



Interim condensed consolidated  
financial statements of  
**Rakovina Therapeutics Inc.**

(Expressed in Canadian Dollars)

(Unaudited)

For the three and six months ended June 30, 2023

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**RAKOVINA THERAPEUTICS INC.****INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(All figures expressed in Canadian dollars unless otherwise noted)

(Unaudited)

	<i>Note</i>	<b>June 30, 2023</b>	<b>December 31, 2022</b>
		<b>\$</b>	<b>\$</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		<b>1,208,701</b>	896,831
Prepaid expenses	4	<b>249,412</b>	157,887
Amounts receivable		<b>146,110</b>	14,883
		<b>1,604,223</b>	1,069,601
<b>Non-current assets</b>			
Intangible assets	3	<b>4,785,309</b>	5,051,160
<b>Total assets</b>		<b>6,389,532</b>	6,120,761
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		<b>67,178</b>	27,739
Due to related parties	11	<b>78,439</b>	79,309
<b>Total current liabilities</b>		<b>145,617</b>	107,048
<b>Non-current liabilities</b>			
Convertible debt	5	<b>1,295,563</b>	-
<b>EQUITY</b>			
Share capital	6	<b>13,579,166</b>	13,579,166
Equity component of convertible debt	5	<b>75,100</b>	-
Contributed surplus		<b>849,666</b>	746,933
Deficit		<b>(9,555,580)</b>	(8,312,386)
		<b>4,948,352</b>	6,013,713
<b>Total liabilities and equity</b>		<b>6,389,532</b>	6,120,761

Nature and description of the company (Note 1)

Basis of presentation and going concern (Note 2)

Commitments (Note 12)

**APPROVED BY THE BOARD**

\_\_\_\_\_  
"Jeffrey Bacha" Director

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"Michael Liggett" Director

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

# RAKOVINA THERAPEUTICS INC.

## INTERIM CONDENSED CONSOLIDATED STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS

(All figures expressed in Canadian dollars unless otherwise noted)

(Unaudited)

	<i>Note</i>	<b>Three months ended June 30, 2023</b>	Three months ended June 30, 2022	<b>Six months ended June 30, 2023</b>	Six months ended June 30, 2022
		\$	\$	\$	\$
<b>Expenses</b>					
Research and development	13	391,969	445,438	825,313	908,911
General and administrative	13	193,037	278,285	405,080	528,359
<b>Total expenses</b>		<b>585,006</b>	723,723	<b>1,230,393</b>	1,437,270
<b>Other expense (income)</b>					
Interest income		(6,899)	(7,592)	(10,968)	(10,608)
Interest expense	5	15,928	-	15,928	-
Accretion expense	5	6,262	-	6,262	-
Foreign exchange loss (gain)		1,107	(156)	1,579	1,266
<b>Total other expense (income)</b>		<b>16,398</b>	(7,748)	<b>12,801</b>	(9,342)
<b>Net loss and comprehensive loss</b>		<b>(601,404)</b>	(715,975)	<b>(1,243,194)</b>	(1,427,928)
<b>Loss per share</b>					
Basic and diluted	9	(0.01)	(0.01)	(0.02)	(0.02)

The accompanying notes are an integral part of the interim condensed consolidated financial statements

**RAKOVINA THERAPEUTICS INC.**  
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASHFLOWS**

(All figures expressed in Canadian dollars unless otherwise noted)  
(Unaudited)

	<i>Note</i>	<b>Six months ended June 30, 2023</b>	<b>Six months ended June 30, 2022</b>
		\$	\$
<b>CASH PROVIDED BY (USED IN):</b>			
<b>OPERATING ACTIVITIES</b>			
Net loss		<b>(1,243,194)</b>	(1,427,928)
Adjustments for non-cash items			
Amortization	3, 13	<b>265,851</b>	265,851
Share-based payments	8, 13	<b>65,942</b>	153,545
Accretion of convertible debt	5	<b>6,262</b>	-
Changes in non-cash working capital			
Prepaid expenses		<b>(91,525)</b>	16,245
Amounts receivable		<b>(131,227)</b>	26,320
Accounts payable and accrued liabilities		<b>39,439</b>	47,971
Due to related parties		<b>(870)</b>	9,565
		<b>(1,089,322)</b>	(908,431)
<b>FINANCING ACTIVITIES</b>			
Issuance of convertible debt	5	<b>1,514,000</b>	-
Convertible debt financing costs	5	<b>(112,808)</b>	-
Exercise of agent options	6	<b>-</b>	2,150
		<b>1,401,192</b>	2,150
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>311,870</b>	(906,281)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>		<b>896,831</b>	2,811,541
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>		<b>1,208,701</b>	1,905,260

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# RAKOVINA THERAPEUTICS INC.

## Interim Condensed Consolidated Statements of Changes in Equity

(All figures expressed in Canadian dollars unless otherwise noted)

(Unaudited)

	<i>Note</i>	Share Capital	Equity Component of Convertible Debt	Contributed Surplus	Deficit	Total
		\$	\$	\$	\$	\$
Balance at December 31, 2021		13,574,617	-	490,798	(5,521,152)	8,544,263
Exercise of agent options	6	4,549	-	(2,399)	-	2,150
Share-based payments	8	-	-	153,545	-	153,545
Net loss		-	-	-	(1,427,928)	(1,427,928)
<b>Balance at June 30, 2022</b>		<b>13,579,166</b>	<b>-</b>	<b>641,944</b>	<b>(6,949,080)</b>	<b>7,272,030</b>
Balance at December 31, 2022		13,579,166	-	746,933	(8,312,386)	6,013,713
<i>Issuance of convertible debt</i>		-	-	-	-	-
Conversion option	5	-	84,108	-	-	84,108
Warrants	5	-	-	36,791	-	36,791
Convertible debt transaction fees	5	-	(9,008)	-	-	(9,008)
Share-based payments	8	-	-	65,942	-	65,942
Net loss		-	-	-	(1,243,194)	(1,243,194)
<b>Balance at June 30, 2023</b>		<b>13,579,166</b>	<b>75,100</b>	<b>849,666</b>	<b>(9,555,580)</b>	<b>4,948,352</b>

The accompanying notes are an integral part of the interim condensed consolidated financial statements

# RAKOVINA THERAPEUTICS INC.

## Notes to the Interim Condensed Consolidated Financial Statements

### For the three and six months ended June 30, 2023 and 2022

(All figures expressed in Canadian dollars unless otherwise noted)

(Unaudited)

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#### 1. Nature and description of the Company

Rakovina Therapeutics Inc. (the “Company” or “Rakovina”) was incorporated under the *Business Corporations Act* (British Columbia) on May 6, 2019 under the name “Vincero Capital Corp.” On February 7, 2020, the Company listed its shares on the TSX Venture Exchange (“TSX-V”) as a capital pool company (“CPC”) (as defined in the TSX-V Policy 2.4 – *Capital Pool Companies*). On March 25, 2021, the Company completed a qualifying transaction with NewGen Therapeutics Inc. by way of a “three-cornered” amalgamation.

On April 1, 2021 following the completion of the Qualifying Transaction, the common shares of the Company (the “Common Shares”) resumed trading on the TSX-V under the symbol “RKV”. The Company’s first financial year-end subsequent to the completion of the Qualifying Transaction was December 31, 2021. Subco has been identified for accounting purposes as the acquiror, and accordingly the reporting entity is considered to be a continuation of Subco and the net assets of Vincero are deemed to have been acquired by Subco.

Following completion of the Qualifying Transaction, the Company continued to conduct the biotechnology business previously conducted by Subco until March 23, 2021, when Subco and a subsidiary of the Company were amalgamated, with Amalco being the successor entity. The Company has acquired certain rights to three classes of novel preclinical small-molecule drug candidates with established *in vitro* proof-of-concept data. The Company has acquired worldwide rights, excluding the People’s Republic of China, Hong Kong and Taiwan, to develop and commercialize the kt-2000 series under the terms of a purchase and patent assignment agreement dated March 19, 2021 between Subco and NewGen. The Company has also been granted an exclusive option to the kt-3000 and kt-4000 series under the terms of an Evaluation and Option Agreement with the inventor of the kt-2000 series. The Company is conducting lead optimization research on all three series in collaboration with the University of British Columbia (“UBC”) under the terms of a collaborative research agreement. The Company’s head office and registered and records office is located at Suite 105, 1008 Beach Avenue, Vancouver, British Columbia, V6E 1T7.

#### COVID-19 Update

In March 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic and the Company continues to evaluate the COVID-19 situation and monitor any impacts or any potential impacts to the business. Rakovina has implemented health and safety measures in accordance with health officials and guidance from local government authorities. While the pandemic has had a limited impact on the Company’s operations to date, future research activities could be impacted as a result of the pandemic. As the COVID-19 health crisis continues, the Company will continue to rely on guidance and recommendations from local health authorities, Health Canada and the Centers for Disease Control and Prevention to update the Company’s policies.

#### 2. Basis of presentation and going concern

These interim condensed consolidated financial statements (“consolidated financial statements”) have been prepared in accordance with International Accounting Standards 34 “Interim Financial Reporting” using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and the Interpretations of the International Financial Reporting and Interpretations Committee. Accordingly, certain information or footnote disclosure normally included in the annual consolidated financial statements prepared in accordance with IFRS have been condensed or omitted.

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary Rakovina Research Ltd. These consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ending December 31, 2022 which are available on SEDAR ([www.sedar.com](http://www.sedar.com)).

The consolidated financial statements have been prepared using the same accounting policies and methods as those used in the audited consolidated financial statements for the year ended December 31, 2022. The consolidated financial statements are presented in Canadian dollars which is the functional currency of the Company and its subsidiary.

# RAKOVINA THERAPEUTICS INC.

## Notes to the Interim Condensed Consolidated Financial Statements

### For the three and six months ended June 30, 2023 and 2022

(All figures expressed in Canadian dollars unless otherwise noted)

(Unaudited)

The consolidated financial statements were approved by the Company's Board of Directors and authorized for issue on August 28, 2023.

These consolidated financial statements have been prepared using IFRS, as issued by the IASB applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business. For the six months ended June 30, 2023, the Company reported a net loss of \$1,226,898. As at June 30, 2023, the Company had positive working capital of \$1,458,606 which includes proceeds from the Company's \$1.5 million convertible debenture financing which closed on May 29, 2023.

The Company believes that current working capital will be sufficient to fund operations for the next 12 months. Notwithstanding, the Company will require additional funds in the future to continue to develop and commercialize its technologies.

While the Company has been successful in arranging financing in the past, the success of such initiatives cannot be assured. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption deemed to be inappropriate. These adjustments could be material.

### 3. Intangible assets

In conjunction with the QT which closed on March 25, 2021, the Company acquired the world-wide rights, excluding the Peoples Republic of China, Hong Kong and Taiwan, to the kt-2000 series of PARP inhibitors from NewGen in exchange for 30,000,000 shares with a value of \$6,000,000. The Company has been issued patents and patent pending applications related to the kt-2000 asset extending to at least 2032.

The Company is amortizing the value of the acquired patents on a straight-line basis over the patent's remaining useful life at time of acquisition of 10 years.

	<b>Acquired Patents</b>
	<b>\$</b>
<b>Cost</b>	
Balance at December 31, 2022	6,000,000
Additions	-
<b>Balance at June 30, 2023</b>	<b>6,000,000</b>
<b>Accumulated amortization</b>	
Balance at December 31, 2022	948,840
Amortization	<b>265,851</b>
<b>Balance at June 30, 2023</b>	<b>1,214,691</b>
<b>Net book value</b>	
Balance at December 31, 2022	5,051,160
<b>Balance at June 30, 2023</b>	<b>4,785,309</b>

### 4. Prepaid expenses

The Company had prepaid expenses as follows:

	<b>June 30, 2023</b>	December 31, 2022
	<b>\$</b>	<b>\$</b>
UBC (Note 12)	<b>108,500</b>	152,250
Marketing agreements	<b>109,000</b>	-
Liquidity services	<b>15,000</b>	-
D&O insurance	<b>16,912</b>	5,637
	<b>249,412</b>	157,887

# RAKOVINA THERAPEUTICS INC.

## Notes to the Interim Condensed Consolidated Financial Statements

### For the three and six months ended June 30, 2023 and 2022

(All figures expressed in Canadian dollars unless otherwise noted)

(Unaudited)

#### 5. Convertible Debt

On May 29, 2023, the Company closed a non-brokered financing of convertible debenture units ("Debenture Units") for gross proceeds of \$1,514,000. Each Debenture Unit is deemed to consist of \$50,000 in principal amount of unsecured convertible debenture of the company and 100,000 common share purchase warrants. The convertible debenture bears interest at 12% per annum, is paid semi-annually in arrears in cash or common shares at the holder's option and matures on November 29, 2025. Each warrant is exercisable at \$0.15 for a period of 30 months. The convertible debentures are convertible at the holder's option into common shares at a fixed conversion price of \$0.20 per share.

The component parts of the convertible debt, a compound instrument, are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instrument is an equity instrument. The warrants have also been classified as equity.

At initial recognition, the Convertible Debt proceeds of \$1,514,000 were allocated between the debt and equity components. The fair value of the debt portion was estimated at \$1,289,301 net of transaction costs of \$103,800 using a discounted cash flow model method with an expected life of 30 months and a discount rate of 16.0%, which was the estimated rate for a similar instrument without a conversion feature. This amount is recorded as a financial liability on an amortized cost basis using an effective interest rate of 19.6% until extinguished upon conversion or at its maturity date.

The conversion option and warrants are classified as separate components in equity and fair value was estimated based on the residual value of \$111,891 net of transaction costs of \$9,008. The residual value was allocated between the conversion option and warrant components based on their relative fair values using Black Scholes with the following assumptions:

	Warrants	Conversion Option
Grant date share price	0.13	0.13
Exercise price	0.15	0.20
Risk-free interest rate	4.33	4.33
Expected life (years)	2.5	2.5
Expected annualized volatility	115%	115%
Expected dividend yield	0%	0%
Fair value	0.081	0.074

This amount is not subsequently remeasured and will remain in equity until the conversion option and warrants are exercised, in which case, the balance recognized in equity will be transferred to share capital. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance will be reclassified to contributed surplus.

Total transaction costs of \$112,808 that relate to the issuance of the Convertible Debt were allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the life of the convertible debentures using the effective interest method.

The following table summarizes the continuity of the Company's Convertible Debt:

	\$
Balance, December 31, 2022	-
Issuance of convertible debt	1,514,000
Equity component of convertible debt	(84,108)
Warrants	(36,791)
Transaction costs	(103,800)
Interest at effective rate of 19.6%	22,196
Current interest payable	(15,928)
<b>Balance – June 30, 2023</b>	<b>1,295,563</b>



## RAKOVINA THERAPEUTICS INC.

### Notes to the Interim Condensed Consolidated Financial Statements

#### For the three and six months ended June 30, 2023 and 2022

(All figures expressed in Canadian dollars unless otherwise noted)

(Unaudited)

## 6. Share capital

The Company is authorized to issue an unlimited number of voting and participating common shares.

There were no share capital activities for the six months ended June 30, 2023.

Share capital activities for the year ended December 31, 2022:

- i) On January 13, 2022, there were 21,500 agent options exercised for proceeds of \$2,150.

The number of common shares outstanding and their carrying values for the periods presented are as follows:

	#	\$
Balance at December 31, 2021	69,808,000	13,574,617
Common shares issued upon exercise of agent options	21,500	4,549
<b>Balance at December 31, 2022 and June 30, 2023</b>	<b>69,829,500</b>	<b>13,579,166</b>

As at June 30, 2023 there were 9,225,000 shares held in escrow which will be released in two equal tranches on October 1, 2023 and April 1, 2024, respectively.

## 7. Warrants

Changes to the warrant balance during the six months ended June 30, 2023 and the year ended December 31, 2022 are as follows:

	Number #	Weighted-average exercise price \$
Balance at December 31, 2022	12,733,690	0.38
Finder's warrants expired	(1,318,940)	0.20
Issued with convertible debt	3,028,000	0.15
<b>Balance at June 30, 2023</b>	<b>14,442,750</b>	<b>0.35</b>

The Company extended the expiry date of 11,414,750 investor warrants with an exercise price of \$0.40 per warrant by one year to March 24, 2024.

## 8. Share-based payments

### *Long term incentive plan ("LTI Plan")*

The Company maintains an LTI Plan which provides the Company with the flexibility to attract, retain and motivate employees, officers, directors, advisors, and consultants through the ability to issue options and additional award types such as performance share units, restricted share units, restricted shares and deferred share units. The maximum number of common shares that may be issued under the LTI Plan and any share-based payment arrangements may not exceed 10% of the common shares issued and outstanding. Options granted under the option plan will have a maximum term of ten years. The exercise price of options granted will not be less than the market price of the common shares (defined as the last closing market price of the Company's common shares immediately preceding the day on which the Company announces the granting of the options), or such other price as may be agreed to by the Company and accepted by the TSX-V. Vesting terms are determined by the Board of Directors at the time of grant.

**RAKOVINA THERAPEUTICS INC.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
**For the three and six months ended June 30, 2023 and 2022**

(All figures expressed in Canadian dollars unless otherwise noted)  
(Unaudited)

*Options*

Changes to the option balance during the six months ended June 30, 2023 and the year ended December 31, 2022 are as follows:

	Number #	Weighted-average exercise price \$
Balance at December 31, 2021	5,651,500	0.20
Granted	150,000	0.15
Exercise of agent options	(21,500)	0.10
<b>Balance at December 31, 2022 and June 30, 2023</b>	<b>5,780,000</b>	<b>0.20</b>

As at June 30, 2023 the following options were outstanding:

Weighted average exercise price \$	Number #	Weighted average remaining contractual life	Exercisable #	Weighted-average exercise price \$
0.20	5,420,000	2.8 years	3,613,344	0.20
0.24	210,000	3.4 years	105,000	0.24
0.15	150,000	3.9 years	50,000	0.15
<b>0.20</b>	<b>5,780,000</b>	<b>2.8 years</b>	<b>3,768,344</b>	<b>0.20</b>

*Fair Value of options Issued*

On May 25, 2022, the Company issued 150,000 stock options to a contract researcher. The fair value of each option granted was determined using the Black-Scholes option pricing model with the following assumptions:

Grant date share price	\$0.15
Exercise price	\$0.15
Risk-free interest rate	2.6%
Expected life (years)	5 years
Expected annualized volatility	100% (historical volatility of similar listed entities)
Expected dividend yield	0%
Fair value	\$0.11

The Company recognized share-based payments expense of \$25,374 and \$65,942 for the three and six months ended June 30, 2023 (2022 - \$62,292 and \$153,545, respectively) which was allocated between research and development expenses and general and administrative expenses as detailed in Note 13.

**9. Loss per share**

Loss per share is calculated by dividing the net loss by the weighted average number of shares outstanding during the reporting period. For the three and six months ended June 30, 2023, and 2022, respectively, the Company excluded all dilutive instruments as their inclusion would be anti-dilutive.

The following table reconciles the denominator used for the basic and diluted loss per share calculation:

	Three months ended June 30, 2023 #	Three months ended June 30, 2022 #	Six months ended June 30, 2023 #	Six months ended June 30, 2022 #
Basic weighted average shares	69,829,500	69,829,500	69,829,500	69,828,500
Effect of dilutive instruments	-	-	-	-
Diluted weighted average shares	<b>69,829,500</b>	69,829,500	<b>69,829,500</b>	69,828,500

# RAKOVINA THERAPEUTICS INC.

## Notes to the Interim Condensed Consolidated Financial Statements

### For the three and six months ended June 30, 2023 and 2022

(All figures expressed in Canadian dollars unless otherwise noted)

(Unaudited)

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#### 10. Financial instruments and risk management

The Company classifies its financial assets into the following specified categories: “amortized cost”; “fair value through other comprehensive income” (“FVTOCI”); and “fair value through profit or loss” (“FVTPL”). Financial liabilities are designated as FVTPL or classified as loans and borrowings measured at amortized cost. Classification depends on the purpose for which the financial assets and liabilities were acquired or incurred. Management determines the classification of its financial instruments at initial recognition.

Financial instruments consist of cash and cash equivalents, amounts receivable, and accounts payable and accrued liabilities, due to related parties and the liability component of convertible debt.

##### *Fair values*

The Company has classified its financial instrument fair values based on the required three level hierarchies:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1, but that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs for the asset or liability that are not based on observable market data.

The fair value hierarchy level at which a fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. The Company records cash and cash equivalents at fair value using level 1 inputs. There were no transfers from levels 1, 2 and 3 during the six months ended June 30, 2023.

The fair values of cash and cash equivalents, amounts receivable, due to related parties, and accounts payable and accrued liabilities approximate the carrying values due to the short-term nature of these instruments.

The Convertible Debt was carried at the present value of the discounted future cash flows using rates currently available for debt of similar terms and maturity, net of unamortized costs, as of the end of the reporting period (Level 3). The carrying value of the Convertible Debt approximates its fair value.

There has been no significant change in the credit risk and concentrations, interest rate risk or liquidity risk during the six months ended June 30, 2023.

##### **Financial risk factors**

The Company’s risk exposures and the impact on the Company’s financial instruments are summarized below:

##### *Credit risk*

Credit risk is the risk of loss associated with the counterparty’s inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist of cash and cash equivalents and amounts receivable. The Company’s cash and cash equivalents consists of funds held in a reputable Canadian bank. The amounts receivable is related to GST receivable from the Government of Canada and accrued interest from a reputable Canadian bank. Management actively reviews the risk of the financial institutions and/or the counterparty to underlying financial instruments failing to meet its obligations and adjusts if and when any undue risk is identified. At June 30, 2023, the Company does not believe it is currently exposed to any significant credit risk.

##### *Interest rate risk*

Interest rate risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial instruments, known as interest rate cash flow risk, or on the fair value of other financial instruments, known as interest rate price risk. The Company is not exposed to any significant interest rate risk.

# RAKOVINA THERAPEUTICS INC.

## Notes to the Interim Condensed Consolidated Financial Statements

### For the three and six months ended June 30, 2023 and 2022

(All figures expressed in Canadian dollars unless otherwise noted)

(Unaudited)

#### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company's ability to raise equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

The Company is obligated to the following contractual maturities of undiscounted cash flows at June 30, 2023:

	Carrying Amount \$	Year 1 \$	Year 2 \$	Year 3 and over \$	Total \$
Trade and other payables	145,647	145,647	-	-	145,647
Convertible debt	1,514,000	-	1,514,000	-	1,514,000
	<u>1,659,947</u>	<u>145,647</u>	<u>1,514,000</u>	<u>-</u>	<u>1,659,947</u>

#### Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations in foreign exchange rates for any cash and cash equivalents, amounts receivable, accounts payable, due to related parties, and accrued liabilities that are denominated in foreign currencies. The Company's foreign currency risk is primarily related to expenses denominated in United States dollars.

## 11. Related party transactions

The key management personnel of the Company are the Directors, Executive Chairman, President and Chief Scientific Officer, Chief Operating Officer, and Chief Financial Officer. Amounts due to related parties, including amounts due to key management personnel, at the period-end are unsecured, interest free and settlement generally occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

As at June 30, 2023, the Company had amounts due to related parties of \$78,439 (December 31, 2022 - \$79,309) comprised of board fees, management compensation and reimbursable expenses. Compensation to key management personnel for the reporting period is as follows:

	Three months ended June 30, 2023 \$	Three months ended June 30, 2022 \$	Six months ended June 30, 2023 \$	Six months ended June 30, 2022 \$
Compensation / short term benefits	127,910	123,687	255,819	255,257
Board fees	29,266	30,187	54,937	64,913
Share-based payments	20,723	53,692	55,576	135,545
	<u>177,899</u>	<u>207,566</u>	<u>366,333</u>	<u>455,715</u>

For the three and six months ended June 30, 2023, the Company incurred rent expense of \$10,500, and \$21,000, respectively (2022 - \$10,500 and \$17,500, respectively) to a Director of the Company, pursuant to a short-term lease agreement for office space.

All related party transactions, whether monetary or non-monetary, are conducted in the normal course of business and are measured at fair value, which is the consideration established and agreed to by the related parties.

## 12. Commitments

Pursuant to a collaborative research agreement with UBC the Company has committed to payments as follows:

September 30, 2023	<u>\$</u> <u>217,000</u>
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# RAKOVINA THERAPEUTICS INC.

## Notes to the Interim Condensed Consolidated Financial Statements

### For the three and six months ended June 30, 2023 and 2022

(All figures expressed in Canadian dollars unless otherwise noted)

(Unaudited)

#### 13. Components of expenses

	Three months ended June 30, 2023 \$	Three months ended June 30, 2022 \$	Six months ended June 30, 2023 \$	Six months ended June 30, 2022 \$
<b>Research and development</b>				
Contract research per the UBC Agreement	108,500	152,250	260,750	304,500
Amortization (Note 5)	133,660	133,660	265,851	265,851
Consulting	82,076	101,381	175,500	198,314
Chemistry and manufacturing	40,268	-	43,988	-
Share-based payments (Note 9)	17,705	42,421	45,374	103,345
Patent and legal fees	9,760	15,726	33,850	36,901
	<b>391,969</b>	<b>445,438</b>	<b>825,313</b>	<b>908,911</b>
<b>General and administrative</b>				
Legal and professional	34,581	131,512	96,284	213,576
Corporate communications	52,708	22,560	96,172	72,214
Share-based payments (Note 9)	7,669	19,871	20,568	50,200
Consulting	39,000	39,020	78,000	78,020
Director fees	29,266	30,187	54,937	64,913
Rent	10,500	10,500	21,000	17,500
Other expenses	19,313	24,635	38,119	31,936
	<b>193,037</b>	<b>278,285</b>	<b>405,080</b>	<b>528,359</b>