attached to the assistance will be met and the assistance will be received. Once there is reasonable assurance that the conditions will be met, the earnings impact of the grant is recorded on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate.

The Company determined through internal calculations, that all criteria for the ERC have been met as of September 30, 2022. In analogizing to IAS 20, the Company recorded ERC receivable of \$107,108 in the accompanying income statement for the credits received and recognized a corresponding amount as other income within the accompanying statement of comprehensive income and retained earnings.

NOTE 8 - SHAREHOLDERS' EQUITY

Quasi reorganization - During the year ended September 30, 2015, upon recommendation by the officers of the Company and approval by the board of directors, a corporate readjustment was implemented.

INVITRO INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS

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The Company accumulated a deficit of \$24,556,683 prior to September 30, 2014, under previous management. The Company's prior management was replaced and reorganized from 1995 through 1999. The new management, through September 30, 2014, had modified the operational strategy successfully to enable the Company to operate in the present form which had been profitable over the six consecutive years ending September 30, 2014.

As a result, as of October 1, 2014, the Company's accumulated deficit was reduced to \$0 from \$24,556,683, and the common stock account was reduced to \$609,630 from \$25,166,313.

Stock option plans - The Company has two stock option plans whereby incentive stock options or nonqualified stock options ("Options") may be granted to employees, directors, officers, and others to purchase shares of the Company's common stock ("Shares"). The options are exercisable at prices which equal or exceed the fair value of the Company's common stock at the date of grant. The option exercise price may be payable in cash or shares of previously owned Company common stock (if any) (valued by a committee of the Board of Directors). Options granted pursuant to the plan vest and expire according to the terms of each option agreement.

On August 12, 2020 (the "Grant Date") the Company granted 1,800,000 incentive stock options to the President of the Company. These options vest 300,000 shares per year over a six-period year period ("FY2020 Installment"). Installments shall vest to the 300,000 shares annually up to 1,800,000 options. The options shall expire, and all rights hereunder to purchase the Shares shall terminate, five years from the vesting date. At September 30, 2023, this plan had 1,800,000 options outstanding.

On October 27, 2022 (the "Grant Date") the Company granted stock options to its President, four employees, and one consultant. The President received 350,000 stock options and of the four employees and one consultant, one employee and one consultant each received 100,000 stock options. In addition, three employees each received 50,000 options to purchase shares of common stock. These shares vest in even installments over a four-year period ("FY2023 Installment"). The shares price is equal to the fair market value of the shares on the Grant Date. The options shall expire, and all rights hereunder to purchase the shares shall terminate, ten years from the vesting date. At September 30, 2023, this plan had 700,000 options outstanding.

NOTE 8 - SHAREHOLDERS' EQUITY, continued

A summary of the Company's stock option activity is presented in the following table:

INVITRO INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023 AND FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	Number of Shares	Exercise price per Share
Options outstanding at September 30, 2022	1,800,000	\$ 0.100
Granted	700,000	0.075
Options outstanding at September 30, 2023	2,500,000	\$ 0.075 - 0.100

The following table summarized information about stock options outstanding at September 30, 2023:

	Options outstanding		Options exercisable
Price	Number of Shares	Contractual life (in years)	Number of Shares
\$ 0.100	1,800,000	7.89	900,000
0.075	700,000	13.82	-
\$ 0.075 - 0.100	2,500,000	8.64 - 13.82	900,000

The Company recorded stock-based compensation expense of \$11,655 and \$5,256 in connection with the Plans for the years ended September 30, 2023 and 2022, respectively.

The stock-based compensation expense is measured using “Black-Scholes-Merton option-pricing model”, incorporating the following weighted average assumption as of the grant dates on August 12, 2020 and October 27, 2022:

Expected Dividend yield	0%
Expected stock-price volatility	40%
Risk-free interest rate	0.67 - 3.96%
Expected term of options (years)	8 - 14
Stock price	\$0.075 - 0.100
Exercise price	\$0.075 - 0.100

NOTE 8 - SHAREHOLDERS' EQUITY, continued

Preferred stock - The Company has authorized 1,000,000 shares of preferred stock to be issued. These shares may be issued in one or more series as determined by the Board of Directors. At the

INVITRO INTERNATIONAL, INC.

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AS OF SEPTEMBER 30, 2023 AND FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

time of determination, the rate of dividends (whether cumulative or non-cumulative), redemption features, and liquidation preferences will be established. At September 30, 2023, no preferred stock determinations or issuances have been authorized by the Board of Directors.

Repurchase of common stock - The Company's Board of Directors from time to time has authorized the repurchase of shares of the Company's common stock, in the open market or through negotiated transactions, at such times and at such prices as management may decide. During fiscal year 2022, the Corporation agreed to acquire 100,000 shares of its common stock from a shareholder in exchange for \$14,999.

NOTE 9 - PROVISION FOR (BENEFIT FROM) INCOME TAXES

The provision for (benefit from) income taxes for the years ended September 30th is comprised of the following:

	<u>2023</u>	<u>2022</u>
Current provision (benefit) \$	800	\$ (8,710)
Deferred benefit	-	-
	<u>\$ 800</u>	<u>\$ (8,710)</u>

As of September 30, 2023, the significant components of the Company's net deferred tax assets are as follows:

Deferred tax assets:	
Net operating loss carryforwards	\$ 45,600
Research and development tax credits	70,700
Allowances and other	<u>11,500</u>
	127,800
Valuation allowance	<u>(127,800)</u>
	<u>\$ -</u>

During fiscal 2023, the valuation allowance increased by \$11,000.

The Company did not utilize funds in either net operating loss carryforwards ("NOLs") nor in state research tax credits to reduce their taxable income during the year ended September 30, 2023.

NOTE 9 - PROVISION FOR INCOME TAXES, continued

As of September 30, 2023, the Company had NOLs for federal reporting purposes of approximately \$187,000, of which \$98,500 expire through fiscal 2024 and \$88,500 are available indefinitely.

INVITRO INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS

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The Federal tax codes provide for restrictive limitations on the annual utilization of NOLs to offset taxable income when the stock ownership of a company significantly changes, as defined.

As of September 30, 2023, the Company has research tax credits of \$70,700 for Federal tax purposes and \$0 for state tax purposes. The research tax credits are available to offset future tax liabilities, if any, through 2040. Due to historical ownership changes, the utilization of the research tax credits are subject to annual limitations in future periods, which could substantially reduce the Company's ability to offset future taxable income. Utilization of these amounts could be further limited if additional ownership changes occur in the future.

As of September 30, 2023, the Company's federal tax returns since the 2019 tax year and state tax returns since the 2018 tax year remain open for examination by the tax jurisdictions. No tax returns are currently being examined by taxing authorities.

NOTE 10 - LEASES

Operating leases - The Company leases its corporate headquarters under a non-cancelable operating lease agreement expiring in August 2024. Total lease expense for all locations in the United States was \$45,931 and \$45,931 for the years ended September 30, 2023 and 2022, respectively.

Other information related to leases for the year ended September 30, 2023 were as follows:

Supplemental cash flow information:

Cash paid for amounts included in the measurement
of lease liabilities:

Operating cash flows from operating leases	<u>\$ 47,386</u>
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Weighted average remaining lease term:

Operating leases	<u>0.92 Years</u>
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Weighted average discount rate:

Operating leases	<u>4.22%</u>
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NOTE 10 - LEASES, continued

Future annual minimum payments under all operating leases for the year ending September 30th, are:

INVITRO INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023 AND FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

For the years ending September 30, 2024	\$ 44,627
Total future minimum lease payments	44,627
Less: amount representing interest	<u>(782)</u>
Present value of lease liabilities	43,845
Less: current portion	<u>(43,845)</u>
Long-term portion	<u>\$ -</u>

NOTE 11 - BASIC AND DILUTED INCOME PER SHARE

The following is a reconciliation of the numerators and denominators of the basic and diluted income per share computations:

	<u>2023</u>	<u>2022</u>
Numerator for basic and diluted income per share:		
Net income	\$ <u>1,553</u>	\$ <u>21,276</u>
Denominator for basic and diluted income per share:		
Weighted average shares (basic)	22,659,809	22,659,809
Common stock equivalents	<u>1,102,329</u>	<u>640,274</u>
Weighted average shares (diluted)	<u>23,762,138</u>	<u>23,300,083</u>
Basic and diluted income per share:		
Basic	\$ <u>0.000</u>	\$ <u>0.001</u>
Diluted	\$ <u>0.000</u>	\$ <u>0.001</u>

NOTE 12 - BUSINESS SEGMENT AND GEOGRAPHIC INFORMATION

The Company operates in multiple industry segments providing in-vitro (non-animal) consumer, product, and environmental safety test method to customers in the cosmetics, personal care, household products, textiles, pharmaceuticals, chemicals, and hazardous waste transportation

INVITRO INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023 AND FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

industries.

Revenues, net income, and identifiable assets by geographic area as of September 30, 2023 and for the years ended September 30, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Revenues:		
United States	\$ 517,138	\$ 622,801
Other countries	<u>275,490</u>	<u>230,710</u>
	<u>\$ 792,628</u>	<u>\$ 853,511</u>
Net income:		
United States	\$ 1,013	\$ 15,525
Other countries	<u>540</u>	<u>5,751</u>
	<u>\$ 1,553</u>	<u>\$ 21,276</u>
Identifiable assets:		
United States	\$ 1,490,155	\$ 1,483,782
Other countries	<u>43,852</u>	<u>26,264</u>
	<u>\$ 1,534,007</u>	<u>\$ 1,510,046</u>

NOTE 13 - EMPLOYEE BENEFIT PLAN

The Company sponsors a defined contribution plan covering full time employees. Employees may contribute up to the maximum 401(k) contribution allowed under the Internal Revenue Code each plan year. Employee contributions to the plan are withheld from wages and are vested 100% immediately.

The Company matches each employee's contribution up to the first 3% of their pay and all such contributions are vested immediately. The Company's contributions to the defined contribution plan for the years ending September 30, 2023 and 2022 were \$14,280 and \$15,242, respectively.