IMMUNOPRECISE ANTIBODIES LTD.

CONSOLIDATED FINANCIAL STATEMENTS
For the years ended April 30, 2022 and 2021

(Expressed in Canadian Dollars)

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Shareholders
ImmunoPrecise Antibodies, Ltd.

Opinion on the financial statements
We have audited the accompanying consolidated statement of financial position of ImmunoPrecise Antibodies Ltd. (a British Columbia limited company) and subsidiaries (the "Company") as of April 30, 2022, the related consolidated statements of comprehensive loss, changes in shareholders' equity, and cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of April 30, 2022, and the results of its operations and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for opinion
These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ GRANT THORNTON LLP

We have served as the Company's auditor since 2021.

Minneapolis, Minnesota
July 28, 2022

Independent Auditor's Report

To the Shareholders of ImmunoPrecise Antibodies Ltd.

Opinion

We have audited the consolidated financial statements of ImmunoPrecise Antibodies Ltd. ("the Group"), which comprise the consolidated statements of financial position as at April 30, 2021 and the consolidated statements of comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at April 30, 2021 and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis
- SEC Form 40-F

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the other information prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Keith Gagnon.

"Crowe MacKay LLP"

Chartered Professional Accountants
Vancouver, Canada
July 27, 2021

IMMUNOPRECISE ANTIBODIES LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

(in thousands)	Note	April 30, 2022 $	April 30, 2021 $
ASSETS			
Current assets			
Cash		29,965	41,759
Amounts receivable	**17**	2,503	2,858
Sales tax receivable		277	491
Inventory	**18**	1,615	1,204
Unbilled revenue		629	770
Prepaid expenses		2,481	1,776
		37,470	48,858
Restricted cash		82	79
Deposit on equipment		369	52
Investment at fair value through profit and loss	**8**	142	111
Property and equipment	**9, 13**	3,338	4,024
Intangible assets	**10**	32,390	6,058
Goodwill		19,703	7,777
Total assets		93,494	66,959
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	**15, 17**	4,768	3,011
Sales tax payable		31	140
Deferred revenue		1,034	1,111
Income taxes payable		420	326
Convertible debentures – liability component	**12**	1,312	—
Leases	**13**	890	986
Deferred acquisition payments	**6, 7**	808	498
		9,263	6,072
Convertible debentures – liability component	**12**	—	1,531
Leases	**13**	344	940
Deferred acquisition payments	**6, 7**	497	—
Deferred income tax liability	**23**	8,105	1,492
Total liabilities		18,209	10,035
SHAREHOLDERS' EQUITY			
Share capital	**14**	114,559	80,102
Convertible debentures – equity component	**12**	103	127
Contributed surplus	**14**	9,630	7,201
Accumulated other comprehensive loss		(2,479)	(687)
Accumulated deficit		(46,528)	(29,819)
		75,285	56,924
Total liabilities and shareholders' equity		93,494	66,959

Nature of operations (Note 1)
Commitments (Note 19)
Subsequent event (Note 24)

Approved and authorized on behalf of the board of directors on July 28, 2022

"*James Kuo*" Director "*Greg Smith*" Director

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

IMMUNOPRECISE ANTIBODIES LTD.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

(in thousands, except share data)	Note	Year ended April 30, 2022 $	Year ended April 30, 2021 $
REVENUE		19,364	17,912
COST OF SALES		8,381	6,374
GROSS PROFIT		10,983	11,538
EXPENSES			
Advertising and promotion		740	691
Amortization and depreciation	**9, 10, 13**	2,567	2,737
Asset impairment charge	**9, 13**	167	—
Bad debt expense (recovery)		(2)	4
Consulting fees		1,225	348
Foreign exchange loss		4	163
Insurance		1,886	748
Interest and bank charges		334	517
Management fees	**15**	48	269
Office and general		1,165	1,443
Professional fees		2,615	1,428
Rent		168	191
Repairs and maintenance		210	134
Research and development		6,693	1,974
Salaries and benefits	**15**	6,581	5,600
Share-based payments	**14, 15**	3,083	2,748
Telephone and utilities		48	68
Travel		199	74
		27,731	19,137
Loss before other income (expenses) and income taxes		(16,748)	(7,599)
OTHER INCOME (EXPENSES)			
Accretion	**6, 12**	(85)	(346)
Grant income	**20**	55	1,895
Subsidy income	**20**	20	844
Interest and other income		279	282
Unrealized foreign exchange gain (loss)		631	(1,071)
		900	1,604
Loss before income taxes		(15,848)	(5,995)
Income taxes		(861)	(1,345)
NET LOSS FOR THE PERIOD		(16,709)	(7,340)
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that will be reclassified subsequently to loss			
Exchange difference on translating foreign operations		(1,792)	(387)
COMPREHENSIVE LOSS FOR THE PERIOD		(18,501)	(7,727)
NET LOSS PER SHARE – BASIC AND DILUTED		(0.85)	(0.45)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		19,688,487	16,474,350

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

IMMUNOPRECISE ANTIBODIES LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)

(in thousands, except share data)	Number of Shares	Share Capital $	Convertible Debentures – Equity Component $	Contributed Surplus $	Accumulated Other Comprehensive (Loss) Income $	Accumulated Deficit $	Total $
Balance, April 30, 2020	**13,984,018**	**34,087**	**—**	**3,778**	**(300)**	**(22,479)**	**15,086**
Shares issued pursuant to deferred acquisition payment to IPA Europe	132,833	511	—	—	—	—	511
Shares issued pursuant to deferred acquisition payment to UPE	203,178	1,047	—	—	—	—	1,047
Shares issued pursuant to option exercise	189,100	1,047	—	(363)	—	—	684
Shares issued pursuant to warrant exercise	2,568,417	15,425	—	(409)	—	—	15,016
Convertible debentures	—	—	204	—	—	—	204
Shares issued pursuant to conversion of convertible debentures	232,934	981	(77)	—	—	—	904
Share-based payments	—	—	—	2,748	—	—	2,748
Shares issued pursuant to bought deal offering of common shares	1,858,736	27,004	—	1,447	—	—	28,451
Comprehensive loss for the year	—	—	—	—	(387)	(7,340)	(7,727)
Balance, April 30, 2021	**19,169,216**	**80,102**	**127**	**7,201**	**(687)**	**(29,819)**	**56,924**
Shares issued pursuant to deferred acquisition payment to IPA Europe	41,488	503	—	—	—	—	503
Shares issued pursuant to option exercise	188,000	1,013	—	(401)	—	—	612
Shares issued pursuant to warrant exercise	925,076	3,491	—	(253)	—	—	3,238
Shares issued pursuant to conversion of convertible debentures	75,292	328	(24)	—	—	—	304
Shares issued pursuant to acquisition of BioStrand	4,077,774	29,122	—	—	—	—	29,122
Share-based payments	—	—	—	3,083	—	—	3,083
Comprehensive loss for the period	—	—	—	—	(1,792)	(16,709)	(18,501)
Balance, April 30, 2022	**24,476,846**	**114,559**	**103**	**9,630**	**(2,479)**	**(46,528)**	**75,285**

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

IMMUNOPRECISE ANTIBODIES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended April 30, 2022 and 2022
(Expressed in Canadian Dollars)

(in thousands)	Note	2022 $	2021 $
Operating activities:			
Net loss for the period		(16,709)	(7,340)
Items not affecting cash:			
Accretion	**6, 12**	85	346
Amortization and depreciation	**9, 10, 13**	3,769	3,713
Asset impairment	**9, 13**	167	—
Deferred income taxes	**23**	(336)	(83)
Foreign exchange		(519)	1,234
Gain on investment		(43)	—
Loan forgiven		—	(280)
Reclassification of capitalized development costs		—	80
Share-based payments	**14, 15**	3,083	2,748
		(10,503)	418
Changes in working capital related to operations:			
Amounts receivable	**17**	163	(439)
Inventory		(501)	(316)
Unbilled revenue		91	393
Prepaid expenses		(772)	(1,342)
Accounts payable and accrued liabilities	**15, 17**	1,462	876
Sales and income taxes payable and receivable		152	62
Deferred revenue		(13)	(252)
Net cash used in operating activities		(9,921)	(600)
Investing activities:			
Purchase of equipment	**9**	(1,066)	(1,375)
Security depost on leases		(259)	—
Acquisition of BioStrand	**7**	(3,692)	—
Deposit on equipment		—	(52)
Purchase of customer list	**10**	(191)	—
Deferred acquisition payment	**6**	—	(1,029)
Net cash used in investing activities		(5,208)	(2,456)
Financing activities:			
Proceeds on share issuance, net of transaction costs	**14**	3,850	44,151
Share issue cost pursuant to the acquisition of BioStrand	**7**	(5)	—
Repayment of leases	**13**	(962)	(945)
Loan repayments		—	(29)
Proceeds from convertible debentures, net of transaction costs	**10**	—	2,202
Repayment of debentures		—	(2,000)
Net cash provided by financing activities		2,883	43,379
(Decrease) increase in cash during the period		(12,246)	40,323
Foreign exchange		455	(1,176)
Cash – beginning of the period		41,838	2,691
Cash – end of the period		30,047	41,838
Cash is comprised of:			
Cash		29,965	41,759
Restricted cash		82	79
		30,047	41,838
Cash paid for interest		38	120
Cash paid for income tax		1,185	1,096

Supplemental cash flow information (Note 22)

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

1. NATURE OF OPERATIONS

ImmunoPrecise Antibodies Ltd. (the "Company" or "IPA") was incorporated under the laws of Alberta on November 22, 1983. The Company is listed on the TSX Venture Exchange (the "TSXV") as a Tier 2 life science issuer under the trading symbol "IPA". The Company's common shares were approved for listing on the NASDAQ Global Market ("Nasdaq") under the trading ticker symbol "IPA." Trading on Nasdaq commenced at market open on December 30, 2020. The Company is a supplier of custom hybridoma development services. The address of the Company's corporate office is 3204 – 4464 Markham Street, Victoria, BC, Canada V8Z 7X8.

On November 23, 2020, the Company consolidated its issued and outstanding common shares on the basis of 5 pre-consolidation shares for one post-consolidation share (the "Consolidation"). All references to share and per share amounts in these consolidated financial statements have been retroactively restated to reflect the Consolidation.

Going concern basis

The consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern. This assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its obligations in the normal course of operations. The Company has incurred operating losses since inception, including $16.7 million for the year ended April 30, 2022 and has accumulated a deficit of $46.5 million as of April 30, 2022. The Company has $30.0 million cash on hand as of April 30, 2022 which will sustain its existing operations through at least the next twelve months. The Company may need to raise additional funds in order to fund its strategic goals and there can be no assurances that sufficient funding, including adequate financing, will be available. The ability of the Company to arrange additional financing in the future depends in part, on the prevailing capital market conditions and profitability of its operations. Accordingly, the consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities, contingent obligations and commitments other than in the normal course of business and at amounts different from those in the consolidated financial statements.

COVID-19 Pandemic

In March 2020, there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and specifically, the regional economies in which the Company operates. The pandemic has evolved due to the spread of variants which has resulted in delays in the course of business, including disruptions of the Company's PolyTope™ program, and could have a negative impact on the Company's ability to raise new capital. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

2. BASIS OF PRESENTATION

(a) Basis of accounting

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and include the significant accounting policies as described in Note 3.

These consolidated financial statements were approved by the board of directors.

(b) Basis of preparation

These consolidated financial statements have been prepared on the historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cashflow information.

(Expressed in Canadian Dollars)

(c) Basis of consolidation

These consolidated financial statements include the financial statements of the Company and the following subsidiaries which are wholly owned and subject to control by the Company:

Name of Subsidiary	% Equity Interest - 2022	% Equity Interest - 2021	Country of Incorporation	Functional Currency
ImmunoPrecise Antibodies (Canada) Ltd.	100%	100%	Canada	Canadian dollar
ImmunoPrecise Antibodies (USA) Ltd. ("IPA USA")	100%	100%	USA	US dollar
ImmunoPrecise Antibodies (N.D.) Ltd.	100%	100%	USA	US dollar
ImmunoPrecise Antibodies (MA) LLC	100%	100%	USA	US dollar
Talem Therapeutics LLC ("Talem")	100%	100%	USA	US dollar
ImmunoPrecise Netherlands B.V.	100%	100%	Netherlands	Euro
ImmunoPrecise Antibodies (Europe) B.V. ("IPA Europe")	100%	100%	Netherlands	Euro
BioStrand B.V.	100%	0%	Belgium	Euro
Idea Family B.V.	100%	0%	Belgium	Euro
BioKey B.V.	100%	0%	Belgium	Euro
BioClue B.V.	100%	0%	Belgium	Euro
ImmunoPrecise Antibodies (Quebec), Ltd.	100%	100%	Canada	Canadian dollar
9438-9244 Quebec, Inc.	100%	100%	Canada	Canadian dollar

Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with an entity and has the ability to affect those returns through its power over the investee. Subsidiaries are fully consolidated from the date on which control is obtained and continue to be consolidated until the date that such control ceases. Intercompany balances, transactions and unrealized intercompany gains and losses are eliminated upon consolidation.

The Company merged U-Protein Express B.V. and Immulease B.V. into ImmunoPrecise Antibodies (Europe) B.V., a wholly owned subsidiary of ImmunoPrecise Netherlands B.V., on January 1, 2021.

(d) Functional and presentation currency

The functional currency of a company is the currency of the primary economic environment in which the company operates. The presentation currency for a company is the currency in which the company chooses to present its financial statements. The presentation currency of the Company is the Canadian dollar.

Foreign currency translation

Entities whose functional currencies differ from the presentation currency are translated into Canadian dollars as follows: assets and liabilities – at the closing rate as at the reporting date, and income and expenses – at the average rate of the period. All resulting changes are recognized in other comprehensive income as cumulative translation differences.

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency at exchange rates at the date of the transactions. Foreign currency monetary assets and liabilities are translated at the functional currency exchange rate at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. All gains and losses on translation of these foreign currency transactions are included in profit or loss.

When the Company disposes of its entire interest in a foreign operation, or loses control, joint control, or significant influence over a foreign operation, the foreign currency gains or losses accumulated in other comprehensive income related to the foreign operation are recognized in profit or loss. If an entity disposes of part of an interest in a foreign operation which remains a subsidiary, a proportionate amount of foreign currency gains or losses accumulated in other comprehensive income related to the subsidiary are reallocated between controlling and non-controlling interests.

3. SIGNIFICANT ACCOUNTING POLICIES

Business combinations

Acquisitions of businesses are accounted for using the acquisition model. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange for control of the acquiree. Acquisition-related costs are recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognized at their fair value at the acquisition date. Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the ‘measurement period’ (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

Revenue recognition

The Company recognizes revenue from sale of antibodies and service agreements.

Sale of antibodies: Revenue from sale of antibodies is recognized when the terms of a contract with a customer have been satisfied. This occurs when:

- The control over the product has been transferred to the customer; and
- The product is received by the customer or transfer of title to the customer occurs upon shipment.

Following delivery, the customer bears the risks of obsolescence and loss in relation to the goods. Revenue is recognized based on the price specified in the contract, net of estimated sales discounts and returns.

Contract revenue:
Revenues from contracted services are generally recognized as the performance obligations are satisfied over time, and the related expenditures are incurred pursuant to the terms of the agreement. Contract revenue is recognized on a percentage of completion basis when the key milestones contained within the contract are satisfied and there is an enforceable right to payment for performance completed to date. For contracts with no enforceable right to payment when the contract is incomplete, contract revenue is recognized on a completed contract basis when the customers are satisfied with the service at the end of the contract.

Unbilled revenue and deferred revenue:
Amounts recognized as revenue in excess of billings are classified as unbilled revenue. Amounts received in advance of the performance of services are classified as deferred revenue.

Cost of sales:
Cost of sales includes materials, direct labor, and allocation of overhead including depreciation of lab equipment.

Financial instruments

Recognition and Classification
The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument.

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

	Classification and measurement IFRS 9
Cash	Amortized cost
Amounts receivable	Amortized cost
Investment	FVTPL
Accounts payable and accrued liabilities	Amortized cost
Convertible Debentures	Amortized cost
Deferred acquisition payments	Amortized cost

Measurement

Financial assets and liabilities at FVTPL:
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

Financial assets at FVTOCI:
Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost:
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost:
The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses.

Irrespective of the preceding policy, the Company always measures the loss allowance of trade receivables at an amount equal to the lifetime expected credit losses.

The Company shall recognize in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets:
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities:
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets, is recognized in profit or loss.

Government assistance

The Company periodically applies for financial assistance under available government incentive programs. Government assistance relating to capital expenditures is reflected as a reduction of the cost of such assets. Government assistance relating to research and development expenditures is recorded as a reduction of current year's expenses when the related expenditures are incurred.

Government grant

The Company periodically applies for financial assistance under available government incentive programs. The grant is recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants will be received. All funds received as part of the grant or subsidies are reflected in grant and subsidy income.

Inventory

Inventory consists of supplies, parts and antibodies and is valued at the lower of weighted average cost and net realizable value. Costs include acquisition, freight and other directly attributable costs.

Equipment and leasehold improvements

Equipment and leasehold improvements are stated at cost, less accumulated depreciation and impairment losses. Depreciation is provided using the straight-line method over the following terms:

Asset	Basis	Term
Lab equipment	Straight line	5 years
Furniture and equipment	Straight line	5 years
Computer hardware	Straight line	2 years
Computer software	Straight line	1 year
Building	Straight line	Remaining term of the property lease
Automobile	Straight line	Remaining term of the automobile lease
Leasehold improvements	Straight line	Shorter of useful life and remaining term of the lease plus the first renewal option

The Company evaluates equipment and leasehold improvements for indications of impairment at the end of each reporting period. Impairment losses are immediately recognized in profit and loss.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. Amortization for intangible assets with finite lives is provided over the following terms:

Asset	Basis	Term
Internally generated development costs	Straight line	5 years
Intellectual property	Straight line	10 - 15 years
Proprietary processes	Straight line	5 years
Certifications	Straight line	1 year
Customer list	Straight line	2 years

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

Goodwill

Goodwill represents the excess of the purchase price in a business combination over the fair value of net tangible and intangible assets acquired. Goodwill is not subject to amortization and an impairment test is performed annually or as events occur that could indicate impairment.

Goodwill is reported at cost less any impairment. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows ("CGU"s). To test for impairment, goodwill is allocated to each of the Company's CGUs, groups of CGUs, or an operating segment expected to benefit from the acquisition. Goodwill is tested by combining the carrying amounts of equipment and leasehold improvements, intangible assets and goodwill and comparing this to the recoverable amount. Fair value less costs of disposal is price to be received in an orderly transaction between market participants. Value in use is assessed using the present value of the expected future cash flows. Any excess of the carrying amount over the recoverable amount is recorded as impairment. Impairment charges, which are not tax affected, are recognized in profit or loss and are not reversed.

Impairment of long-lived assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by comparison of their carrying amount to the recoverable amount. The recoverable amount is the higher of the fair value less costs of disposal or the value in use. Value in use is determined by the present value of the future cash flows from the asset. If the recoverable amount is less than the carrying amount, then there is impairment. Where an impairment loss exists, the portion of the carrying amount exceeding the recoverable amount is recorded as an expense immediately. Assets that have been impaired in prior periods are tested for possible reversal of impairment whenever events or changes in circumstance indicate that the impairment has reversed. If the impairment has reversed, the carrying amount of the asset is increased to its recoverable amount but not beyond the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior periods. The reversal is recognized in profit or loss immediately.

Income taxes

Income taxes are recognized in the statement of comprehensive income (loss), except where they relate to items recognized directly in equity, in which case the related taxes are recognized in equity.

Deferred tax assets and liabilities are recognized based on the difference between the tax and accounting values of assets and liabilities and are calculated using enacted or substantively enacted tax rates for the periods in which the differences are expected to reverse. The effect of tax rate changes is recognized in profit or loss or equity, as applicable, in the period of substantive enactment. Current taxes receivable or payable are estimated on taxable income for the current year at the statutory tax rates enacted or substantively enacted.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits of the relevant entity or group of entities, in a particular jurisdiction, will be available against which the assets can be utilized. As an exception, deferred tax assets and liabilities are not recognized if the temporary differences arise from the initial recognition of goodwill or an asset or liability in a transaction (other than in a business combination) that affects neither accounting profit nor taxable profit.

Investment tax credits ("ITCs") are accounted for as a reduction in the cost of the expense when there is reasonable assurance that such credits will be realized. These ITCs are used to reduce current income taxes payable.

Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The liabilities for leases of right-of-use assets are recognized at the lease commencement date at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the Company's incremental borrowing rate. At the commencement date, a right-of-use asset is measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life or the lease term, except where the lease contains a bargain purchase option a right-of-use asset is depreciated over the asset's useful life.

Research and development

Research and development cost is charged to the income statement in the period in which it is incurred. Property, plant and equipment used for research and development is capitalized and depreciated in accordance with the equipment and leasehold improvements policy.

Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. The Company's common shares are classified as equity instruments.

Proceeds from unit placements are allocated between common shares and warrants issued based on the residual value method, with the common shares being valued first.

Share issuance costs

Costs directly identifiable with the raising of share capital financing are charged against share capital. Share issuance costs incurred in advance of share subscriptions are recorded as deferred assets. Share issuance costs related to uncompleted share subscriptions are charged to operations.

Share-based payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the net income (loss) available to common shareholders by the weighted average number of common shares outstanding during the period. Dilutive earnings per share reflect the potential dilution of securities that could share in the earnings of an entity. In periods where a net loss is incurred, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive and basic and diluted loss per common share is the same. In a profit year, under the treasury stock method, the weighted average number of common shares outstanding used for the calculation of diluted earnings per share assumes that the proceeds to be received on the exercise of dilutive stock options and warrants are used to repurchase common shares at the average price during the year.

4. ADOPTION OF NEW ACCOUNTING STANDARDS

Standards not yet adopted

Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)

The amendments to IAS 37 specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. Costs that relate directly to a contract can either be incremental costs of fulfilling contracts (an example would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

These amendments are effective for the reporting periods beginning on or after January 1, 2022.

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The amendments to IAS 1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date.

These amendments are effective for reporting periods beginning on or after January 1, 2023.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the consolidated financial statements in conformity with IFRS required estimates and judgments that affect the amounts reported in the financial statements. Actual results could differ from these estimates and judgments. Estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised.

Judgements

Business combinations

Acquisitions of a business are accounted for as a business combination if the assets acquired and liabilities assumed constitute a business in accordance with IFRS 3. Judgement is required to determine if the transaction meets the definition of a business combination.

During the year ended April 30, 2022, the Company acquired all the issued and outstanding shares of Idea Family BV, BioStrand BV, BioKey BV, and BioClue BV (collectively "BioStrand"), as detailed in Note 7. Management concluded that BioStrand met the definition of a business, and accounted for the transaction as a business combination.

The acquisition of BioStrand includes potential future earn-out payments dependent on the future profitability of the business. Judgement is required to determine whether the payments constitute an exchange for the business or are transactions separate from the business combination. The potential future earn-out payments to the selling shareholders of BioStrand will be accounted for separate from the business combination.

Impairments

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows ("CGU"s). Management applies judgement to determine CGUs. Each asset or CGU is evaluated every reporting period to determine whether there are any indicators of impairment. If any such indicators exist, which is often judgment based, a formal estimate of recoverable amount is performed and an impairment charge is recognized to the extent that the carrying amount exceeds the recoverable amount.

The Company performs a goodwill impairment test annually and when circumstances indicate that the carrying value may not be recoverable. For the purposes of impairment testing, goodwill acquired through business combinations has been allocated to two different CGUs, the Company's Oss and Utrecht locations at IPA Europe. The goodwill allocated to Oss and Utrecht was $2.8 million and $4.3 million, respectively, as at April 30, 2022. Due to the preliminary nature of the purchase price allocation, BioStrand was not tested for impairment during the year ended April 30, 2022. See Note 11 for additional information.

Estimates

Business combinations

At acquisition date, the identifiable assets acquired and liabilities assumed in a business combination are recognized at their fair value. Goodwill is measured as the excess of the consideration transferred over the net of the acquisition-date fair values of the identifiable assets acquired and liabilities assumed. Estimates are required to determine the fair value of assets acquired and liabilities assumed, and estimated fair values may vary from prices that would be achieved in an arm's length transaction at the acquisition date (see Note 7).

Impairments

The recoverable amount of an asset or CGU of assets is measured at the higher of fair value less costs of disposal or value in use. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period. The estimates and assumptions are subject to risk and uncertainty; hence, there is the possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the assets may be further impaired or the impairment charge reversed with the impact recorded in profit or loss.

The recoverable amount of each CGU was based on value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU. The cash flows were projected over a five-year period based on past experience and actual operating results.

The Company performed its annual goodwill impairment test in April 2022 and no impairment was indicated for the period tested. The values assigned to the key assumptions represented management's assessment of future trends in the industry and were based on historical data from both internal and external sources. A weighted average cost of capital of 14.27% was used in the assessments of the two CGUs (see Note 11).

Life of intangible assets

Intangible assets are amortized based on estimated useful life less their estimated residual value. Significant assumptions are involved in the determination of useful life and residual values and no assurance can be given that the actual useful lives and residual values will not differ significantly from current assumptions. Actual useful life and residual values may vary depending on a number of factors including internal technical evaluation, attributes of the assets and experience with similar assets. Changes to these estimates may affect the carrying value of assets, net income (loss) and comprehensive income (loss) in future periods (see Note 10).

Share-based payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit and loss over the vesting period. The Company makes assumptions to determine the estimated forfeiture rate of the share options, and these estimates are reviewed at the end of each reporting period. Changes to these estimates may affect contributed surplus and net income (loss) (see Note 14).

6. ACQUISITION OF IPA EUROPE

On April 5, 2018, the Company acquired all of the issued and outstanding shares of IPA Europe B.V. for an aggregate purchase price of €7.0 million on terms as follows:

- €2.5 million (CAD$4.0 million) was paid in cash on closing;
- 1,320,080 common shares of the Company were issued on closing; and
- €2.0 million in deferred payments over a three-year period. The deferred payments are made in three equal installments of cash and equity totaling €0.7 million.

The deferred payments of €2.0 million over a three-year period was fair valued on the date of acquisition using a discounted cash flow model. A discount rate of 14.0% was used. The changes in value of the deferred payments during the year ended April 30, 2022 and 2021 are as follows:

(in thousands)	**$**
Balance, April 30, 2020	1,894
Accretion expense	133
Repayment	(1,540)
Foreign exchange	11
Balance, April 30, 2021	498
Repayment	(503)
Foreign exchange	5
Balance, April 30, 2022	**—**

7. ACQUISITION OF BIOSTRAND

On April 13, 2022, the Company acquired all the issued and outstanding shares of BioStrand on terms as follows:

- €2.7 million (CAD $3.7 million) was paid in cash on closing;
- 4,077,774 common shares of the Company were issued on closing;
- Deferred cash payment of €0.5 million (CAD $0.7 million) to be paid 90 days subsequent to closing; and
- Deferred cash payment of €0.5 million (CAD $0.6 million) to be paid over the next 3 years.

BioStrand focuses on technology in the field of bioinformatics and biotechnology related to the identification of characteristic biological sequences in proteins, RNA and DNA, and their different information layers, the development of a knowledgebase containing these characteristic biological sequences and information layers, and the use of this database to process biological sequences and compare processed biological sequences. The acquisition provides the Company with advanced omics capabilities to enhance its antibody discovery processes and offer multi-omics data analysis to its clients.

The transaction was accounted for as a business combination, as the operations of BioStrand meet the definition of a business. As the transaction was accounted for as a business combination, legal and consulting costs of $0.7 million and $0.1 million, respectively, were expensed during the year ended April 30, 2022. The goodwill resulting from the allocation of the purchase price to the total fair value of net assets will represent the sales growth potential and assembled workforce of BioStrand.

The fair value of the consideration transferred has been determined on a preliminary basis. The fair value of the consideration transferred will be finalized after adjustments for working capital have been agreed upon by the Company and the selling party pursuant to the share purchase agreement. The consideration has been allocated to the assets acquired and liabilities assumed on a preliminary basis based on their estimated fair values at the date of acquisition.

The assets acquired include intellectual property, requiring a complex fair value analysis using multiple valuation techniques. Due to the timing of the transaction and the nature of the acquired assets of this development-stage entity, the Company will require additional information to allocate the fair values to the net assets acquired, particularly to the intangible assets and goodwill acquired. Due to the proximity of the acquisition date to the balance sheet date of April 30, 2022, the initial accounting and the third-party valuation of these assets is incomplete. The Company, with the support of its third-party valuation specialist, is currently in the process of completing the assessment of valuation inputs and assumptions.

The Company has allocated the purchase price on a preliminary basis as follows:

(in thousands)	**$**
Cash	5,054
Common shares of the Company	29,126
Fair value of consideration	**34,180**
Cash	36
Amounts receivable	80
Unbilled revenue	8
Equipment	24
Intangible assets (not deductible for tax purposes)	28,459
Proprietary processes (not deductible for tax purposes)	391
Goodwill (not deductible for tax purposes)	12,727
Accounts payable and accrued liabilities assumed	(342)
Deferred revenue	9
Deferred income tax liability	(7,212)
	34,180

The intangible assets are primarily comprised of acquired technology assets that are expected to have a useful life of 15 years .Amortization on the intangible assets was not recorded during the year ended April 30, 2022 due to immateriality.

The fair value of the 4,077,774 common shares issued ($29.1 million) was determined based on the Canadian dollar equivalent of the consideration required of €21.3 million pursuant to the share purchase agreement using the stock price on the date of the acquisition. The common shares are subject to an escrow agreement, and will be released to the vendors on the following schedule: 15% one year after closing, 20% two years after closing, and 65% three years after closing.
The operating results for BioStrand have been recognized in the consolidated statement of comprehensive loss beginning on April 13, 2022, the effective date of control. During the year ended April 30, 2022, the Company recorded a net loss of $0.2 million related to BioStrand.

The deferred cash payments of €1.0 million was fair valued on a preliminary basis on the date of acquisition using a discounted cash flow model. The changes in the value of the subsequent payments during the year ended April 30, 2022 are as follows:

(in thousands)	**$**
Balance, April 30, 2021	—
Amount at date of acquisition	1,317
Foreign exchange	(12)
Balance, April 30, 2022	**1,305**
Less: Current portion	(808)
Non-current portion	497

The share purchase agreement related to the acquisition of BioStrand includes contingent earnout payments (see Note 19).

8. INVESTMENT

Investment consists of a 23% (April 30, 2021 – 29%) interest in QVQ Holding B.V. ("QVQ"), which is recorded at fair value using precedent shareholder equity transactions. Judgment is required as to the extent of influence that the Company has over QVQ. The Company considered the extent of voting power over the entity, the power to participate in financial and operating policy decisions of the entity, representation on the board of directors, material transactions between the entities, interchange of management personnel, and provision of essential technical information. The Company has determined that the Company is not considered to have significant influence over QVQ, as the Company does not have the power to participate in financial and operating policy decisions and does not have representation on the Board of Directors of QVQ.

9. PROPERTY AND EQUIPMENT

The following table includes both property and equipment and right-of-use assets:

(in thousands)	Computer Hardware $	Furniture & Equipment $	Computer Software $	Building $	Automobile $	Leasehold Improvements $	Lab Equipment $	WIP - Leasehold Improvements $	Total $
Cost:									
Balance, April 30, 2020	54	36	50	2,384	50	351	3,098	—	6,023
Additions	42	—	—	582	45	2	2,001	—	2,672
Disposals	—	—	—	—	—	—	(18)	—	(18)
Lease modification	—	—	—	(188)	—	—	—	—	(188)
Foreign exchange	—	—	(1)	(48)	(1)	—	(33)	—	(83)
Balance, April 30, 2021	96	36	49	2,730	94	353	5,048	—	8,406
Additions	39	3	—	311	1	—	991	138	1,483
Acquisition of BioStrand	24	—	—	—	—	—	—	—	24
Disposals	(21)	(5)	—	—	—	—	—	—	(26)
Lease modification	—	—	—	(22)	—	—	—	—	(22)
Subsidy reimbursement	—	—	—	—	—	—	(106)	—	(106)
Asset impairment	—	—		(363)	—	—	—	—	(363)
Foreign exchange	(2)	1	(2)	(139)	(8)	—	(261)	—	(411)
Balance, April 30, 2022	**136**	**35**	**47**	**2,517**	**87**	**353**	**5,672**	**138**	**8,985**
Accumulated Depreciation:									
Balance, April 30, 2020	37	18	35	700	7	226	1,922	—	2,945
Depreciation	24	10	8	711	21	70	800	—	1,644
Disposals	—	—	—	—	—	—	(18)	—	(18)
Lease modification	—	—	—	(42)	—	—	—	—	(42)
Foreign exchange	—	—	(1)	(35)	(1)	—	(110)	—	(147)
Balance, April 30, 2021	61	28	42	1,334	27	296	2,594	—	4,382
Depreciation	31	6	7	698	23	51	940	—	1,756
Disposals	(21)	(5)	—	—	—	—	—	—	(26)
Asset Impairment	—	—	—	(196)	—	—	—	—	(196)
Foreign exchange	(1)	—	(2)	(100)	(4)	1	(163)	—	(269)
Balance, April 30, 2022	**70**	**29**	**47**	**1,736**	**46**	**348**	**3,371**	**—**	**5,647**
Net Book Value:									
April 30, 2021	35	8	7	1,396	67	57	2,454	—	4,024
April 30, 2022	**66**	**6**	**—**	**781**	**41**	**5**	**2,301**	**138**	**3,338**

10. INTANGIBLE ASSETS

Changes in the value of the intangible assets during the year ended April 30, 2022 and 2021 are as follows:

(in thousands)	Internally Generated Development Costs $	Intellectual Property $	Proprietary Processes $	Certifications $	Customer List $	Total $
Cost:						
Balance, April 30, 2020	115	4,159	7,765	140	—	12,179
Costs expensed	(80)	—	—	—	—	(80)
Foreign exchange	(2)	(70)	(130)	(2)	—	(204)
Balance, April 30, 2021	33	4,089	7,635	138	—	11,895
Additions	—	—	—	—	191	191
Acquisition of BioStrand	—	28,459	391	—	—	28,850
Foreign exchange	—	(634)	(667)	(12)	(11)	(1,324)
Balance, April 30, 2022	**33**	**31,914**	**7,359**	**126**	**180**	**39,612**
Accumulated Amortization:						
Balance, April 30, 2020	—	1,054	2,840	—	—	3,894
Amortization	1	421	1,647	—	—	2,069
Foreign exchange	—	(30)	(96)	—	—	(126)
Balance, April 30, 2021	1	1,445	4,391	—	—	5,837
Amortization	7	398	1,577	—	31	2,013
Foreign exchange	—	(150)	(477)	—	(1)	(628)
Balance, April 30, 2022	**8**	**1,693**	**5,491**	**—**	**30**	**7,222**
Net Book Value:						
April 30, 2021	32	2,644	3,244	138	—	6,058
April 30, 2022	**25**	**30,221**	**1,868**	**126**	**150**	**32,390**

11. GOODWILL

The goodwill was acquired as a result of the acquisitions of U-Protein, IPA Europe and, on a preliminary basis, BioStrand. The changes in the value of goodwill during the year ended April 30, 2022 and 2021 are as follows:

(in thousands)	$
Balance, April 30, 2020	7,909
Foreign exchange	(132)
Balance, April 30, 2021	7,777
Foreign exchange	(801)
Acquisition of BioStrand	12,727
Balance, April 30, 2022	**19,703**

Impairment testing

For annual impairment testing, goodwill is allocated to the following cash-generating units:

(in thousands)	April 30, 2022 $	April 30, 2021 $
Oss	2,823	3,092
Utrecht	4,278	4,685
BioStrand	12,602	—
	19,703	**7,777**

The recoverable amount of each cash-generating unit was based on value-in-use calculations, and determined using a five-year forecast followed by a terminal growth rate determined by management. The present value of the forecasted cash flows of each cash-generating unit is determined by applying a discount rate reflecting a current market assessment of the time value of money and risks specific to the cash-generating units. The recoverable amount, growth rate assumptions and discount rates for each cash-generating unit as at April 30, 2022 and 2021 are as follows:

	Recoverable amount		Terminal growth rates		Discount rates	
(in thousands)	2022 $	2021 $	2022 %	2021 %	2022 %	2021 %
Oss	9,493	10,412	2.0%	2.0%	14.3%	13.1%
Utrecht	12,483	11,113	2.0%	2.0%	14.3%	17.0%

The goodwill allocated to BioStrand has been determined on a preliminary basis. Due to the timing of the acquisition, the Company will require additional information to allocate the fair values to the net assets acquired, particularly to intangible assets and goodwill acquired. The BioStrand cash-generating unit was not tested for impairment during the year ended April 30, 2022 due to the preliminary nature of the purchase price allocation.

The growth rates reflect the average GDP growth rate of the Netherlands. The discount rates reflect management's assessment of market and specific risk of the cash-generating units. Both the Oss and Utrecht cash-generating units operate in the same region and are included in the same operating segment of the Company. The cash flow forecasts include a key management assumption that future profit margins will remain stable, and is based on previous performance of the cash-generating units. The assumption for future profit margins is based on management's review of the prior three years of performance of the cash-generating units.

12. CONVERTIBLE DEBENTURES

On May 15, 2020, the Company closed a non-brokered private placement financing by issuing 10% convertible debentures ("New Debentures") for total proceeds of $2.59 million. On May 27, 2020, the Company issued an additional $0.04 million of the 10% New Debentures. In total, the Company issued $2.6 million of the New Debentures. The New Debentures are unsecured, bear interest at a rate of 10% per year and payable at maturity. The maturity date is May 15, 2022 for $2.59 million of the New Debentures and May 22, 2022 for $0.04 million of the New Debentures. The principal amount of the New Debentures may be convertible, at the option of the holder, into units of the Company at a conversion price of $4.25 per share. The Company may force convert the principal amount of the New Debentures at $4.25 per share if the average closing price is equal to or greater than $7.50 for 20 trading days.

The fair value of the New Debentures at the time of issue was calculated as the discounted cash flows assuming a 15% effective interest rate. The fair value of the equity component was determined at the time of issue as the difference between the face value and the fair value of the New Debentures. On initial recognition, the Company bifurcated $2.4 million to the carrying value of the New Debentures and $0.2 million to the equity component.

Under the financing, the Company paid finder's cash commissions totaling $0.08 million and incurred legal and filing fees of $0.03 million. The transaction costs were allocated pro-rata based on the carrying values of the New Debentures and the equity component, with $0.1 million allocated to the New Debentures and $0.01 million allocated to the equity component.

During the year ended April 30, 2022, the Company recorded accretion expense of $0.9 million. The changes in the value of the New Debentures during the year ended April 30, 2022 and 2021 are as follows:

(in thousands)	**Liability Component $**	**Equity Component $**
Balance, April 30, 2020	—	—
Proceeds	2,413	213
Transaction costs	(102)	(9)
Accretion expense	124	—
Conversion to shares	(904)	(77)
Balance, April 30, 2021	1,531	127
Accretion expense	85	—
Conversion to shares	(304)	(24)
Balance, April 30, 2022	**1,312**	**103**

13. LEASES

Lease liabilities

The Company has leases for lab and office space, automobiles and one item of lab equipment. With the short-term leases, each lease is reflected in the consolidated statement of financial position as a right-of-use asset and a lease liability. The Company classifies right-of-use assets in a consistent manner to its property and equipment. The following is a schedule of the Company's future minimum lease payments related to the equipment and automobiles under finance lease and the office lease obligation:

(in thousands)	**$**
2023	954
2024	345
2025	11
Total minimum lease payments	1,310
Less: imputed interest	(76)
Total present value of minimum lease payments	1,234
Less: Current portion	(890)
Non-current portion	344

Total cash outflow for leases for the year ended April 30, 2022 was $1.0 million (2021 - $0.9 million).

The nature of the Company's leases by type of right-of-use asset as at April 30, 2022 is as follows:

Right-of-use asset type	**No. of right-of-use assets leased**	**Range of remaining term**	**Average remaining lease term**	**No. of leases with extension options**	**No. of leases with options to purchase**	**No. of leases with variable payments linked to an index**	**No. of leases with termination options**
Lab and office facilities	4	0.5 - 2.0 years	1.5 years	3	—	2	1
Automobiles	2	1.0 - 2.5 years	2.0 years	—	—	—	—
Lab equipment	1	1.0 years	1.0 years	—	1	—	—

Right-of-use assets

The Company reviews long-lived assets with finite useful lives for impairment whenever circumstances indicate that the carrying amount of the asset may not be recoverable. During the year ended April 30, 2022, a significant change in the planned use of a right-of-use asset related to leased office space indicated possible impairment of the asset. Due to the nature of the leased space, the Company determined the recoverable amount to be nominal, and recorded an impairment charge of $0.2 million, the full carrying value of the asset.

The changes in the value of the right-of-use assets during year ended April 30, 2022 and 2021 are as follows:

(in thousands)	**Building $**	**Automobile $**	**Lab Equipment $**	**Total $**
Cost:				
Balance, April 30, 2020	2,384	50	—	2,434
Additions	582	45	623	1,250
Lease modification	(188)	—	—	(188)
Foreign exchange	(48)	(1)	—	(49)
Balance, April 30, 2021	2,730	94	623	3,447
Additions	311	1	—	312
Lease modification	(22)	—	—	(22)
Asset impairment	(369)	—	—	(369)
Foreign exchange	(133)	(8)	28	(113)
Balance, April 30, 2022	**2,517**	**87**	**651**	**3,255**
Accumulated Depreciation:				
Balance, April 30, 2020	700	7	—	707
Depreciation	711	21	234	966
Lease modification	(42)	—	—	(42)
Foreign exchange	(35)	(1)	(14)	(50)
Balance, April 30, 2021	1,334	27	220	1,581
Depreciation	698	23	224	945
Asset impairment	(196)	—	—	(196)
Foreign exchange	(100)	(4)	16	(88)
Balance, April 30, 2022	**1,736**	**46**	**460**	**2,242**
Net Book Value:				
April 30, 2021	1,396	67	403	1,866
April 30, 2022	**781**	**41**	**191**	**1,013**

Lease payments not recognized as a liability

The Company has elected not to recognize a lease liability for leases with an expected term of 12 months or less. Additionally, certain variable lease payments are not permitted to be recognized as lease liabilities and are recognized in profit and loss as incurred. The expense relating to payments not included in the measurement of the lease liability during the years ended April 30, 2022 and 2021 is as follows:

(in thousands)	**2022 $**	**2021 $**
Leases of low value assets	32	8
Variable lease payments	136	183
	168	**191**

14. SHARE CAPITAL

a) Authorized:

Unlimited common shares without par value.

b) Consolidation:

On November 23, 2020, the Company consolidated its issued and outstanding common shares on the basis of 5 pre-Consolidation shares for one post-Consolidation share. All references to share and per share amounts in these consolidated financial statements have been retroactively restated to reflect the Consolidation.

c) Share capital transactions:

2021 Transactions

On May 1, 2020, the Company issued 132,833 common shares pursuant to the second deferred payment for the acquisition of IPA Europe (Note 6). The common shares were valued at $0.5 million.

On December 18 and December 31, 2020, the Company issued an aggregate of 203,178 common shares pursuant to the final deferred payment for the acquisition of U-Protein. The common shares were valued at $1.0 million.

During the year ended April 30, 2021, the Company issued 189,100 common shares pursuant to the exercise of stock options for total gross proceeds of $0.7 million. A value of $0.4 million was transferred from contributed surplus to share capital as a result. The weighted average share price at the dates the stock options were exercised was $11.70.

During the year ended April 30, 2021, the Company issued 2,568,417 common shares pursuant to the exercise of warrants and finder's warrants for total gross proceeds of $15.0 million. A value of $0.4 million was transferred from contributed surplus to share capital as a result.

During the year ended April 30, 2021, the Company issued 232,934 common shares pursuant to the conversion of $1.0 million principal balance of convertible debentures.

On February 8, 2021, the Company closed a public offering of 1,616,293 common shares of the Company at a price of U.S. $13.45 per common share for gross proceeds of U.S. $21.7 million (CAD $27.7 million), net proceeds less underwriting discounts and commissions of U.S. $19.6 million (CAD $24.7 million).

On February 10, 2021, Company also issued an additional 242,443 common shares at the public offering price of U.S. $13.45 per common share for gross proceeds of U.S. $3.3 million (CAD $4.1 million), net proceeds less underwriting discounts and commissions of U.S. $3.0 million (CAD $3.8 million).

2022 Transactions

On May 3, 2021, the Company issued 41,488 common shares pursuant to the final deferred payment for the acquisition of IPA Europe (Note 6). The common shares were valued at $0.5 million.

On April 13, 2022, the Company issued 4,077,774 common shares pursuant to the acquisition of BioStrand (Note 7). The common shares were valued at $29.1 million.

During the year ended April 30, 2022, the Company issued 188,000 common shares pursuant to the exercise of stock options for total gross proceeds of $0.6 million. A value of $0.4 million was transferred from contributed surplus to share capital as a result. The weighted average share price at the dates the stock options were exercised was $7.95.

During the year ended April 30, 2022, the Company issued 925,076 common shares pursuant to the exercise of warrants and finder's warrants for total gross proceeds of $3.2 million. A value of $0.3 million was transferred from contributed surplus to share capital as a result.

During the year ended April 30, 2022, the Company issued 75,292 common shares with a value of $0.3 million pursuant to the conversion of $0.3 million principal balance of convertible debentures.

d) Options

The following table summarizes stock option awards during the years ended April 30, 2022 and 2021, including the fair value determined using the Black-Scholes option pricing model:

				Black-Scholes Option Pricing Model Inputs					
Grant date	**Stock options granted**	**Exercisable price/option $**	**Awarded to**	**Share price on grant date $**	**Dividend yield**	**Expected volatility**	**Risk-free rate**	**Expected life**	**Fair value**
August 13, 2020[1]	50,000	7.50	Consultant	6.85	0%	100%	0.33%	3.0 years	$0.2 million
September 1, 2020[2]	270,000	8.50	Officers and employee	8.15	0%	100%	0.31%	5.0 years	$1.6 million
January 6, 2021[1]	25,000	20.30	Directors	20.30	0%	71%	0.34%	5.0 years	$0.3 million
January 6, 2021[2]	238,000	20.30	Employees	20.30	0%	71%	0.34%	5.0 years	$2.8 million
May 9, 2021[3]	10,000	7.72[7]	Strategic board members	9.42	0%	78%	0.70%	5.0 years	$0.06 million
June 13, 2021[4]	43,750	7.14[7]	Consultant	8.63	0%	78%	0.71%	3.0 years	$0.2 million
August 7, 2021[2]	45,000	9.19	Employee	9.19	0%	79%	0.80%	5.0 years	$0.3 million
January 2, 2022[1]	28,250	6.89	Directors	6.89	0%	77%	1.18%	4.0 years	$0.1 million
January 7, 2022[2]	225,000	7.94	Officers and employees	7.94	0%	77%	1.42%	5.0 years	$1.1 million
January 7, 2022[2]	113,000	7.94	Employees	7.94	0%	77%	1.42%	4.7 years	$0.5 million
January 13, 2022[5]	15,000	8.30	Officer	8.30	0%	77%	1.43%	1.0 years	$0.04 million
January 13, 2022[2]	24,000	8.30	Employees	8.30	0%	77%	1.43%	4.7 years	$0.1 million
March 11, 2022[6]	25,000	6.35	Consultant	4.67	0%	76%	1.77%	2.0 years	$0.03 million

(1) Vesting conditions are as follows: one-quarter 3 months after grant date; one-quarter 6 months after grant date; one-quarter 9 months after grant date; and one-quarter 12 months after grant date.
(2) Vesting conditions are as follows: one-third 6 months after grant date; one-third 12 months after grant date; and one-third 18 months after grant date.
(3) Vesting conditions are as follows: one-third one year after grant date; one-third two years after grand date; and one-third three years after grant date.
(4) The option vested immediately.
(5) Vesting conditions are as follows: one-third 2 months after grant date; one-third 4 months after grant date; and one-third 6 months after grant date.
(6) Vesting conditions are as follows: one-half 3 months after grant date; one-half 6 months after grant date.
(7) Priced in US dollars.

(Expressed in Canadian Dollars)

Expected volatility of all options granted up to September 1, 2020, was based on the historical volatility of similar companies. Expected volatility of options granted subsequent to that date is based on the historical volatility of the company from January 1, 2019 to the option grant date.

During the year ended April 30, 2022 the Company has recorded $3.1 million of share-based payments expense.

The changes in the stock options for the year ended April 30, 2022 and 2021 are as follows:

	Number of options #	Weighted average exercise price $	Weighted average life remaining (years)
Balance, April 30, 2020 (outstanding)	1,063,000	3.84	3.03
Granted	583,000	14.30	—
Exercised	(189,100)	3.62	—
Expired	(59,500)	5.55	—
Forfeited	(38,500)	20.30	—
Balance, April 30, 2021 (outstanding)	1,358,900	7.93	3.11
Granted	529,000	7.98	—
Exercised	(188,000)	3.26	—
Expired	(60,250)	10.75	—
Forfeited	(15,500)	20.30	—
Balance, April 30, 2022 (outstanding)	**1,624,150**	**8.29**	**2.88**
Unvested	(529,854)	9.63	4.35
Exercisable, April 30, 2022	**1,094,296**	**7.64**	**2.16**

Details of the options outstanding as at April 30, 2022 are as follows:

Expiry Date	Exercise price $	Remaining life (year)	Options outstanding	Unvested	Vested
September 18, 2022	5.05	0.39	131,900	—	131,900
January 3, 2023	3.25	0.68	30,000	—	30,000
February 7, 2023	2.35	0.78	140,000	—	140,000
April 3, 2023	5.05	0.93	8,000	—	8,000
September 24, 2023	4.75	1.40	19,000	—	19,000
November 7, 2023	4.10	1.52	20,000	—	20,000
December 31, 2023	5.00	1.67	180,000	—	180,000
January 11, 2024	5.00	1.70	60,000	—	60,000
October 1, 2024	2.38	2.42	50,000	—	50,000
September 1, 2025	8.50	3.34	270,000	—	270,000
January 6, 2026	20.30	3.69	230,000	71,667	158,333
May 9, 2026[(1)]	9.84	4.03	10,000	10,000	—
August 5, 2026	9.19	4.27	45,000	30,000	15,000
January 2, 2026	6.89	3.68	28,250	21,187	7,063
January 7, 2027	7.94	4.69	338,000	338,000	—
January 7, 2027	8.30	4.71	39,000	34,000	5,000
February 22, 2024	6.35	1.82	25,000	25,000	—
	8.29	**2.88**	**1,624,150**	**529,854**	**1,094,296**

(1) US $7.72

(Expressed in Canadian Dollars)

e) Warrants

The changes in the warrants for the year ended April 30, 2022 and 2021 are as follows:

	Number of warrants #	Weighted average exercise price $	Weighted average life remaining (years)
Balance, April 30, 2020	3,411,500	5.25	0.91
Exercised	(2,533,200)	5.88	—
Balance, April 30, 2021	878,300	3.50	0.90
Exercised	(878,300)	3.50	—
Balance, April 30, 2022	**—**	**—**	**—**

f) Finder's Warrants

On February 8, 2021, the Company issued 113,139 finder's warrants, exercisable at US $16.81 per warrant, in connection with the public offering of 1,616,293 common shares. The fair value of these warrants was estimated to be US $1.0 million (CAD $1.3 million) using the Black-Scholes option pricing model and the following assumptions: share price on grant date of US $16.81, dividend yield of 0%, expected volatility of 72%, a risk-free rate of 0.39%, and an expected life of 5 years.

On February 10, 2021, the Company issued 16,972 finder's warrants, exercisable at US $16.81 per warrant, in connection with the public offering over-allotment of 242,443 common shares. The fair value of these warrants was estimated to be US $0.1 million (CAD $0.2 million) using the Black-Scholes option pricing model and the following assumptions: share price on grant date of US $16.81, dividend yield of 0%, expected volatility of 72%, a risk-free rate of 0.39%, and an expected life of 5 years.

The changes in the finder's warrants for the year ended April 30, 2022 and 2021 are as follows:

	Number of warrants #	Weighted average exercise price $	Weighted average life remaining (years)
Balance, April 30, 2020	81,994	3.50	1.90
Issued	130,111	20.65	—
Exercised	(35,217)	3.50	—
Balance, April 30, 2021	176,888	16.12	3.75
Exercised	(46,777)	3.50	—
Balance, April 30, 2022	**130,111**	**21.59**	**3.77**

(1) US $16.81

Details of the finder's warrants outstanding as at April 30, 2022 are as follows:

Expiry Date	Exercise price $	Remaining life (year)	Warrants outstanding
February 3, 2026[(1)]	21.59	3.77	130,111

(1) US $16.81

g) At-The-Market Equity Offering Facility

On October 13, 2021, the Company established an at-the-market equity offering facility ("ATM Facility"). An ATM Agreement was entered into with H.C. Wainwright & Co., LLC, as sole sales agent ("Agent"). The Company will be entitled, at its discretion and from time-to-time during the term of the ATM Agreement, to sell, through the Agent common shares of the Company having an aggregate gross sales price of up to US$50.0 million. Sales of the common shares will be made in transactions that are deemed to be "at-the-market distributions" as defined in National Instrument 44-102 – Shelf Distributions, including, without limitation, sales made directly on the Nasdaq Global Market or any other existing trading market for the common shares in the United States. No offers or sales of common shares will be made in Canada on the TSXV or other trading markets in Canada. The Company will determine, at its sole discretion, the date, minimum price and maximum number of common shares to be sold under the ATM Facility. The common shares will be distributed from time to time in negotiated transactions, at market prices prevailing at the time of sale, at prices relating to such prevailing market prices, and/or in any other manner permitted by applicable law. As such, the prices may vary between purchasers over time. The Company is not required to sell any common shares at any time during the term of the ATM facility.

At April 30, 2022 US$50.0 million of the Company's stock remained available for sale under the ATM Facility.

At April 30, 2022, a total of $0.3 million in fees related to the ATM Facility is included in prepaid expenses.

15. RELATED PARTY TRANSACTIONS

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. Key management consists of Dr. Jennifer Bath, President and CEO; Lisa Helbling, CFO; Dr. Stefan Lang, former Chief Business Officer; Dr. Ilse Roodink, Chief Scientific Officer; Dr. Yasmina Abdiche, former Chief Scientific Officer; Charles Wheelock, former Chief Technology Officer; Martin Hessing, a former Director of U-Protein; and Directors of the Company. During the year ended April 30, 2022 and 2021, the compensation for key management is as follows:

(in thousands)	**2022 $**	**2021 $**
Management fees	—	64
Salaries and other short-term benefits	2,531	1,949
Severance (included in salaries)	8	266
Share-based payments	1,388	1,466
Director compensation (included in salaries)	355	147
	4,282	**3,892**

At April 30, 2022, included in accounts payable and accrued liabilities is $1.3 million (April 30, 2021 - $1.2 million) due to related parties. The amounts payable are non-interest bearing and unsecured.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties, unless otherwise noted.

16. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to ensure sufficient liquidity for operations and adequate funding for growth and capital expenditures while maintaining an efficient balance between debt and equity. The capital structure of the Company consists of credit facilities totaling $1.3 million and shareholders' equity of $75.3 million.

The Company makes adjustments to its capital structure upon approval from its Board of Directors, in light of economic conditions and the Company's working capital requirements. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

17. FINANCIAL INSTRUMENTS

The Company's financial instruments include cash, amounts receivable, restricted cash, investment, accounts payable and accrued liabilities, debentures, loans payable, leases and deferred acquisition payments.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value, by reference to the reliability of the inputs used to estimate the fair values.

Level 1 – applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2 – applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3 – applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The fair value of investment is determined based on "Level 2" inputs as its value under the equity method was the best approximation of its fair value. As at April 30, 2022, the Company believes the carrying values of cash, amounts receivable, restricted cash, accounts payable and accrued liabilities, debentures, loans payable, leases and deferred acquisition payments approximate their fair values because of their nature and relatively short maturity dates or durations.

Concentration of risk:

Concentrations of credit risk

Credit risk relates to cash, restricted cash and amounts receivable and arises from the possibility that counterparty to an instrument may fail to perform. At April 30, 2022, all of the Company's cash was held with tier one banks. Details of amounts receivable and allowances for doubtful accounts as at April 30, 2022 and 2021 are as follows:

(in thousands)	**2022 $**	**2021 $**
Amounts receivable, gross	2,539	2,885
Allowance for doubtful accounts	(36)	(27)
Amounts receivable, net	**2,503**	**2,858**

Currency risk

The Company operates in the US and Europe which gives rise to exposure to market risks from changes in foreign currency values. Most significantly, the Company is exposed to potential currency fluctuations between US and Canadian dollars, which was translated at 1.2792 at April 30, 2022, and the Euro and Canadian dollar, which was translated at 1.3492 at April 30, 2022. Fluctuations in the exchange rate could impact profitability.

At April 30, 2022, the Company is exposed to currency risk through the following assets and liabilities denominated in US dollars and Euros:

(in thousands)	**Euros (€)**	**US Dollars (US $)**
Cash	4,354	11,671
Amounts receivable	1,453	820
Investment at fair value through profit and loss	111	—
	5,918	12,491
Accounts payable and accrued liabilities	(1,096)	(947)
Deferred acquisition payments	(962)	—
Leases	(521)	(281)
	(2,579)	(1,228)
Net	3,339	11,263

Liquidity risk:

The Company's approach to managing its obligations is to maintain sufficient resources to meet its obligations when due without undue risk to the Company. The Company monitors its cash requirements on an ongoing basis to ensure that there are sufficient resources for operations as well as to fund anticipated leasing, capital and development expenditures. In addition, the Company manages its cash to meet its debt obligations and to fund general and administrative costs.

Contractual cash flow requirements as at April 30, 2022 were as follows:

(in thousands)	**< 1 year $**	**1 - 2 years $**	**2 - 5 years $**	**> 5 years $**	**Total $**
Accounts payable and accrued liabilities	4,768	—	—	—	4,768
Leases	954	345	11	—	1,310
Convertible debentures	1,317	—	—	—	1,317
Total	7,039	345	11	—	**7,395**

18. INVENTORIES

Inventories as at April 30, 2022 and 2021 consist of the following:

(in thousands)	**2022 $**	**2021 $**
Supplies and parts	1,418	981
Antibodies	197	223
	1,615	**1,204**

19. COMMITMENTS

The Company entered into a lease agreement for a new facility for its Utrecht, the Netherlands location on December 31, 2019. The building is under construction. The lease has two five-year terms and is estimated to commence in October 2022 at an estimated annual cost of €0.7 million indexed for inflation.

The Company entered into a lease agreement for a new facility for its Oss, the Netherlands location on October 16, 2021. The Company anticipates entering into a lease agreement for the new construction facility by December 31, 2022. The lease will have a five-year term with an optional five-year extension, and is estimated to commence May 1, 2023 at an estimated annual cost of €0.5 million indexed for inflation.

The Company entered into an agreement advancing research on the Company's SARS-CoV-2 PolyTope™ Cocktail, with a current obligation of US$7.9 million over the next six months related to this program.

The share purchase agreement related to the acquisition of BioStrand includes contingent earnout payments based on 20% of the EBITDA of BioStrand, as defined in the share purchase agreement, over a 7-year period, which shall not exceed in total €12.0 million. The Company has determined these payments relate to post-acquisition services because they are contingent on the employment of two key employees and will be expensed in the period earned.

20. GRANT AND SUBSIDY INCOME

In July 2020, IPA USA and Talem (the "Subgrantee") were awarded a grant of US$1.5 million by the North Dakota Department of Agriculture through the CARES Act ND Bioscience Group Program for the development of antibody therapeutics against SARS-CoV-2. The total grant project cost is US$2.0 million, for which the Subgrantee must contribute an amount not less than 25% of the grant project cost, or US$0.5 million. In addition, the Company has been awarded a US$0.08 million grant from the state of North Dakota to fund its PolyTope mAb Therapy platform, which the Company is using to develop treatments for the coronavirus (COVID-19) and other pathogens. The Company has

recorded a total of nil and $1.9 million during the year ended April 30, 2022 and 2021, respectively, related to these grants.

21. SEGMENTED INFORMATION AND ECONOMIC DEPENDENCE

At April 30, 2022 and April 30, 2021, the Company has one reportable segment, being antibody production and related services.

During the year ended April 30, 2022, the Company had sales to nil (2021 – nil) customers who in aggregate accounted for more than 10% of revenue.

The Company's revenues are allocated to geographic regions for the year ended April 30, 2022 and 2021 as follows:

(in thousands)	**2022 $**	**2021 $**
United States of America	6,816	7,932
Canada	572	1,089
Europe	9,429	7,436
Australia	1,540	468
Other	1,007	987
	19,364	**17,912**

The Company's revenues are allocated according to revenue types for the year ended April 30, 2022 and 2021 as follows:

(in thousands)	**2022 $**	**2021 $**
Project revenue	17,356	15,910
Product sales revenue	1,652	1,897
Cryostorage revenue	356	105
	19,364	**17,912**

As at April 30, 2022, all deferred revenue is expected to be recognized over the next twelve months.

The Company's non-current assets are allocated to geographic regions as of April 30, 2022 and 2021 as follows:

	2022 $	**2021 $**
North America - Corporate	76	—
North America	1,481	2,153
Belgium	41,202	—
Netherlands	13,265	15,948
	56,024	**18,101**

Geographic segmentation of the Company's net income (loss) for the year ended April 30, 2022 and 2021 is as follows:

(in thousands)	2022 $	2021 $
North America - Corporate	(9,340)	(8,632)
North America	(11,424)	(1,203)
Belgium	(215)	—
Netherlands	4,270	2,495
	(16,709)	**(7,340)**

Geographic segmentation of the interest and accretion, and amortization and depreciation for the year ended April 30, 2022 and 2021 is as follows:

Interest and accretion *(in thousands)*	2022 $	2021 $
North America - Corporate	258	523
North America	51	96
Belgium	3	—
Netherlands	107	244
	419	**863**

Amortization and depreciation *(in thousands)*	2022 $	2021 $
North America - Corporate	56	74
North America	778	687
Belgium	—	—
Netherlands	2,935	2,952
	3,769	**3,713**

22. SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash investing and financing transactions *(in thousands)*	**2022 $**	**2021 $**
Acquisition of building and equipment by lease	312	1,209
Fair value of shares issued pursuant to deferred acquisition payment to IPA Europe	503	511
Fair value of shares issued pursuant to deferred acquisition payment to UPE	—	1,047

The following changes in liabilities arose from financing activities:

			Non-cash changes				
(in thousands)	**April 30, 2021 $**	**Cash Flows $**	**Acquisition $**	**Settlement / Disposal $**	**Accretion $**	**Foreign exchange movements and change in estimates $**	**April 30, 2022 $**
Deferred acquisition payments	498	—	1,317	(503)	—	(6)	1,306
Convertible debentures	1,531	—	—	(304)	85	—	1,312
Leases	1,926	(962)	312	—	—	(42)	1,234
Total	3,955	(962)	1,629	(807)	85	(48)	3,852

			Non-cash changes					
(in thousands)	**April 30, 2020 $**	**Cash Flows $**	**Acquisition $**	**Debt forgiven / Settlement / Disposal $**	**Accretion $**	**Equity portion $**	**Foreign exchange movements and change in estimates $**	**April 30, 2021 $**
Deferred acquisition payments	2,826	(1,029)	—	(1,558)	222	—	37	498
Debentures	2,000	(2,000)	—	—	—	—	—	—
Convertible debentures	313	2,202	—	(904)	124	(204)	—	1,531
Loans payable	312	(29)	—	(280)	—	—	(3)	—
Leases	1,884	(945)	1,209	(147)	—	—	(75)	1,926
Total	7,335	(1,801)	1,209	(2,889)	346	(204)	(41)	3,955

(Expressed in Canadian Dollars)

23. INCOME TAX

Income tax expense differs from the amount that would be computed by applying the federal and provincial statutory tax rates of 27% (2021 – 27%) to the earnings before income taxes. The reasons for the differences and related tax effects are as follows:

	2022 $	2021 $
Earnings (loss) before income taxes	(15,848)	(5,995)
Income taxes (recovery) on earnings before income taxes, at above basic rate	(3,627)	(1,619)
Increase (decrease) in taxes resulting from:		
Nondeductible expenses	322	558
Effects of tax rate change and foreign exchange	12	440
Deferred income tax asset recognized	(138)	—
Tax rate difference by jurisdiction	(359)	(103)
Tax benefits not recognized	4,651	2,069
Income taxes (recovery)	**861**	**1,345**

	2022 $	2021 $
Current income taxes	1,390	1,428
Deferred income taxes (recovery)	(529)	(83)
Income taxes	**861**	**1,345**

Temporary differences give rise to the following deferred income tax assets and liabilities:

	2022 $	2021 $
Other tax pools	(20)	(7)
Equipment and leasehold improvements	8	17
Inventory and intangible assets	(8,093)	(1,502)
Recognized deferred income tax liabilities	**(8,105)**	**(1,492)**

	2022 $	2021 $
Non-capital losses carried forward (expire from 2026 to 2039)	10,514	5,820
Other tax pools	1,373	1,797
Capital losses carried forward	194	148
Equipment and leasehold improvements	13	40
Financing costs	979	804
Less: unrecognized deffered income tax asset	(13,073)	(8,609)
Unrecognized deferred income tax liabilities	**—**	**—**

24. SUBSEQUENT EVENTS

Subsequent to the year ended April 30, 2022, the Company issued 50,000 common shares pursuant to the exercise of stock options for total gross proceeds of $0.1 million. A value of $0.1 million was transferred from contributed surplus to share capital as a result.

Subsequent to the year ended April 30, 2022, the Company issued 309,877 common shares with a value of $1.3 million pursuant to the conversion of $1.3 million principal balance of convertible debentures.

Subsequent to the year ended April 30, 2022, the Company granted 80,000 stock options at a price of $5.79 per share for a period of 5 years. The options are subject to the following vesting period: one-third 6 months after grant date; one-third 12 months after grant date; and one-third 18 months after grant date.

During May 2022, The Company received a €0.5 million round of grant funding from VLAIO (Flanders Innovation & Entrepreneurship), the research fund of the Flemish regional government in Belgium. Conditionally awarded in January 2022, the Company satisfied the remaining criteria for the award.

IMMUNOPRECISE ANTIBODIES LTD.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED APRIL 30, 2022

The following Management's Discussion and Analysis ("MD&A") should be read in conjunction with the audited consolidated financial statements of ImmunoPrecise Antibodies Ltd. ("the Company", "ImmunoPrecise" or "IPA") for the year ended April 30, 2022. This MD&A is the responsibility of management and was reviewed and approved by the Board of Directors of IPA on July 28, 2022.

The referenced financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and related IFRS Interpretations Committee ("IFRIC") guidance as issued by the International Accounting Standards Board ("IASB"). Except as otherwise noted, all dollar figures in this MD&A are stated in Canadian dollars, which is the Company's reporting currency.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain statements that constitute "forward-looking statements" within the meaning of National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators.

Forward-looking statements often, but not always, are identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", "targeting" and "intend" and statements that an event or result "may", "will", "should", "could", or "might" occur or be achieved and other similar expressions. Forward-looking statements are not guarantees.

In this MD&A, forward-looking statements include statements regarding: the Company's future plans and expenditures, the satisfaction of rights and performance of obligations under agreements to which the Company is a party; product development; future revenue growth; research and development initiatives; changes to office locations; general market trends and developments; the timing and results of patent and IND filings, including with respect to the PolyTope TATX-03 cocktail; and the Company's ability to sustain existing operations. The forward-looking statements that are contained in this MD&A involve a number of risks and uncertainties and are based on certain assumptions, including: the progress, timing and costs related to the execution of the Company's business plan and strategy; estimates and projections regarding the industry in which the Company operates; the future success of research and development activities; the absence of material changes in general business and economic conditions; estimates regarding the future financing and capital requirements; and the absence of adverse changes in relevant laws and regulations. As a consequence, actual results might differ materially from results forecast or suggested in these forward-looking statements. Some of these risks and uncertainties are identified under the heading "RISKS AND UNCERTAINTIES" in this MD&A.

Furthermore, forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

These cautionary statements expressly qualify all forward-looking statements in this MD&A.

GENERAL

The Company was incorporated under the laws of Alberta on November 22, 1983, and is listed on the TSX Venture Exchange (the "TSXV") as a Tier 2 life science issuer under the trading symbol "IPA". The Company's common shares were approved for listing on the NASDAQ Global Market ("Nasdaq") under the trading ticker symbol "IPA". Trading on Nasdaq commenced at market open on December 30, 2020. The address of the Company's head office is 3204 – 4464 Markham Street, Victoria, BC V8Z 7X8.

On November 23, 2020, the Company consolidated its issued and outstanding common shares on the basis of five pre-consolidation shares for one post-consolidation share (the "Consolidation"). All references to share and per share amounts in this MD&A have been retroactively restated to reflect the Consolidation.

OVERVIEW

ImmunoPrecise Antibodies Ltd. is a biotherapeutic, innovation-powered company that supports its business partners in their quest to discover and develop novel antibodies against a broad range of target classes and diseases. The Company offers a hybrid of services and programs with advanced platforms and technologies, dynamic scientists and business advisors – to optimize antibody discovery and development against rare and/or challenging epitopes.

The Company offers comprehensive support to its partners starting with customized project design, antigen preparation guided by computational analysis, an on-site vivarium, proprietary immunization services, a broad suite of discovery platforms, high-throughput characterizations, including functional screening, to facilitate lead candidate selection, lead optimization, antibody engineering and manufacturing, all under one contract.

The Company's depth of experience, innovative technologies, scientific rigor, and focus on quality provide superior one-stop service solutions. This also supports the Company in its goal to reduce the time and risk associated with conventional multi-vendor product development.

The Company has achieved organic revenue growth through market penetration and service diversification in the biologics contract research organization ("CRO") space, as well as accretive growth through strategic expansion of its operations into Europe, by acquiring and integrating innovative technologies and investing in research and development ("R&D").

Services

The Company's capabilities include, but are not limited to, multi-omic data analysis, custom antigen modeling, design and manufacturing; proprietary B cell sorting, high-throughput screening and sequencing; custom, immune and proprietary naïve phage display libraries production and screening; hybridoma discovery and production with multiplexed, high-throughput screening and single clone-picking; expertise with transgenic animals and multi-species antibody discovery; antibody characterization studies such as affinity measurements, functional assays, epitope mapping, binning and developability profiling; bi-specific, single domain (such as variable domain of the heavy chain "VHH", and variable new antigen receptor "VNAR" (shark)) antibody manufacturing; recombinant cloning and production and purification of antibodies and proteins in gram scale levels including characterization and validation; transient and stable cell line generation; antibody engineering, optimization including humanization; and cryopreservation and cryostorage.

The Company's wholly owned subsidiaries, ImmunoPrecise Antibodies (Canada) Ltd. ("IPA Canada") and ImmunoPrecise Antibodies (Europe) B.V. (consisting of the former ModiQuest Research B.V. and U-Protein Express B.V.) ("IPA Europe"), have been designated as approved CROs for leading, transgenic animal platforms producing antibodies with human antigen binding domains, along with protein manufacturing. Through IPA Canada and IPA Europe, the Company has made strategic investments in R&D activities to develop proprietary technologies enabling the application of its B cell Select® and DeepDisplay™ platforms to a broad range of species and strains, including transgenic animals.

Operations of the Company

The Company's operations are based in Utrecht and Oss, the Netherlands, Diepenbeek, Belgium, Victoria, British Columbia, and Fargo, North Dakota.

The Company's global management, operating out of North America and Europe, is responsible for all global oversight into pipeline development, finances and accounting, sales and marketing, investor communications, and information technology. To support management and the Board of Directors in exercising oversight, the Company implemented an enterprise resource management system ("ERP") for marketing and sales automation and customer relationship management, as well as accounting and financial reporting, resource planning and project management. Comprehensive operational and management reporting capabilities were implemented to effectively support a geographically dispersed organization allowing managers access to the Company data globally.

The Company's head office is located in Victoria, British Columbia. The headquarters for the US operations is based in Fargo, North Dakota, and allows the Company to take advantage of a US location that has a significant and diverse economy with a strong history of supporting global life science companies. The site in Fargo was opened in 2018 and serves as the address of ImmunoPrecise Antibodies (ND) Ltd. and ImmunoPrecise Antibodies (USA) Ltd. and offers the potential for future growth plans in the United States.

IPA Canada operates from Victoria, British Columbia, performing custom antibody generation since its inception. The Company has sought to increase its capabilities at its Victoria location by adding equipment for protein purification and measuring protein binding kinetics and high-throughput label-free protein-protein interactions, enlarging the vivarium, and further developing and improving technologies such as its B cell Select® platform.

Since the acquisitions of U-Protein Express B.V. ("UPE") and ModiQuest Research B.V. ("MQR") (now together named IPA Europe), the Company has focused on optimizing its cutting-edge technologies to support the development of novel therapeutic antibodies, bringing an expanded array of capabilities to partners in Europe, North America and the rest of the world. The former MQR team located in Oss added, among other capabilities, in depth expertise in *in vitro* antibody phage library generation and screening, as well as antibody characterization, including functionality and developability profiling, antibody optimization, including humanization, and antibody engineering to the Company's extensive service portfolio.

As of January 1, 2021, UPE merged with IPA Europe to form one legal entity. The former UPE team continues its operations in the biotechnology hub of Utrecht and has been operating in the recombinant protein community for close to twenty years. IPA's Utrecht site specializes in the manufacture of complex proteins and antibodies in a variety of formats, and from a range of mammalian cell types, using its proprietary expression platform rPEx®. Their operations have enabled the successful support of over five thousand different programs for pharmaceutical and biotechnology industries as well as leading, academic institutions.

On April 14, 2022, the Company completed the acquisition of control over BioStrand BV, BioKey BV, and BioClue BV (collectively "BioStrand"), a group of Belgian biotech entities and pioneers in the field of bioinformatics and biotechnology, through its wholly owned subsidiary ImmunoPrecise Netherlands BV. The Company paid a consideration of approximately €20.0 million to the vendors, consisting of an aggregate of 4,077,774 common shares and a cash payment of approximately €3.7 million. The consideration also includes a contingent earnout payment based on the profitability of BioStrand over a 7-year period, which shall not exceed in total €12.0 million. BioStrand focuses on technology in the field of bioinformatics and biotechnology related to the identification of characteristic biological sequences in proteins, RNA and DNA, and their different information layers, the development of a knowledgebase containing these characteristic biological sequences and information layers, and the use of this database to process biological sequences and compare processed biological sequences.

CRO services are the main focus of the Company's business activities, though it also continues to develop an intellectual property portfolio of proprietary methods and physical assets through internal R&D, collaborations, acquisitions and in-licensing. The Company has invested strategically in the development and licensing of antibody discovery technologies and related intellectual property assets. These investments have been enhanced by internal discovery programs focused on novel therapeutic antibodies and vaccines in areas such as oncology, inflammation, neurodegenerative diseases, autoimmunity, atherosclerosis, and COVID-19. These programs diversify the nature of opportunities by which pharmaceutical partners may choose to engage the Company by enabling co-development the in-licensing or sale of later-stage pre-clinical assets.

In 2019, the Company formed Talem Therapeutics LLC ("Talem"), based in Cambridge, Massachusetts, to support its internal and partnered therapeutic discovery programs, which includes a license for the use of Ligand Pharmaceuticals' OmniAb® transgenic animals pursuant to a commercial platform license and services agreement dated October 30, 2019. Talem has the right to discover, develop and partner fully human antibodies from these animals. Talem offers strategic and selective partnerships with pharma companies using OmniAb transgenic animals or its alternative therapeutic antibody discovery capabilities available at IPA Canada and IPA Europe. The ability for investors to support individual assets or portfolios generates an asymmetrical opportunity for investments, while avoiding Company shareholder dilution. The depth and speed of the offerings enable Talem to customize each program and leverages the Company's expertise and technologies in the antibody discovery and development.

STRATEGY AND OUTLOOK

The Company's management team places an emphasis on initiatives designed to drive revenue, bolster internal assets and maximize shareholder value. The Company aims to continue to build on revenue and asset generation through internal development and well-informed, strategic acquisitions and joint ventures. The Company's strategy also includes growth through alliances and partnerships, within both its research (Talem) and service sectors, as well as potential new market sectors such as pre-clinical and clinical manufacturing.

The Company's objective is to continue growing as a preferred partner for therapeutic antibody researchers. Therefore, the Company's aim is to deliver a comprehensive and integrated continuum of technologically advanced and high-throughput data-driven protein and antibody services to its partners to enable them to bring novel therapies to the clinic faster. The Company intends to continue focusing on the development and refinement of its integrated end-to-end platform, which, when coupled with strong scientific know-how, can help partners navigate through the process of lead candidate advancement. The Company offers customized solutions for antibody discovery while providing details via the project management team to ensure partners have the project data they need, with the security measures required to ensure their peace of mind.

In fall 2022, the Company will move its Utrecht location from its current premises in the Life Science Incubator to new, larger premises within the Utrecht Science Park. In the new location the Company will significantly increase its capacity for protein manufacturing and related services.

In the second half of 2023, the Company will move its Oss location to a new state-of-the-art facility within the Pivot Park campus. The move will increase space by almost 30%.

Both expansions are a strategic commitment to the locations of IPA Europe and will enable the Company to significantly increase capacity, personnel and service offerings to serve the increasing market needs in Europe, North America and Asia.

The Company believes its strategy is supported by growing trends in pharma and finance. Large pharmaceutical companies continue to outsource research, with trends showing an increase on the reliance of external partners to improve the efficiency and cost of development, increase turnaround time, and access advanced and integrated expertise. A report by

Mike Straus dated March 10, 2022, titled "CRO Update: Where are Contract Research Organizations Headed?" supports this concept while stating that, despite challenges such as controlling sponsors, a labor shortage, and market consolidation, the CRO industry will continue to be buoyed by growing demand for outsourced R&D services. The article states that the main factors driving CRO performance over time include outsourcing of more work by Big Pharma, robust biopharmaceutical funding, new biotech start-ups gaining financing, regulators asking for more data and imposing more protocol requirements, a more crowded pharmaceutical marketplace, and a push by pharma companies to find better competitive differentiators.

To streamline, many large pharmaceutical companies are limiting the number of external partners that can be contracted. This is particularly promising for those CROs that fill multiple niches in the discovery and manufacturing pipeline, as the Company believes it can do.

According to a report titled "Global and China Monoclonal Antibody Industry Report, 2019-2025" published in April 2019 on *ResearchandMarkets.com*, the key industry participants serving the monoclonal antibodies market are Novartis, Merck & Co., Amgen, AbbVie, Johnson & Johnson and Roche.

In May 2020, *ResearchandMarkets.com* stated in their report "Global Antibody Production Market (2020 to 2025) – Growth, Trends, and Forecasts" that investments by pharma and biotech companies in antibody R&D are expected to increase given the rising prevalence of cancer, infectious diseases, and autoimmune and other chronic diseases. Additionally, a piece on the website for *Genetic Engineering & Biotechnology News* titled "Antibody Discovery Looks over the Horizon" published on February 7, 2019, stated that antibodies are a mainstay in oncology as physicians move away from other types of therapies such as small molecules. In recent years, the success of key pipeline drugs in the immuno-oncology space have been a key component of the record high capital market funding for the biotechnology sector, according to Objective Capital Partners' report on the CRO sector fundamentals, as noted above.

The market for therapeutic antibodies was worth US$115 billion in 2018 and according to a study published in the Journal of Biomedical Science in January 2020, it is estimated that the human therapeutic antibody market will grow to US$300 billion in 2025. The biopharmaceuticals sector is the fastest growing pharma sector. While the sale of therapeutic antibodies increased by 93% from US$84 billion in 2014 to nearly US$163 billion in 2019, other recombinant protein therapeutics have remained unchanged over the same period, according to "The Therapeutic Monoclonal Antibody Product Market" published in October 2020, in *BioProcess International*. Companies are currently sponsoring clinical studies for more than 570 monoclonal antibodies. In recent years, the number of monoclonal antibody drugs approved for commercialization has proliferated, with the 100th monoclonal antibody approved by the United States Food and Drug Administration ("FDA") as of May 2021 (*Nature Reviews Drug Discovery*) and a further 17 investigational antibody therapeutics in regulatory review in either the United States or Europe as of June 2022 according to *AntibodySociety.org.*

The protein and antibody-related service and product market is expected to grow with a CAGR of 6.2% by 2027 to US$5.6 billion, according to *GrandViewResearch.com. ResearchandMarkets.com* expect the research antibody market size to reach US$5.9 billion by 2028, with a CAGR of 6.4%, with the majority driven by a rise in R&D initiatives by biopharmaceutical and biotechnology companies and government bodies.

COVID-19 R&D

There is an ongoing need for therapeutics to protect against COVID-19 even now that vaccines are available, as vaccines do not provide protection for all individuals. This is particularly true for immunocompromised individuals such as the elderly, cancer patients, individuals with HIV or those undergoing bone marrow and organ transplants, whose immune systems are too weak to mount an effective response upon vaccination. In addition, SARS-CoV-2 vaccines appear to be less effective against variants of the virus. Without 100% protection, important segments of higher exposure risk populations will likely be left unprotected – namely frontline workers and those living in group care.

Therapeutic antibodies are providing breakthrough medicines for cancer, inflammation, autoimmune and infectious diseases due in part to their high on-target affinity and exquisite specificity making them highly efficacious with good safety profiles.

Technological advances in antibody discovery methods such as B cell sorting now enable the rapid and systematic generation of high-quality fully human antibodies from healthy donors, diseased patients, and transgenic animals. Furthermore, when therapeutic antibodies are combined into cocktails, they can provide unique protection against infectious diseases by working synergistically to neutralize pathogens via multiple mechanism of action engaged in concert, boosting potency beyond the sum of their individual components. Single antibodies are vulnerable to mutagenic escape and can be rendered ineffective by a single point mutation in the pathogen. In contrast, antibody cocktails may protect against mutagenic escape because they cover a larger epitope footprint on the pathogen's surface than possible with a single antibody, providing longer-lasting protection against emerging mutations.

The Company's diverse panel of anti-SARS-CoV-2 antibodies with therapeutic potential can be curated into synergistic cocktails, providing opportunities for out-licensing and sponsorship deals which the Company believes would enable it to respond quickly to emerging viral variants as well as formulation into bi- or multi-specifics. The Company has successfully completed pre-clinical studies in Syrian hamsters and could demonstrate powerful *in vivo* efficacy in both therapeutic and prophylactic settings.

On January 27, 2022, Talem, filed for patent protection of its PolyTope® TATX-03 antibody cocktail via the PCT (Patent Cooperation Treaty) system (which has 154 member states) as well as national filings in the US, Taiwan, Argentina, and Paraguay, enabling the Company to pursue patent protection of the PolyTope TATX-03 cocktail in all sizeable potential markets. In the meantime, the PolyTope TATX-03 remaining non-clinical safety studies are expected to conclude in Q2 of CY2022. At the request of the FDA, the Company has prepared a comprehensive status update demonstrating the performance of PolyTope TATX-03 toward Omicron (B.1.1.529), and other variants of concern, for review. The Company expects that, upon completion of its ongoing studies, the data will enable the Company to file an Investigational New Drug ("IND") application in Q3 of CY2022. The approval of the FDA with respect to the IND application will be required prior to commencing first-in-human clinical studies.

The Company is presently manufacturing clinical batches of the fully human, lead monoclonal antibodies of its TATX-03 cocktail and aims to use the resulting data to support conversations with sponsors, potential partners, and funding agencies. The Company anticipates similar cocktail formulations, including its bi-specific formulations, to also follow into pre-clinical testing in the near-term. As result, the Company anticipates that such developments will provide on-going opportunities for commercialization.

SELECTED ANNUAL INFORMATION

The following is a summary of certain selected financial information of the Company for the years ended April 30, 2022, 2021, and 2020.

(in thousands)	2022 $	2021 $	2020 $
Revenue	19,364	17,912	14,058
Cost of sales	(8,381)	(6,374)	(6,024)
Operating expenses	(27,731)	(19,137)	(12,587)
Net (loss) earnings	(16,709)	(7,340)	(4,947)
Total assets	75,765	66,959	27,263
Total liabilities	(11,068)	(10,035)	(12,177)
Dividends declared	—	—	—
Earnings (loss) per share	(0.85)	(0.45)	(0.35)

During fiscal year 2022, the Company achieved revenue growth of 8.1%. Expenses and Net loss were higher in the year ended April 30, 2022, due to investments in research and development, consulting and professional fees incurred to support the Company's strategies, and higher salaries and benefits as the Company strategically added roles in sales and marketing. Growth in assets is most notably due to the acquisition of BioStrand using $3.7 million of cash and the issuance of 4,077,774 common shares.

OVERALL PERFORMANCE AND LIQUIDITY

The Company continued to emphasize the value of technologically advanced discovery programs utilizing diverse animal repertoires and multiple technologies with unique advantages, while continuing to achieve organic revenue growth through market penetration and service diversification in the biologics CRO space. The Company achieved revenues of $19.4 million during the year ended April 30, 2022, an 8.1% increase over 2021 revenues of $17.9 million.

The Company continues to expand its commitment to R&D initiatives aimed at introducing new technological capabilities through both internal development and external partnerships, including R&D projects related to COVID-19 and other internal programs. At Talem, the Company develops a diverse pipeline of pre-clinical programs with the objective to partner, out-license or sell for further clinical and commercial development. During the year ended April 30, 2022, the Company invested $6.7 million in R&D.

As of April 30, 2022, the Company had cash on hand of $30.0 million compared to $41.8 million as of April 30, 2021. The Company's internal forecast indicates the cash on hand is expected to sustain its existing operations, support its Nasdaq and TSXV on-going listing costs and satisfy its obligations for at least one year. The Company may need to raise additional capital to fund its strategic goals and there can be no assurances that sufficient funding, including adequate financing, will be available. The ability of the Company to arrange additional financing in the future depends, in part, on the prevailing market conditions and profitability of its operations.

RESULTS OF OPERATIONS

Comparison of the years ended April 30, 2022 and 2021

Revenue

(in thousands)	Year ended April 30, 2022 $	Year ended April 30, 2021 $	Change $	Change %
Project revenue	17,356	15,910	1,446	9.1%
Product sales revenue	1,652	1,897	(245)	-12.9%
Cryostorage revenue	356	105	251	239.0%
Total revenue	**19,364**	**17,912**	**1,452**	**8.1%**

The Company achieved revenue of $19.4 million during the year ended April 30, 2022, an 8.1% increase from the year ended April 30, 2021. During the year ended April 30, 2021, the Company, through its Talem subsidiary, sold its first internally generated therapeutic antibody asset. Excluding that sale from 2021, the Company's CRO revenue growth was 15.9%.

Project revenue of $17.4 million was $1.4 million, or 9.1%, higher than last year. Growth is driven primarily by the Company's B cell Select® platform, with expansion in both the number and size of projects under contract.

Product sales during the year ended April 30, 2022 totaled $1.7 million, a decrease of $0.2 million, or 12.9%, compared to last year. The higher product sales during the year ended April 30, 2021 relates to the Company's first sale of an internally generated therapeutic antibody asset. The Company achieved growth of catalog sales of $0.7 million during the year ended April 30, 2022 as compared to last year. Catalog products include antibodies, enzymes, enzyme activity assays, arthritis animal products, proteins, deiminated proteins, organoid growth factors and hybridoma licensing for research purposes.

Gross Profit

(in thousands)	Year ended April 30, 2022 $	Year ended April 30, 2021 $	Change $	Change %
Gross profit	**10,983**	**11,538**	**(555)**	**-4.8%**
% of total revenue	57%	64%		

Gross profit totaled $11.0 million during the year ended April 30, 2022, compared to $11.5 million during the year ended April 30, 2021. The gross profit margin for the year ended April 30, 2022 is within management's expectations given the Company's consistent method of allocating overhead expense to cost of sales. During the year ended April 30, 2021 the Company sold its first internally developed therapeutic antibody, the costs for which had been expensed as research in a prior year as required by IFRS. Gross profit margin was 61.8% during the year ended April 30, 2021 when removing the effect of this sale.

Expenses

(in thousands)	Year ended April 30, 2022 $	Year ended April 30, 2021 $	Change $	Change %
Advertising	740	691	49	7.1%
Amortization and depreciation	2,567	2,737	(170)	-6.2%
Asset impairment charge	167	—	167	N/A
Bad debt expense (recovery)	(2)	4	(6)	N/A
Consulting fees	1,225	348	877	252.0%
Foreign exchange loss	4	163	(159)	-97.5%
Insurance	1,886	748	1,138	152.1%
Interest and bank charges	334	517	(183)	-35.4%
Management fees	48	269	(221)	-82.2%
Office and general	1,165	1,443	(278)	-19.3%
Professional fees	2,615	1,428	1,187	83.1%
Rent	168	191	(23)	-12.0%
Repairs and maintenance	210	134	76	56.7%
Research and development	6,693	1,974	4,719	239.1%
Salaries and benefits	6,581	5,600	981	17.5%
Share-based payments	3,083	2,748	335	12.2%
Telephone and utilities	48	68	(20)	-29.4%
Travel	199	74	125	168.9%
Total operating expenses	**27,731**	**19,137**	**8,594**	**44.9%**

Variances of note in the Company's expenses for the year ended April 30, 2022 compared to the year ended April 30, 2021 include:

- Research and development increased to $6.7 million from $2.0 million in 2021, due to the strategic investment in research the Company is undertaking, including the Company's SARS-CoV-2 PolyTope® cocktail and other research projects.
- Professional fees totaled $2.6 million compared to $1.4 million during the year ended April 30, 2021, an increase of $1.2 million, primarily supporting the acquisition of BioStrand.
- Insurance increased to $1.9 million from $0.7 million in 2021. The Company's D&O insurance premium increased during the year ended April 30, 2021 due to the December 30, 2020 listing on the Nasdaq.
- Salaries and benefits totaled $6.6 million, compared to $5.6 million during the year ended April 30, 2021, an increase of $1.0 million. The increase includes the addition of strategic leadership roles in sales and marketing to support the Company's organic growth, routine pay increases, and the addition of director cash compensation effective after the November 2020 Annual General Meeting.
- Consulting fees totaled $1.2 million compared to $0.3 million during the year ended April 30, 2021. The Company incurred increased consulting expenses related to research and development, capital markets, and strategic initiatives.

Other Income / Expense

(in thousands)	Year ended April 30, 2022 $	Year ended April 30, 2021 $	Change $
Accretion	(85)	(346)	261
Grant income	55	1,895	(1,840)
Subsidy income	20	844	(824)
Interest and other income	279	282	(3)
Unrealized foreign exchange gain (loss)	631	(1,071)	1,702
Total other income (expense)	**900**	**1,604**	**(704)**

The Company recorded other income of $0.9 million during the year ended April 30, 2022, compared to other income of $1.6 million during the year ended April 30, 2021. During the year ended April 30, 2021, the Company received COVID related Grant and Subsidy income. Unrealized foreign exchange gain was $0.6 million during the year ended April 30, 2022 compared to a loss of $1.1 million during the year ended April 30, 2021, a result of currency revaluations of held US dollars at the current quarter-end exchange rate.

Net Loss

The Company recorded a net loss of $16.7 million during the year ended April 30, 2022, compared to a net loss of $7.3 million for the year ended April 30, 2021. The $9.4 million increased net loss is primarily due to the Company's investment in R&D, increased professional and consulting fees, increased insurance costs, increased salaries and benefits to support the Company's strategic plans and operations, and lower grant and subsidy income.

FOURTH QUARTER

Comparison of the three months ended April 30, 2022 and 2021

Revenue

(in thousands)	Three Months Ended April 30, 2022 $	2021 $	Change $	Change %
Project revenue	4,704	4,582	122	2.7%
Product sales revenue	475	197	278	141.1%
Cryostorage revenue	60	98	(38)	-38.8%
Total revenue	**5,239**	**4,877**	**362**	**7.4%**

The Company achieved revenue of $5.2 million during the three months ended April 30, 2022, a 7.4% increase from the three months ended April 30, 2021.

Project revenue of $4.7 million was $0.1 million, or 2.7%, higher than the same period last year.

Product sales during the three months ended April 30, 2022 totaled $0.5 million, an increase of $0.3 million, compared to the same period last year. Product sales growth primarily relates to growth of catalog sales of during the three months ended April 30, 2022 as compared to the same period last year. Catalog products include antibodies, enzymes, enzyme activity assays, arthritis animal products, proteins, deiminated proteins, organoid growth factors and hybridoma licensing for research purposes.

Gross Profit

(in thousands)	Three Months Ended April 30, 2022 $	2021 $	Change $	Change %
Gross profit	**3,316**	**2,777**	**539**	**19.4%**
% of total revenue	63%	57%		

Gross profit totaled $3.3 million during the three months ended April 30, 2022, compared to $2.8 million during the three months ended April 30, 2021. The gross profit margin for the three months ended April 30, 2022 is within management's expectations given the Company's consistent method of allocating overhead expense to cost of sales.

Expenses

(in thousands)	Three Months Ended April 30, 2022 $	2021 $	Change $	Change %
Advertising	151	186	(35)	-18.8%
Amortization and depreciation	619	612	7	1.1%
Asset impairment charge	—	—	—	N/A
Bad debt expense	15	27	(12)	-44.4%
Consulting fees	575	30	545	1816.7%
Foreign exchange loss	20	21	(1)	-4.8%
Insurance	416	447	(31)	-6.9%
Interest and bank charges	76	119	(43)	-36.1%
Management fees	48	—	48	N/A
Office and general	417	463	(46)	-9.9%
Professional fees	1,480	315	1,165	369.8%
Rent	54	44	10	22.7%
Repairs and maintenance	49	(50)	99	N/A
Research and development	906	616	290	47.1%
Salaries and benefits	1,948	1,675	273	16.3%
Share-based payments	786	1,322	(536)	-40.5%
Telephone and utilities	13	17	(4)	-23.5%
Travel	30	32	(2)	-6.3%
Total operating expenses	**7,603**	**5,876**	**1,727**	**29.4%**

Variances of note in the Company's expenses for the three months ended April 30, 2022 compared to the three months ended April 30, 2021 include:

- Professional Fees increased to $1.5 million from $0.3 million in 2021, primarily due to increased legal and accounting fees related to the BioStrand acquisition.
- Consulting Fees increased $0.5 million in the fourth quarter due as advisors were engaged to support the Company strategies.
- Research and development increased to $0.9 million from $0.6 million in 2021, due to the strategic investment in research the Company is undertaking, including the Company's SARS-CoV-2 PolyTope® cocktail and other research projects.
- Salaries and benefits totaled $1.9 million, compared to $1.7 million during the year ended April 30, 2021, an increase of $0.3 million. The increase includes the addition of strategic roles in sales, marketing, and lab operations.
- The Company recorded share-based payments expense of $0.8 million, compared to $1.3 million during the year ended April 30, 2021. The decrease in expense of $0.5 million is primarily due to the vesting of options awarded to employees of the Company on January 6, 2021. The option plan is aimed at aligning staff to the Company's growth plans.

Other Income / Expense

(in thousands)	2022 $	Three Months Ended April 30, 2021 $	Change $
Accretion	(20)	(59)	39
Grant income	19	14	5
Subsidy income	—	448	(448)
Interest and other income (expense)	109	(275)	384
Unrealized foreign exchange loss	(190)	(1,041)	851
Total other income (expense)	**(82)**	**(913)**	**831**

The Company recorded other expense of $0.1 million during the three months ended April 30, 2022, compared to other expense of $0.9 million during the three months ended April 30, 2021. The Company incurred unrealized foreign exchange loss of $0.2 million compared to $1.0 million during the year ended April 30, 2021, a result of currency revaluations of held US dollars at the current quarter-end exchange rate. Subsidy income was nil during the three months ended April 30,2022, as compared to $0.4 million related to COVID-19 subsidy programs during the same period last year. Interest and other income of $0.1 million during the three months ended April 30, 2022 was due to the gain recorded on the Company's investment in QVQ (see footnote 8 of the consolidated financial statements).

Net Loss

The Company recorded a net loss of $4.6 million during the year ended April 30, 2022, compared to a net loss of $5.0 million for the three months ended April 30, 2021. The Company achieved higher gross profits, while incurring reduced unrealized foreign exchange loss and income tax expense, partially offset by higher professional fees and consulting fees.

SUMMARY OF QUARTERLY RESULTS

The following table sets out financial information for the past eight quarters:

	Three Months Ended ($)			
(in thousands, except share data)	**April 30, 2022**	**January 31, 2022**	**October 31, 2021**	**July 31, 2021**
Total revenue	5,239	4,815	4,722	4,587
Cost of sales	1,923	2,229	2,147	2,082
Gross profit	3,316	2,586	2,575	2,505
Operating expenses	7,603	6,893	7,263	5,971
Other income (expenses)	(82)	689	(131)	424
Income taxes	275	208	190	188
Net loss	(4,644)	(3,826)	(5,009)	(3,230)
Basic and diluted loss per share*	(0.22)	(0.20)	(0.26)	(0.17)

	Three Months Ended ($)			
(in thousands, except share data)	**April 30, 2021**	**January 31, 2021**	**October 31, 2020**	**July 31, 2020**
Total revenue	4,876	4,516	4,755	3,765
Cost of sales	2,099	954	1,966	1,355
Gross profit	2,777	3,562	2,789	2,410
Operating expenses	5,877	4,822	5,054	3,384
Other income (expenses)	(913)	56	1,855	606
Income taxes	1,021	89	54	181
Net loss	(5,034)	(1,294)	(464)	(549)
Basic and diluted loss per share*	(0.29)	(0.08)	(0.03)	(0.01)

*The basic and fully diluted calculations result in the same value due to the anti-dilutive effect of outstanding stock options and warrants.

Revenue

The Company achieved its highest revenues on record during the three months ended April 30, 2022, exceeding $5.0 million, continuing an upward trend over the past eight quarters. This revenue growth has been driven primarily by the Company's CRO business, which has seen an increase in both the volume and financial value of partner contracts. The Company has achieved success expanding the breadth and depth of services offered, onboarding new partners including top pharma companies, and growing its existing partner business. In addition, during the three months ended January 31, 2021, the Company made its first notable sale through its subsidiary Talem for $1.2M.

Gross Profit

The Company's annual gross profit margins have historically been in the 54-64% range, which is in line with management's expectation.

During the three months ended January 31, 2021, the Company's gross profit margin of 79% was primarily the result of a notable sale of an internally generated therapeutic antibody for $1.2 million. The costs related to this sale were expensed in a prior fiscal year.

Historically, allocations of overhead to cost of sales were estimated and periodically adjusted. Leveraging the new ERP system, beginning the three months ended April 30, 2021, the Company implemented a process for consistent monthly overhead allocations.

Operating Expense

The Company's operating expenses have trended up over the last eight quarters as the Company invested in R&D, completed the BioStrand acquisition, prepared for and completed the Nasdaq listing, and added key leaders and technical employees to the team to aid in executing the Company's strategies.

Other Income (Expense)

During the year ended April 30, 2021, the Company received $1.9 million in grant income related to COVID-19 research, along with government subsidies of $0.8 million. During the past five quarters the Company recorded unrealized foreign exchange (losses) or gains related to US dollar bank accounts of $0.5 million, ($0.1 million), $0.4 million and ($1.0 million) for the periods ended January 31, 2022, October 31, 2021, July 31, 2021 and April 30, 2021, respectively.

NON-IFRS MEASURES

The following are non-IFRS measures and investors are cautioned not to place undue reliance on them and are urged to read all IFRS accounting disclosures present in the condensed interim consolidated financial statements and accompanying notes for the year ended April 30, 2022.

The Company uses certain non-IFRS financial measures as supplemental indicators of its financial and operating performance. These non-IFRS financial measures are adjusted operating EBITDA and adjusted operating expenses. The Company believes these supplementary financial measures reflect the Company's ongoing business in a manner that allows for meaningful period-to-period comparisons and analysis of trends in its business. These non-IFRS measures do not have any standardized meaning prescribed under IFRS and are therefore unlikely to be comparable to similar measures presented by other companies.

The Company defines adjusted operating EBITDA as operating earnings before interest, accretion, taxes, depreciation, amortization, share-based compensation, foreign exchange gain/loss, and asset impairment charges. Adjusted operating EBITDA is presented on a basis consistent with the Company's internal management reports. The Company discloses adjusted operating EBITDA to capture the profitability of its business before the impact of items not considered in management's evaluation of operating unit performance. The most directly comparable IFRS measure to adjusted operating EBITDA is net loss.

The Company defines adjusted operating expenses as operating expenses before taxes, interest, share-based compensation, depreciation, amortization, accretion, foreign exchange loss, and asset impairment charges. Adjusted operating expenses are presented on a basis consistent with the Company's internal management reports. The most directly comparable IFRS measure to adjusted operating expenses is operating expenses.

The non-IFRS measures are reconciled to reported IFRS figures in the tables below:

(in thousands)	**April 30, 2022 $**	**April 30, 2021 $**
Net loss	(16,709)	(7,340)
Income taxes	861	1,345
Amortization and depreciation	3,769	3,713
Accretion	85	346
Asset impairment charge	167	—
Foreign exchange realized loss	4	163
Interest expense	302	517
Interest and other income	(279)	(282)
Unrealized foreign exchange loss (gain)	(631)	1,071
Share-based payments	3,083	2,748
Adjusted EBITDA	**(9,348)**	**2,281**

(in thousands)	April 30, 2022 $	April 30, 2021 $
Operating expenses	(27,731)	(19,139)
Amortization and depreciation	2,567	2,737
Asset impairment charge	167	—
Foreign exchange loss	4	163
Interest expense	302	517
Share-based payments	3,083	2,748
Adjusted Operating Expenses	**(21,608)**	**(12,974)**

FINANCING ACTIVITIES

2021 Transactions

On May 1, 2020, the Company issued 132,833 common shares pursuant to the second deferred payment for the acquisition of IPA Europe. The common shares were valued at $511,405.

On May 15, 2020, the Company closed a non-brokered private placement financing by issuing 10% convertible debentures ("New Debentures") for total proceeds of $2.6 million. On May 27, 2020, the Company issued an additional $35,000 of the 10% New Debentures. In total, the Company issued $2.6 million of the New Debentures. The New Debentures are unsecured, bear interest at a rate of 10% per year and payable at maturity. The maturity date is May 15, 2022 for $2.6 million of the New Debentures and May 22, 2022 for $35,000 of the New Debentures. The principal amount of the New Debentures may be convertible, at the option of the holder, into units of the Company at a conversion price of $4.25 per share. The Company may force convert the principal amount of the New Debentures at $4.25 per share if the average closing price is equal to or greater than $7.50 for 20 trading days. The Company paid finders cash commissions totaling $82,580 and incurred legal and filing fees of $29,331.

On December 18 and December 31, 2020, the Company issued an aggregate of 203,178 common shares pursuant to the final deferred payment for the acquisition of U-Protein. The common shares were valued at $1.0 million.

During the year ended April 30, 2021, the Company issued 189,100 common shares pursuant to exercise of stock options for total gross proceeds of $683,755. During the year ended April 30, 2021, Company issued 2,568,417 common shares pursuant to exercise of warrants and finder's warrants for total gross proceeds of $15.0 million.

During the year ended April 30, 2021, the Company issued 232,934 common shares pursuant to conversion of $990,000 principal balance of convertible debentures.

On February 8, 2021, the Company closed a public offering of 1,616,293 common shares of the Company at a price of U.S. $13.45 per common share for gross proceeds of U.S. $21.7 million; net proceeds less underwriting discounts and commissions of U.S. $19.6 million.

On February 10, 2021, the Company also issued an additional 242,443 common shares at the public offering price of U.S. $13.45 per common share for gross proceeds of U.S. $3.3 million; net proceeds less underwriting discounts and commissions of U.S. $3.0 million.

2022 Transactions

On May 3, 2021, the Company issued 41,488 common shares pursuant to the final deferred payment for the acquisition of IPA Europe. The common shares were valued at $0.5 million.

On April 13, 2022, the Company issued 4,077,774 common shares pursuant to the acquisition of BioStrand. The common shares were valued at $18.4 million.

During the year ended April 30, 2022, the Company issued 188,000 common shares pursuant to the exercise of stock options for total gross proceeds of $0.6 million. A value of $0.4 million was transferred from contributed surplus to share capital as a result. The weighted average share price at the dates the stock options were exercised was $7.95.

During the year ended April 30, 2022, the Company issued 925,076 common shares pursuant to the exercise of warrants and finder's warrants for total gross proceeds of $3.2 million. A value of $0.3 million was transferred from contributed surplus to share capital as a result.

During the year ended April 30, 2022, the Company issued 75,292 common shares with a value of $0.3 million pursuant to the conversion of $0.3 million principal balance of convertible debenture.

LIQUIDITY AND CAPITAL RESOURCES

The Company's objectives when managing capital are to ensure sufficient liquidity for operations and adequate funding for growth and capital expenditures while maintaining an efficient balance between debt and equity. The capital structure of the Company consists of shareholders' equity.

The Company adjusts its capital structure upon approval from its Board of Directors, considering economic conditions and the Company's working capital requirements. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

On December 11, 2020, the Company filed a $150 million shelf registration statement with the TSXV which was filed with the United States Securities and Exchange Commission (the "SEC") on January 5, 2021, under which the Company may offer for sale, from time to time, either separately or together in any combination, equity, debt, or other securities described in the shelf registration statement through the 25-month expiration period.

On February 8, 2021, the Company closed a public offering of 1,616,293 common shares of the Company, at a price of U.S. $13.45 per common share for gross proceeds of U.S. $21.7 million, net proceeds less underwriting discounts and commissions of U.S. $19.6 million.

On February 10, 2021, Company also issued an additional 242,443 common shares at a price of U.S. $13.45 per common share for gross proceeds of U.S. $3.3 million, net proceeds less underwriting discounts and commissions of U.S. $3.0 million.

In connection with the public offering, the Company issued underwriter warrants to purchase 130,111 common shares with an exercise price of U.S. $16.81, or 125% of the public offering price with an expiry date of February 3, 2026.

As of April 30, 2022, the Company held cash of $30.0 million (April 30, 2021 – $41.8 million) and had working capital of $28.2 million (April 30, 2021 – $42.8 million). During the year ended April 30, 2022, the cash used in operating activities was $9.9 million. As part of the investing activities, the Company made equipment purchases of $1.3 million, and paid cash of $3.7 million as part of the acquisition of BioSTrand. As part of the financing activities, the Company received $3.9 million from issuing common shares, and incurred lease repayments of $1.0 million.

As of April 30, 2022, the Company has an annual commitment of €0.7 million related to a lease agreement for a new facility for its Utrecht, the Netherlands location, and an estimated annual commitment of €0.5 million related to a lease agreement to lease a new facility for its Oss, the Netherlands location. The Company has also entered into an agreement advancing the Company's SARS-CoV-2 PolyTope® Cocktail, with a current obligation of US$7.9 million over the next six months.

On October 13, 2021, the Company established an at-the-market ("ATM") equity offering facility. An ATM Agreement was entered into with H.C. Wainwright & Co., LLC as sole sales agent ("Agent"). The Company will be entitled, at its discretion and from time-to-time during the term of the ATM Agreement, to sell, through the Agent common shares of the Company having an aggregate gross sales price of up to U.S. $50 million. See Footnote 14 of the condensed interim financial statements for the year ended April 30, 2022 for further information on the ATM Facility.

The consideration paid for the acquisition of BioStrand includes a contingent earnout payment based on the profitability of BioStrand over a 7-year period, which shall not exceed in total €12.0 million.

Although the Company is a going concern and, according to management's estimates, has sufficient cash reserves to sustain existing operations for at least one year, the Company does not have cash reserves to fund all its strategic future growth and expansion plans. The Company has historically incurred net losses. There is no assurance that sufficient revenues will be generated in the near future. To the extent that the Company has negative operating cash flows in future periods, it may need to deploy a portion of its existing working capital to fund such negative cash flows. The Company may need to raise additional funds through issuances of common shares or through loan financing. There is no assurance that additional capital or other types of financing will be available if needed or that these financings will be on terms at least as favorable to the Company as those previously obtained, or at all. If the Company is unable to obtain additional financing from outside sources and eventually generate enough revenues, the Company may be forced to sell a portion or all of the Company's assets or curtail or discontinue the Company's operations.

CAPITAL EXPENDITURES

The Company made equipment purchases of $1.3 million during the year ended April 30, 2022 (2021 - $1.4 million).

OUTSTANDING SHARE DATA

The Company's outstanding share information as of July 27, 2022 is as follows:

Security	Number	Exercise Price	Expiry date
Issued and outstanding common shares	24,836,723	NA	NA
Stock options	131,900	$5.05	September 18, 2022
Stock options	30,000	$3.25	January 3, 2023
Stock options	140,000	$2.35	February 7, 2023
Stock options	8,000	$5.05	April 3, 2023
Stock options	19,000	$4.75	September 24, 2023
Stock options	20,000	$4.10	November 7, 2023
Stock options	180,000	$5.00	December 31, 2023
Stock options	60,000	$5.00	January 11, 2024
Stock options	270,000	$8.50	September 1, 2025
Stock options	228,667	$20.30	January 6, 2026
Stock options[(1)]	10,000	$7.72	May 9, 2026
Stock options	45,000	$9.19	August 5, 2026
Stock options	28,250	$6.89	January 2, 2026
Stock options	338,000	$7.94	January 7, 2027
Stock options	39,000	$8.30	January 7, 2027
Stock options	25,000	$6.35	February 22, 2024
Stock options	80,000	$5.79	May 15, 2027
Warrants[(1)]	130,111	$16.81	February 3, 2026
Total	**26,619,651**		

(1) Priced in USD.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet transactions.

SUBSEQUENT EVENTS

Subsequent to the year ended April 30, 2022, the Company issued 50,000 common shares pursuant to the exercise of stock options for total gross proceeds of $0.1 million. A value of $0.1 million was transferred from contributed surplus to share capital as a result.

Subsequent to the year ended April 30, 2022, the Company issued 309,877 common shares with a value of $1.3 million pursuant to the conversion of $1.3 million principal balance of convertible debentures.

Subsequent to the year ended April 30, 2022, the Company granted 80,000 stock options at a price of $5.79 per share for a period of 5 years. The options are subject to the following vesting period: one-third 6 months after grant date; one-third 12 months after grant date; and one-third 18 months after grant date.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the consolidated financial statements in conformity with IFRS required estimates, assumptions, and judgments that affect the amounts reported in the financial statements. Actual results could differ from these estimates and judgments. Estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised. Significant areas requiring the use of estimates and judgements are as follows:

Judgements

Business combinations

Acquisitions of a business are accounted for as a business combination if the assets acquired and liabilities assumed constitute a business in accordance with IFRS 3. Judgement is required to determine if the transaction meets the definition of a business combination.

During the year ended April 30, 2022, the Company acquired all the issued and outstanding shares of Idea Family BV, BioStrand BV, BioKey BV, and BioClue BV (collectively “BioStrand”), as detailed in Note 7. Management concluded that BioStrand met the definition of a business, and accounted for the transaction as a business combination.

The acquisition of BioStrand includes potential future earn-out payments dependent on the future profitability of the business. Judgement is required to determine whether the payments constitute an exchange for the business or are transactions separate from the business combination. The potential future earn-out payments to the selling shareholders of BioStrand will be accounted for separate from the business combination.

Impairments

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (“CGU”s). Management applies judgement to determine CGUs. Each asset or CGU is evaluated every reporting period to determine whether there are any indicators of impairment. If any such indicators exist, which is often judgment based, a formal estimate of recoverable amount is performed and an impairment charge is recognized to the extent that the carrying amount exceeds the recoverable amount.

The Company performs a goodwill impairment test annually and when circumstances indicate that the carrying value may not be recoverable. For the purposes of impairment testing, goodwill acquired through business combinations has been

allocated to two different CGUs, the Company's Oss and Utrecht locations at IPA Europe. The goodwill allocated to Oss and Utrecht was $2.8 million and $4.3 million, respectively, as at April 30, 2022.

Estimates

Business combinations

At acquisition date, the identifiable assets acquired and liabilities assumed in a business combination are recognized at their fair value. Goodwill is measured as the excess of the consideration transferred over the net of the acquisition-date fair values of the identifiable assets acquired and liabilities assumed. Estimates are required to determine the fair value of assets acquired and liabilities assumed, and estimated fair values may vary from prices that would be achieved in an arm's length transaction at the acquisition date (see footnote 7 of the consolidated financial statements).

Impairments

The recoverable amount of an asset or CGU of assets is measured at the higher of fair value less costs of disposal or value in use. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period. The estimates and assumptions are subject to risk and uncertainty; hence, there is the possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the assets may be further impaired or the impairment charge reversed with the impact recorded in profit or loss.

The recoverable amount of each CGU was based on value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU. The cash flows were projected over a five-year period based on past experience and actual operating results.

The Company performed its annual goodwill impairment test in April 2022 and no impairment was indicated for the period tested. The values assigned to the key assumptions represented management's assessment of future trends in the industry and were based on historical data from both internal and external sources. A weighted average cost of capital of 14.27% was used in the assessments of the two CGUs (see footnote 11 of the consolidated financial statements).

ADOPTION OF NEW ACCOUNTING STANDARDS

The Company has adopted no new accounting standards during the year ended April 30, 2022.

DISCLOSURE CONTROLS AND PROCEDURES

The Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") have designed Disclosure & Procedures, or have caused them to be designed under their supervision. Such procedures are designed to ensure that material information relating to the Company and its consolidated subsidiaries is made known to CEO and CFO by others within the Company, and such disclosure procedures are effective to perform the function for which they were established; in order to provide reasonable assurance that:

- material information relating to the Company is made known to the CEO and CFO by others, particularly during the period in which the interim and annual filings are being prepared; and
- information required to be disclosed by the Company in its annual filings, interim filings or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

Management, with the participation of the CEO and CFO, have evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) promulgated under the United States Securities Exchange Act of 1934, as amended), at the end of the period. Based on their evaluation, the CEO and CFO concluded that the Company's disclosure controls and procedures were effective as of April 30, 2022.

In connection with National Instrument 52-109 - Certificate of Disclosure in Issuer's Annual and Interim Filings - the Chief Financial Officer of the Company has filed a Certificate with respect to the financial information contained in the consolidated financial statements for the year ended April 30, 2022, Annual Information Form, and this accompanying MD&A (together, the "Annual Filings").

For further information, the reader should refer to the Company's Certificate of Interim Filings and the Annual Filings on SEDAR at www.sedar.com and SEC at www.sec.gov.

FINANCIAL INSTRUMENTS

The Company's financial instruments include cash, amounts receivable, restricted cash, investment, accounts payable and accrued liabilities, deferred acquisition payments, and leases. The fair value of investment is determined based on "Level 3" inputs which consist of unobservable inputs to the valuation methodology used. As at April 30, 2022, the Company believes the carrying values of cash, amounts receivable, restricted cash, accounts payable and accrued liabilities, and deferred payments approximate their fair values because of their nature and relatively short maturity dates or durations.

RISKS AND UNCERTAINTIES

There are numerous and varied risks, known and unknown, that may prevent the Company from achieving its goals. A detailed description of the risks and uncertainties pertaining to the Company's operations can be found in the Company's Annual Information Form for the fiscal year ended April 30, 2022. The Company is not aware of any significant changes to the risks and uncertainties disclosed at that time.

There are numerous and varied risks, known and unknown, that may prevent the Company from achieving its goals. The risks described below are not the only ones the Company will face. If any of these risks actually occurs, the Company business, financial condition or results of operations may be materially and adversely affected. In that case, the trading price of the Company's securities could decline and investors in such securities could lose all or part of their investment.

Financial Position and Additional Needs for Liquidity and Capital

The Company is a biopharmaceutical company focused on the development of novel, therapeutic antibodies. Investment in biopharmaceutical product development is highly speculative because it entails substantial upfront capital expenditures and significant risk that a product candidate will fail to prove effective, gain regulatory approval or become commercially viable. The Company does not have any products approved by regulatory authorities and has not generated substantial revenues from collaboration and licensing agreements or clinical product sales to date, and has incurred significant research, development and other expenses related to ongoing operations and expects to continue to incur such expenses. As a result, the Company has not been profitable and has incurred operating losses in every reporting period since its inception and has a significant accumulated deficit. Operating costs are expected to increase in the near term as the Company continues product development efforts and expects to continue until such time as any future product sales, royalty payments, licensing fees, and/or milestone payments are sufficient to generate revenues to fund continuing operations. In addition, the Company's operating expenses are expected to increase compared to last year as a result of its United States public reporting company status. The Company is unable to predict the extent of any future losses or when this business section will become profitable, if ever. Even if the Company achieves profitability, it may not be able to sustain or increase profitability on an ongoing basis.

Research and Development and Product Development

The Company is a life science company that makes customized antibodies and is engaged in the research and product development of new antibodies, processes, procedures and innovative approaches to the antibody production. The Company has been engaged in such research and development activities for over 30 years and has had significant success. Continued investment in retaining key scientific staff, as well as an ongoing commitment in research and development activities, will continue to be a cornerstone in the Company's development of new services, processes, and competitive advantages such as Rapid Prime™, B cell Select™, DeepDisplay™ and its methods for the production of human antibodies. The Company realizes that such research and product development activities endeavour, but cannot assure, the production of new and innovative processes, procedures or innovative approaches to antibody production or new antibodies. Furthermore, if it does not achieve sufficient market acceptance of its expansion of its commercialization of its products and services, it will be difficult for the Company to achieve consistent profitability. The Company's marketing and sales approach and external sales personnel continues to introduce a steady stream of new partners.

Competition

Although the Company believes that there are only a limited number of full-service, biologics, CRO firms, the Company may face intense competition in selling its products and services. Some competitors may have marketing, financial, development and personnel resources which exceed those of the Company. As a result of this competition, the Company may be unable to maintain its operations or develop them as currently proposed on terms it considers acceptable or at all. Increased competition by larger, better-financed competitors with geographic advantages could materially and adversely affect the Company's business, financial condition and results of operations. To remain competitive, the Company believes that it must effectively and economically provide: (i) products and services that satisfy partner demands, (ii) superior partner service, (iii) high levels of quality and reliability, and (iv) dependable and efficient distribution networks. Increased competition may require the Company to reduce prices or increase spending on sales and marketing and partner support, which may have a material adverse effect on its financial condition and results of operations. Any decrease in the quality of the Company's products or level of service to partners or any occurrence of a price war among the Company's competitors may adversely affect the business and results of operations. Partner reach, service and on-time delivery will continue to be a hallmark of the Company's ability to compete with other market players. Further, the acquisitions translate to spreading the Company's footprint on two continents. In addition, the Company has deployed a sales team tasked with continually sourcing and providing market intelligence as part of its activities.

Competition and Obsolescence

The pharmaceutical and biotechnology industries are characterized by rapid and continuous technological innovation. The Company competes with companies around the world that are engaged in the development and production of products and services, including pharmaceutical companies, biotechnology companies, and contract research companies. Academic institutions, governmental agencies and other research organizations also are conducting research and developing technologies in areas in which the Company provides services, either on its own or through collaborative efforts. The Company's pharmaceutical and biotechnology company partners have internal departments that provide products and services that directly compete with the Company's products and services. Many of the Company's competitors offer a broader range of products and services and have greater access to financial, technical, scientific, business development, recruiting and other resources than the Company does, and some of its competitors may also operate with a lower cost structure. The Company anticipates that it will face increased competition in the future as it expands its operations and its products and services and as new companies enter the market and advanced technologies become available. The Company's products, services and expertise may become obsolete or uneconomical due to technological advances or entirely different approaches developed by the Company, its partners or one or more of its competitors. For example, advances in databases and molecular modeling tools that predict how effectively compounds will treat a targeted disease may render some of its technologies obsolete. While the Company plans to develop technologies that will give it a competitive advantage, it may not be able to develop the technologies necessary for it to successfully compete in the future. Additionally, the existing approaches of the Company's competitors or new approaches or technologies developed by its competitors may be more effective than those it develops. The Company may not be able to compete successfully with existing or future competitors.

Other competitive factors could force the Company to lower prices or could result in reduced sales. In addition, new products developed by others could emerge as competitors to the Company's drug candidates. If the Company is not able to compete effectively against current and future competitors, its business will not grow and its financial condition and operations will suffer.

Intellectual Property Protection

The Company's success will depend on its ability to obtain, protect and enforce patents on its technology and products. Any patents that the Company may own or license in the future may not afford meaningful protection for its technology and products. The Company's efforts to enforce and maintain its intellectual property rights may not be successful and may result in substantial costs and diversion of management time. In addition, others may challenge patents the Company may obtain in the future and, as a result, these patents could be narrowed, invalidated or rendered unenforceable or it may be forced to stop using the technology covered by these patents or to license the technology from third parties. In addition, current and future patent applications on which the Company depends may not result in the issuance of patents. Even if the Company's rights are valid, enforceable and broad in scope, competitors may develop products based on similar technology that is not covered by the Company's patents. Further, since there is a substantial backlog of patent applications at the various patent offices, the approval or rejection of the Company and its competitors' patent applications may take several years.

In addition to patent protection, the Company also relies on copyright and trademark protection, trade secrets, know-how, continuing technological innovation and licensing opportunities. In an effort to maintain the confidentiality and ownership of the Company's trade secrets and proprietary information, the Company requires its employees, consultants and advisors to execute confidentiality and proprietary information agreements. However, these agreements may not provide the Company with adequate protection against improper use or disclosure of confidential information and there may not be adequate remedies in the event of unauthorized use or disclosure. Furthermore, like many companies in the Company's industry, the Company may from time to time hire scientific personnel formerly employed by other companies involved in one or more areas similar to the activities the Company conducts. In some situations, the Company's confidentiality and proprietary information agreements may conflict with, or be subject to, the rights of third parties with whom its employees, consultants or advisors have prior employment or consulting relationships. Although the Company require its employees and consultants to maintain the confidentiality of all confidential information of previous employers, the Company or these

individuals may be subject to allegations of trade secret misappropriation or other similar claims as a result of their prior affiliations. Finally, others may independently develop substantially equivalent proprietary information and techniques, or otherwise gain access to its trade secrets. The Company's failure to protect its proprietary information and techniques may inhibit or limit its ability to exclude certain competitors from the market and execute its business strategies.

Failure of Laboratory Facilities
The Company's operations could suffer as a result of a failure of its laboratory facilities. The Company's business will be dependent upon a laboratory infrastructure to produce products and services. These systems and operations are vulnerable to damage and interruption from fires, earthquakes, telecommunications failures, and other events. Any such errors or inadequacies in the software that may be encountered could adversely affect operations, and such errors may be expensive or difficult to correct in a timely manner.

Further, many of the Company's operations are comprised of complex mechanical systems that are subject to periodic failure, including aging fatigue. Such failures are unpredictable, and while the Company has made significant capital expenditures designed to create redundancy within these mechanical systems, strengthened biosecurity, improved operating procedures to protect against such contaminations, and replaced impaired systems and equipment in advance of such events, failures and/or contaminations may still occur.

The production of monoclonal and polyclonal antibodies requires state of the art laboratory facilities and the success of these laboratory services depends on the recruitment and retention of highly qualified technical staff to maintain the level and quality of standard of the Company's products and services expected from partners.

There is no assurance that the Company will be able to expand and operate such state of the art laboratory services and recruit and retain qualified staff.

The Company produces and supplies antibodies and there is no guarantee that such production will be successful and produce the desired results. As a result, the Company continues to be exposed to potential liability that may exceed any insurance coverage that the Company may obtain in the future. As a result, the Company may incur significant liability exposure, which may exceed any insurance coverage that the Company may obtain in the future. Even if the Company elects to purchase such insurance in the future, the Company may not be able to maintain adequate levels of insurance at reasonable cost and/or reasonable terms. Excessive insurance costs or uninsured claims may increase the Company's operating loss and affect its financial condition.

Pandemic Risk
The Company is currently unable to determine whether the ongoing COVID-19 pandemic will have a negative effect on the Company's results for the duration of the outbreak. There has been minimal impact on the Company's operations and results to date, and the Company has not experienced negative impact on partner sales or the supply chain. The Company's sales, operations and financial performance could suffer given a potential rapidly spreading virus. Internally, the virus may infect its employees resulting in operating at lower productivity levels or even a complete laboratory shutdown. The Company's business is dependent on its laboratories to produce its products and services which if not operating will impact the financial performance of the company and its ability to meet its obligations. The Company has diversified geographic locations with the ability to perform similar services at other sites. In addition, certain roles have the ability to work remotely, and the Company has business interruption insurance which may aid in the recovery of lost profits. External factors may also contribute to this risk, such as the impact of a pandemic on the Company's partners and suppliers.

Selection and Integration of Acquired Businesses and Technologies
The Company has expanded its business through acquisitions. The Company may plan to continue to acquire businesses and technologies and form strategic alliances. However, businesses and technologies may not be available on terms and

conditions the Company finds acceptable. The Company risks spending time and money investigating and negotiating with potential acquisition or alliance partners, but not completing transactions.

Acquisitions and alliances involve numerous risks which may include:

- difficulties in achieving business and financial success;
- difficulties and expenses incurred in assimilating and integrating operations, services, products, technologies or pre-existing relationships with the Company's clients, distributors and suppliers;
- challenges with developing and operating new businesses, including those that are materially different from the Company's existing businesses and that may require the development or acquisition of new internal capabilities and expertise;
- potential losses resulting from undiscovered liabilities of acquired companies that are not covered by the indemnification the Company may obtain from the seller or the insurance acquired in connection with the transaction;
- loss of key employees;
- the presence or absence of adequate internal controls and/or significant fraud in the financial systems of acquired companies;
- diversion of management's attention from other business concerns;
- a more expansive regulatory environment;
- acquisitions could be dilutive to earnings, or in the event of acquisitions made through the issuance of the Company's common stock to the shareholders of the acquired company, dilutive to the percentage of ownership of the Company's existing shareholders;
- differences in foreign business practices, customs and importation regulations, language and other cultural barriers in connection with the acquisition of foreign companies;
- new technologies and products may be developed that cause businesses or assets the Company acquires to become less valuable; and
- disagreements or disputes with prior owners of an acquired business, technology, service or product that may result in litigation expenses and diversion of the Company's management's attention.

If an acquired business, technology or an alliance does not meet the Company's expectations, its results of operations may be adversely affected.

Some of the same risks exist when the Company decides to sell a business, site or product line. In addition, divestitures could involve additional risks, including the following:

- difficulties in the separation of operations, services, products, and personnel;
- diversion of management's attention from other business concerns; and
- the need to agree to retain or assume certain current or future liabilities in order to complete the divestiture.

The Company continually evaluates the performance and strategic fit of its businesses (including specific product lines and service offerings) to determine whether any divestitures are appropriate. Any divestitures may result in significant write-offs, including those related to goodwill and other intangible assets and which could have an adverse effect on the Company's results of operations and financial condition. In addition, the Company may encounter difficulty in finding

buyers or alternative exit strategies at acceptable prices and terms, and in a timely manner. The Company may not be successful in managing these or any other significant risks that it encounters in divesting a business, site or product line or service offering and, as a result, may not achieve some or all of the expected benefits of the divestiture.

The Company's Annual Information Form can be found on SEDAR at www.sedar.com and SEC at www.sec.gov.

CERTAIN MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following discussion describes certain material U.S. federal income tax considerations to U.S. Holders (defined below) under present U.S. federal income tax laws of the acquisition, ownership, and disposition of the Offered Shares. For purposes of this discussion, a "U.S. Holder" generally means a beneficial owner of the Offered Shares that is, for U.S. federal income tax purposes, any of the following:

- a citizen or individual resident of the United States;
- a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, created in, or organized under the laws of, the United States, any state thereof or the District of Columbia;
- an estate whose income is subject to U.S. federal income tax regardless of its source; or
- a trust if either (a) a court within the U.S. is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) the trust has a valid election in effect to be treated as a U.S. person under applicable Treasury regulations.

This discussion is based on current provisions of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), Treasury regulations promulgated thereunder, judicial opinions, published positions of the U.S. Internal Revenue Service (the "IRS"), and other applicable authorities, all of which are subject to change (possibly with retroactive effect). This discussion does not discuss the potential effects, whether adverse or beneficial, of any proposed legislation that, if enacted, could be applied on a retroactive or prospective basis.

This discussion does not address all aspects of U.S. federal income taxation that may be important to a particular U.S. Holder in light of that U.S. Holder's individual circumstances, nor does it address any aspects of U.S. federal estate and gift, state, local, or non-U.S. taxes. In addition, this discussion does not discuss the U.S. federal Medicare tax on net investment income and U.S. federal alternative minimum tax. Except as specifically set forth below, this summary does not discuss applicable tax reporting requirements. This discussion may not apply, in whole or in part, to particular U.S. Holders in light of their individual circumstances or to holders subject to special treatment under the U.S. federal income tax laws, such as:

- insurance companies;
- tax-exempt organizations;
- banks, thrifts, and other financial institutions;
- brokers or dealers in securities or currencies;
- regulated investment companies;
- real estate investment trusts;
- persons that hold Offered Shares as part of a straddle, hedge, appreciated financial position, conversion transaction or other risk reduction strategy;
- persons that hold Offered Shares other than as a capital asset within the meaning of Section 1221 of the Code;
- persons that have a "functional currency" other than the U.S. dollar;
- persons that generally mark their securities to market for U.S. federal income tax purposes;
- mutual funds, grantor trusts, subchapter S corporations, partnerships, or other pass-through entities for U.S. federal income tax purposes (and investors therein);
- retirement plans, individual retirement accounts or other tax-deferred accounts;

- persons who acquired their Offered Shares pursuant to the exercise of employee stock options or otherwise acquired depositary shares as compensation or through a tax-qualified retirement plan;
- persons required to accelerate the recognition of any item of gross income for United States federal income tax purposes with respect to the Offered Shares as a result of such item being taken into account in an applicable financial statement;
- persons that own, directly, indirectly or constructively, 10% or more of the Common Shares (by vote or value) for U.S. federal income tax purposes; and
- certain U.S. expatriates.

This summary does not address the tax considerations that may be relevant to subsequent purchasers of the Offered Shares. The Company has not sought and does not intend to seek any ruling from the IRS with respect to the statements made and the conclusions reached in this discussion, and there can be no assurance that the IRS will agree with such statements and conclusions. There can be no assurance that a court will not sustain any challenge by the IRS.

If a partnership (or other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds Offered Shares, the tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Any such partner or partnership should consult its own tax advisor as to the particular U.S. federal income tax considerations of acquiring, holding and disposing the Offered Shares.

In addition, all U.S. Holders should consult their own tax advisors concerning the tax consequences of the acquisition, ownership, and disposition of the Offered Shares in light of their particular circumstances, including the application of the U.S. federal income tax considerations discussed below, as well as the application of U.S. federal tax laws other than income tax laws (such as estate and gift tax laws), and U.S. state and local, and non-U.S. tax laws.

Cash Distributions

Subject to the application of the PFIC (defined below) rules discussed below, a U.S. Holder that receives a cash distribution with respect to an Offered Share generally will be required to include the amount of the distribution in gross income as a dividend (without reduction for any Canadian tax withheld from the distribution) to the extent of the Company's current and accumulated earnings and profits (as determined for U.S. federal income tax purposes). To the extent the amount of the distribution exceeds the Company's current and accumulated earnings and profits, it will be treated first as a non-taxable return of capital to the extent of the U.S. Holder's adjusted tax basis in the Offered Shares and thereafter will be treated as gain from the sale or exchange of the Offered Shares. The Company does not currently expect to calculate its earnings and profits under United States federal income tax principles and cannot provide U.S. Holders with such information. Therefore, U.S. Holders should expect the entire amount of a cash distribution received to be treated as a dividend as described above.

The U.S. dollar value of any distribution on Offered Shares made in Canadian dollars generally should be calculated by reference to the exchange rate between the U.S. dollar and the Canadian dollar in effect on the date of receipt of the distribution by the U.S. Holder (with the value of the distribution computed before any reduction for any Canadian withholding tax), regardless of whether the Canadian dollars so received are in fact converted into U.S. dollars. If the Canadian dollars are converted into U.S. dollars on the date of receipt, the U.S. Holder generally should not recognize foreign currency gain or loss on the conversion. If the Canadian dollars are not converted into U.S. dollars on the date of receipt, the U.S. Holder generally will have a tax basis in the Canadian dollars equal to the U.S. dollar value of the Canadian dollars on the date of receipt. The tax basis will be used to measure foreign currency gain or loss from a subsequent conversion or other disposition of the Canadian dollars. Any gain or loss on a subsequent conversion or other taxable disposition of the Canadian dollars generally will be treated as ordinary income or loss to the U.S. Holder and generally will be income or loss from sources within the U.S. for U.S. foreign tax credit purposes.

Cash distributions on Offered Shares that are treated as dividends generally will constitute income from sources outside the U.S. and generally will be categorized for U.S. foreign tax credit purposes as "passive category income" or, in the case of some U.S. Holders, as "general category income." Dividends will not be eligible for the "dividends received" deduction ordinarily allowed to corporate shareholders with respect to dividends received from U.S. corporations. A U.S. Holder may be eligible to elect to claim a U.S. foreign tax credit against its U.S. federal income tax liability, subject to applicable limitations and holding period requirements, for Canadian tax withheld, if any, from distributions received in respect of the Offered Shares. A U.S. Holder that does not elect to claim a U.S. foreign tax credit may instead claim a deduction for Canadian tax withheld, but only for a taxable year in which the U.S. Holder elects to do so with respect to all foreign income taxes paid or accrued in such taxable year. The rules relating to U.S. foreign tax credits are very complex, and each U.S. Holder is urged to consult its own tax advisor regarding the application of such rules.

If, as expected, the Offered Shares are readily tradable on an established U.S. securities market within the meaning of the Code or (if Offered Shares are not so tradable) if the Company is eligible for benefits under the Treaty, and if certain holding period and other requirements are met, including that the Company is not a PFIC for the taxable year or the immediately preceding taxable year, dividends received by non-corporate U.S. Holders will be "qualified dividend income" to such U.S. Holders. Qualified dividend income received by non-corporate U.S. Holders (including individuals) from the Company will be subject to U.S. federal income tax at preferential rates.

Sale, Exchange or Other Taxable Disposition of Offered Shares

Subject to the application of the PFIC rules discussed below, a U.S. Holder generally will recognize capital gain or loss for U.S. federal income tax purposes upon the sale, exchange or other taxable disposition of an Offered Share. The amount of gain or loss will equal the difference, if any, between the amount realized on the sale, exchange or other taxable disposition and such U.S. Holder's adjusted tax basis in the Offered Share. The capital gain or loss generally will be long-term capital gain (currently taxable at a reduced rate for non-corporate U.S. Holders) or loss if, on the date of sale, exchange or other taxable disposition, the Offered Share was held by the U.S. Holder for more than one year. The deductibility of capital losses is subject to limitations. The gain or loss generally will be sourced within the U.S. for U.S. foreign tax credit purposes.

Passive Foreign Investment Company Considerations

Special adverse tax rules may apply to U.S. Holders if the Company is treated as a "passive foreign investment company" ("**PFIC**"), under U.S. federal income tax rules at any time when a U.S. Holder holds the Offered Shares. A non-U.S. corporation is treated as a PFIC if during any taxable year, either (1) 75% or more of its gross income consists of certain types of "passive income", or (2) 50% or more of its assets are "passive assets" based on a quarterly average of the fair market value of the assets of the corporation. For this purpose, "passive income" generally includes interest, dividends, rents, royalties and certain gains, and "passive assets" are assets that produce passive income or are held for the production of passive income. The Company believes that it was not a PFIC for its tax year ended April 30, 2022, and the Company does not expect to become a PFIC for the tax year ending April 30, 2023 or any subsequent year. No opinion of legal counsel or ruling from the IRS concerning the status of the Company as a PFIC has been obtained or is currently planned to be requested. However, because this determination is made annually at the end of the taxable year and is dependent upon a number of factors, some of which are beyond the Company's control and subject to differing interpretations, there can be no assurance that the Company will not become a PFIC in any taxable year or that the IRS will agree with the Company's conclusion regarding its PFIC status. If the Company is a PFIC in any taxable year, U.S. Holders could suffer adverse consequences, including being subject to increased tax liability (generally including an interest charge) upon the receipt of certain distributions treated as "excess distributions" or the possible characterization of gain from the sale, exchange or other taxable disposition of Offered Shares as ordinary income. Certain elections (including a mark-to-market election) may be available to U.S. Holders that may mitigate some of the adverse consequences resulting from the treatment of the Company as a PFIC. U.S. Holders are urged to consult their own tax advisors regarding the adverse U.S. federal income tax consequences of owning stock of a PFIC.

Backup Withholding Tax and Information Reporting

Under certain circumstances, U.S. backup withholding and/or information reporting may apply to U.S. Holders with respect to payments made on or proceeds from the sale, exchange or other taxable disposition of Offered Shares, unless an applicable exemption is satisfied. U.S. Holders that are corporations generally are excluded from these information reporting and backup withholding tax rules. Backup withholding (currently at the rate of 24%) also will not apply to a U.S. Holder that furnishes a correct taxpayer identification number and certifies on an IRS Form W-9 or successor form, under penalty of perjury, that it is not subject to backup withholding, and otherwise complies with applicable requirements of the backup withholding rules. A U.S. Holder that fails to provide the correct taxpayer identification number on IRS Form W-9 or any successor form may be subject to penalties imposed by the IRS. Any amounts withheld under the backup withholding rules will be allowed as a credit against a U.S. Holder's U.S. federal income tax liability, if any, or will be refunded, if such U.S. Holder furnishes the required information to the IRS on a timely basis. U.S. Holders should consult their own tax advisors as to their qualification for exemption from backup withholding and the procedure for establishing an exemption.

THIS DISCUSSION IS INCLUDED HEREIN AS GENERAL INFORMATION ONLY. PROSPECTIVE PURCHASERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS ABOUT THE APPLICATION OF THE U.S. FEDERAL INCOME TAX RULES TO THEIR PARTICULAR CIRCUMSTANCES, AS WELL AS THE APPLICATION OF U.S. FEDERAL TAX LAWS OTHER THAN INCOME TAX LAWS (SUCH AS ESTATE AND GIFT TAX LAWS), AND THE STATE, LOCAL AND NON-U.S. TAX CONSIDERATIONS TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE OFFERED SHARES.

FURTHER INFORMATION:

Additional information relating to the Company can be found on SEDAR at www.sedar.com and SEC at www.sec.gov.