



a California corporation

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Placentia, CA 92870

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SIC Code: Primary: 2835

## Quarterly Report

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

The number of shares outstanding of our Common Stock is 22,759,809 as of February 13, 2025

The number of shares outstanding of our Common Stock was 22,759,809 as of the fiscal year end September 30, 2024 and as of September 30, 2023 (previous reporting period)

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

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

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

Yes: ☐ No: ☒

Indicate by check mark whether a Change in Control<sup>1</sup> of the company has occurred over this reporting period:

Yes: ☐ No: ☒

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<sup>1</sup> "Change in Control" shall mean any events resulting in:

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

**Item 1. Exact name of the issuer and the address of its principal executive offices.****(a) The exact name of the issuer and its predecessor (if any).**

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

**(b) The address of the issuer's principal executive offices and address(es) of the issuer's principal place of business:****Answer.**

330 E. Orangethorpe Avenue, Suite D, Placentia, CA 92870  
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[invitro@invitrointl.com](mailto:invitro@invitrointl.com)

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

**Item 2. Shares Outstanding.****(a) The number of shares or total amount of the securities outstanding for each class of securities authorized.****Answer.**

Exact title and class of securities outstanding:	Common Stock	
	September 30, 2024	December 31, 2024
Period end date:		
Number of shares authorized:	40,000,000	40,000,000
Number of shares outstanding:	22,759,809	22,759,809
Freely tradeable shares (Public Float):	15,238,629	15,238,629
Number of beneficial shareholders	300	300
owning at least 100 shares:	339	339

Exact title and class of securities outstanding:	Preferred Stock	
	September 30, 2024	December 31, 2024
Period end date:		
Number of shares authorized:	1,000,000	1,000,000
Number of shares outstanding:	0	0
Freely tradeable shares (Public Float):	0	0
Number of beneficial shareholders	0	0
owning at least 100 shares:	0	0

**(b) The name and address of the transfer agent\*.****Answer.**

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

### **Item 3. Interim Financial Statements**

**Answer:** See “Appendix 1” attached hereto at the end of this quarterly report which includes a copy of the Company’s Financial Statements for the period ended December 31, 2024, including, Balance Sheet, Statement of Income, Statement of Cash Flows, Statement of Changes in Stockholder’s Equity, and Financial Notes, which are incorporated by reference herein.

### **Item 4. Management’s Discussion and Analysis or Plan of Operation**

A. Plan of Operation.

**Answer:** Not Applicable.

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

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

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

#### **Overview**

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

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

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

IVRO completed the restructure of its organization while it won OECD adoption of Corrositex® (OECD 435)

and Ocular Irritation® (OECD 496). These technologies deliver test results scientifically and legally accepted as full replacements for animal test results. Such results are Global Harmonization System (GHS) recognized in all the aforementioned OECD member countries. All three of IVRO's technologies are now capable of delivering GHS level test results.

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

## **Results of operations for the three months ended December 31, 2024 compared to December 31, 2023**

### ***Revenues***

During the three months ended December 31, 2024, compared to December 31, 2023, we generated revenue of \$244,144 and \$211,625, respectively. Revenue is primarily attributable to the sales of our products and services to customers.

### ***Operating Expenses***

We incurred total operating expenses of \$219,436 for the three months ended December 31, 2024, compared to \$203,063 for the three months ended December 31, 2023. These amounts consisted of the following:

	For the Three Months Ended	
	December 31, 2024	December 31, 2023
Cost of revenues	\$44,129	\$47,709
Selling, general and administrative	174,340	154,848
Research and development	967	506
Total Operating Expenses	\$219,436	\$203,063

Total operating expenses increased by \$16,373 to \$219,436 in the three months ended December 31, 2024 as compared to the three months ended December 31, 2023. This was primarily related to an increase in selling, general and administrative costs which increased by \$19,492 in the three months ended December 31, 2024 as compared to the three months ended December 31, 2023, due to an increase in administrative costs.

### ***Net Income***

We had a net income of \$33,856 for the three months ended December 31, 2024, compared to a net income of \$17,667 for the three months ended December 31, 2023.

### ***Liquidity and Capital Resources***

As of December 31, 2024, we have \$1,552,693 in current assets and \$86,814 in current liabilities. In comparison, we had \$401,632 in cash and cash equivalents. As of September 30, 2024, we had \$1,568,348 in current assets and \$93,990 in current liabilities, and we had \$417,300 in cash and cash equivalents.

### ***Cash Flow from Operating Activities***

For the three months ended December 31, 2024, the net cash flows from our operating activities was \$(5,734) compared to \$46,694 for the same period ended December 31, 2023. For December 31, 2024,

this amount was primarily related to a (i) net income of \$33,856; (ii) accounts receivable of \$(6,667), (iii) accrued payroll of \$3,966; and (iv) share based compensation of \$1,102.

### ***Cash Flow from Investing Activities***

For the three months ended December 31, 2024, the net cash from investing activities by the Company was \$(9,934) compared to \$(9,056) for the same period ended December 31, 2023. The amount was related to purchases of investments which consists of short-term renewable interest generating CDs.

### ***Cash Flow from Financing Activities***

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

### ***Future Financings***

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

### ***Expected Purchase or Sale of Significant Equipment***

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

### ***Off-Balance Sheet Arrangements***

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

### ***Critical Accounting Policies***

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

We suggest that our significant accounting policies, as described in our consolidated financial statements, found in Appendix 1, in the Summary of Significant Accounting Policies in Note 2, be read in conjunction with this Management's Discussion and Analysis of Financial Condition and Results of Operations.

C. Off Balance Sheet Arrangements. See above.

### **Item 5. Legal Proceedings**

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

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

### **Item 6. Default upon senior securities. Answer: None.**

**Item 7. Other Information. Answer:** None

**Item 8. Exhibits. Answer:** None. We previously provided a copy of our articles of incorporation, as restated February 8, 1996, and a copy of our Amended and Restated Bylaws dated October 7, 2015 as filed on OTC Markets as “Articles of Incorporation” and “Bylaws” on May 23, 2024.

**Item 9. Issuer’s Certifications.**

I, W. Richard Ulmer, certify that:

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

Date: February 13, 2025

/s/ W. Richard Ulmer

W. Richard Ulmer  
Chief Executive Officer

I, Cathy L. Richmond, certify that:

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

Date: February 13, 2025

/s/ Cathy L. Richmond

Cathy L. Richmond  
Chief Financial Officer



**INVITRO INTERNATIONAL, INC.**

**FINANCIAL STATEMENTS**

**FOR THE THREE-MONTH PERIODS ENDED DECEMBER 31, 2024 AND 2023**

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**CERTIFIED PUBLIC ACCOUNTANTS**

# INVITRO INTERNATIONAL, INC.

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# INVITRO INTERNATIONAL, INC.

## BALANCE SHEETS AS OF DECEMBER 31, 2024 AND SEPTEMBER 30, 2024

	<u>December 31, 2024</u>	<u>September 30, 2024</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 401,632	\$ 417,300
Investments in certificates of deposits	863,745	853,811
Accounts receivable, net of allowance of \$3,500	68,098	61,431
Inventories	179,183	183,575
Prepaid expenses	<u>40,035</u>	<u>52,231</u>
	<u>1,552,693</u>	<u>1,568,348</u>
<b>LONG-TERM ASSETS</b>		
Property and equipment, net	9,244	9,973
Operating lease right-of-use assets	323,176	339,028
Deposits and other assets	<u>76,331</u>	<u>31,772</u>
	<u>408,751</u>	<u>380,773</u>
	<u>\$ 1,961,444</u>	<u>\$ 1,949,121</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 185	\$ 1,160
Accrued payroll and employee benefits	16,794	12,828
Income taxes payable	800	800
Other accrued liabilities	13,555	26,347
Operating lease liabilities, current portion	<u>55,480</u>	<u>52,855</u>
	<u>86,814</u>	<u>93,990</u>
<b>LONG-TERM LIABILITIES</b>		
Operating lease liabilities, net of current portion	<u>271,721</u>	<u>287,180</u>
Total long-term liabilities	<u>271,721</u>	<u>287,180</u>
Total liabilities	<u>358,535</u>	<u>381,170</u>
<b>SHAREHOLDERS' EQUITY</b>		
Preferred stock, no par value; 1,000,000 shares authorized; no shares issued or outstanding	-	-
Common stock, no par value; 40,000,000 shares authorized; 22,659,809 shares issued and outstanding	654,081	654,081
Additional paid in capital	28,262	27,160
Accumulated other comprehensive income	63,996	63,996
Retained earnings	<u>856,570</u>	<u>822,714</u>
	<u>1,602,909</u>	<u>1,567,951</u>
	<u>\$ 1,961,444</u>	<u>\$ 1,949,121</u>

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

# INVITRO INTERNATIONAL, INC.

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
	<u>3 months ended</u>	<u>3 months ended</u>
<b>REVENUES</b>	<u>\$ 244,144</u>	<u>\$ 211,625</u>
<b>EXPENSES</b>		
Cost of revenues	44,129	47,709
Selling, general, and administrative	174,340	154,848
Research and development	<u>967</u>	<u>506</u>
	<u>219,436</u>	<u>203,063</u>
<b>OPERATING INCOME</b>	<u>24,708</u>	<u>8,562</u>
<b>OTHER INCOME</b>		
Interest and dividend income	<u>9,948</u>	<u>9,105</u>
<b>INCOME BEFORE PROVISION FOR INCOME TAXES</b>	34,656	17,667
<b>PROVISION FOR INCOME TAXES</b>	<u>800</u>	<u>-</u>
<b>NET INCOME</b>	<u>\$ 33,856</u>	<u>\$ 17,667</u>
<b>COMPREHENSIVE INCOME</b>	<u>\$ 33,856</u>	<u>\$ 17,667</u>
<b>NET INCOME PER COMMON SHARE:</b>		
Basic	<u>\$ 0.001</u>	<u>\$ 0.001</u>
Diluted	<u>\$ 0.001</u>	<u>\$ 0.001</u>
Weighted average common shares outstanding - basic	<u>22,659,809</u>	<u>22,659,809</u>
Weighted average common shares outstanding - diluted	<u>23,009,809</u>	<u>23,882,343</u>

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

# INVITRO INTERNATIONAL, INC.

## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE THREE MONTHS ENDED DECEMBER 31, 2024

	Common Stock		Additional	Accumulated	Retained	
	<u>Shares</u>	<u>Amount</u>	<u>Paid</u>	<u>Other</u>	<u>Earnings</u>	<u>Total</u>
			<u>in Capital</u>	<u>Comprehensive</u>		
				<u>Income</u>		
<b>BALANCE, September 30, 2023</b>	22,659,809	654,081	20,930	63,996	716,010	1,455,017
Share based compensation	-	-	6,230	-	-	6,230
Net income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>106,704</u>	<u>106,704</u>
<b>BALANCE, September 30, 2024</b>	<u>22,659,809</u>	<u>\$ 654,081</u>	<u>\$ 27,160</u>	<u>\$ 63,996</u>	<u>\$ 822,714</u>	<u>\$ 1,567,951</u>
Share based compensation	-	-	1,102	-	-	1,102
Net income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,856</u>	<u>33,856</u>
<b>BALANCE, December 31, 2024</b>	<u>22,659,809</u>	<u>\$ 654,081</u>	<u>\$ 28,262</u>	<u>\$ 63,996</u>	<u>\$ 856,570</u>	<u>\$ 1,602,909</u>

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

# INVITRO INTERNATIONAL, INC.

## STATEMENTS OF CASH FLOWS FOR THE THREE-MONTH PERIODS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 33,856	\$ 17,667
Adjustments to reconcile net loss to net cash from operating activities:		
Depreciation and amortization	1,170	1,091
Share-based compensation	1,102	4,552
Changes in operating assets and liabilities:		
Accounts receivable, net	(6,667)	34,954
Inventories	4,392	(21,202)
Prepaid expenses	12,196	9,533
Other assets	(45,000)	249
Accounts payable	(975)	6,911
Accrued payroll and employee benefits	3,966	6,112
Operating lease right-of-use assets and liabilities, net	3,018	(688)
Other accrued liabilities	(12,792)	(12,485)
Net cash flows from operating activities	<u>(5,734)</u>	<u>46,694</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Reinvestment of interest income on certificates of deposits	(9,934)	(9,056)
Net cash flows from investing activities	<u>(9,934)</u>	<u>(9,056)</u>
Net change in cash and cash equivalents	(15,668)	37,638
Cash and cash equivalents, beginning of period	<u>417,300</u>	<u>356,987</u>
Cash and cash equivalents, end of period	<u>\$ 401,632</u>	<u>\$ 394,625</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid for income taxes	<u>\$ 800</u>	<u>\$ -</u>

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

# INVITRO INTERNATIONAL, INC.

## NOTES TO FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIODS ENDED DECEMBER 31, 2024 AND 2023

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### NOTE 1 - NATURE OF OPERATIONS

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

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

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

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

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

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

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

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

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

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

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

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

**Customers** - The Company sells its products to independent distributors, contract laboratories, and end users in approximately ten different industries in the United States, Europe, Latin America, and Asia. The combined foreign operations generated was approximately 31% and 37% of the Company's total revenues during the three-month periods ended December 31, 2024 and 2023, respectively. The Company maintains reserves for potential credit losses. Management believes that future credit losses will not be material.

# INVITRO INTERNATIONAL, INC.

## NOTES TO FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIODS ENDED DECEMBER 31, 2024 AND 2023

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

The Company's largest customer generated approximately 12% and 11% of the Company's total revenues during the three-month periods ended December 31, 2024 and 2023, respectively. The largest customer had an outstanding balance of \$29,754 and \$16,458 owed to the Company as of December 31, 2024 and 2023, respectively.

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

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

**Fair value of financial instruments** - Financial instruments primarily consist of marketable securities and interest-bearing cash. The Company estimates that the fair value of its financial instruments as of and for the three-month periods ended December 31, 2024 and 2023, do not differ materially from its aggregate carrying value. Considerable judgment is required in interpreting market data to develop the estimates of fair value and, accordingly, the estimates are not necessarily indicative of the amounts that the Company could realize in a current market exchange.

**Fair value measurements** - The Company defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company measures fair value under a framework that provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

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

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

# INVITRO INTERNATIONAL, INC.

## NOTES TO FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIODS ENDED DECEMBER 31, 2024 AND 2023

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

**Accounts receivable** - Accounts receivable are stated at the amount that management expects to collect from balances outstanding at fiscal year-end. Management closely monitors outstanding balances and provides a reserve for probable uncollectible amounts through a charge to earnings and a credit to the receivables allowance account based on its assessments of the current status of individual accounts. As of and for the three-month periods ended December 31, 2024 and September 30, 2024, management has recorded a reserve for potential credit losses of \$3,500 for both periods. Gross accounts receivable balances were \$71,598 and 64,931 as of and for the three-month periods ended December 31, 2024 and September 30, 2024, respectively.

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

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

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

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

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



# INVITRO INTERNATIONAL, INC.

## NOTES TO FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIODS ENDED DECEMBER 31, 2024 AND 2023

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

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

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

Aggregate patent costs, net of accumulated amortization of \$253,432 and \$253,229, totaled \$948 and \$1,151 as of and for the three-month periods ended December 31, 2024 and September 30, 2024, respectively, and are included in deposits and other assets. Amortization expense related to patents was \$203 and \$125 during the three-months ended December 31, 2024 and September 30, 2024, respectively.

**Capitalized software** - The costs of software acquired are amortized on the straight-line method over their estimated remaining lives. Aggregate software costs, net of accumulated amortization of \$112,840 and \$112,602, totaled \$5,383 and \$5,621 as of December 31, 2024 and September 30, 2024, respectively, and are included in deposits and other assets. Amortization expense related to software totaled \$238 for both the three-month periods ended December 31, 2024 and September 30, 2024.

**Long-lived assets** - The Company assesses, using a qualitative then a quantitative approach, the recoverability of long-lived assets, including property and equipment, whenever triggering events, or changes in circumstances, indicate that the historical-cost carrying value of an asset may no longer be appropriate. The evaluation is performed by determining whether the depreciation and amortization of such assets over their remaining lives can be recovered through projected undiscounted cash flows. The amount of impairment, if any, is measured based on fair value and is charged to operations in the period in which such impairment is determined by management. To date, the Company has not identified any impairment of long-lived assets. As of and for the three-month period ended December 31, 2024 and September 30, 2024, no triggering events were deemed present and therefore no impairment charges related to long-lived assets were recognized. However, there can be no assurance that market conditions will not change, which could result in impairment of long-lived assets in the future.

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

# INVITRO INTERNATIONAL, INC.

## NOTES TO FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIODS ENDED DECEMBER 31, 2024 AND 2023

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

**Advertising** - The Company expenses advertising costs, charged to operations under selling, general, and administrative expenses, as they are incurred. Advertising costs during the three-month periods ended December 31, 2024 and 2023, amounted to \$9,362 and \$8,612, respectively.

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

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

When tax returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than fifty percent likely of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for unrecognized tax benefits along with any associated interest and penalties that would be payable to the taxing authorities upon examination. As of and for the three-month periods ended December 31, 2024 and 2023, the Company had no unrecognized tax benefits, and the Company had no positions which, in the opinion of management, would be reversed if challenged by a taxing authority.

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

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

# INVITRO INTERNATIONAL, INC.

## NOTES TO FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIODS ENDED DECEMBER 31, 2024 AND 2023

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

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

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

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

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

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

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

**Subsequent events** - Subsequent events have been evaluated by the Company through January 31, 2025, which is the date these financial statements were issued, and no subsequent material events have arisen, other than those described in these financial statements, that would require disclosure.

# INVITRO INTERNATIONAL, INC.

## NOTES TO FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIODS ENDED DECEMBER 31, 2024 AND 2023

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### NOTE 3 - FAIR VALUE MEASUREMENTS

**Certificate of deposit** - Valued at fair value by discontinuing the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer. As of the three months ended December 31, 2024, the certificates of deposit had a maturity of four months from the origination date with interest rates between 4.00% and 4.75%. Investments totaled \$863,745 and \$853,811 as of and for the three-month periods ended December 31, 2024 and September 30, 2024, respectively, including accrued interest of \$63,745 and \$53,811, respectively.

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

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

### NOTE 4 - INVENTORIES

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

	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Raw materials and powder	\$ 58,170	\$ 58,127
Components	72,409	75,725
Finished goods	<u>48,604</u>	<u>49,723</u>
	<u>\$ 179,183</u>	<u>\$ 183,575</u>

# INVITRO INTERNATIONAL, INC.

## NOTES TO FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIODS ENDED DECEMBER 31, 2024 AND 2023

### NOTE 5 - PROPERTY AND EQUIPMENT

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

	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Equipment	\$ 313,131	\$ 313,131
Leasehold improvements	<u>34,539</u>	<u>34,539</u>
	347,670	347,670
Less accumulated depreciation and amortization	<u>(338,426)</u>	<u>(337,697)</u>
	<u>\$ 9,244</u>	<u>\$ 9,973</u>

Depreciation expense on property and equipment was \$729 and \$728 during the three-month periods ended December 31, 2024 and September 30, 2024, respectively.

### NOTE 6 - SHAREHOLDERS' EQUITY

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

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

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

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

On August 12, 2020, (the "Grant Date") the Company granted 1,800,000 incentive stock options to the President of the Company. These options vest 300,000 shares per year over a six-period year period ("FY2020 Installment").

# INVITRO INTERNATIONAL, INC.

## NOTES TO FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIODS ENDED DECEMBER 31, 2024 AND 2023

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### NOTE 6 - SHAREHOLDERS' EQUITY, continued

Installments shall vest to the 300,000 shares annually up to 1,800,000 options. The options shall expire, and all rights hereunder to purchase the Shares shall terminate, five years from the vesting date. On January 1, 2024, the agreement was terminated and the respective stock-based compensation of \$3,354 was recognized for the three months ended December 31, 2023. Beginning January 2024, no further stock-based compensation expense was recorded relative to this stock option plan as the agreement was terminated. Also, on January 31, 2024, per the terms of the option agreement, all 1,800,000 incentive stock options expired due to the agreement termination. At September 30, 2024, this plan had no options outstanding.

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

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

# INVITRO INTERNATIONAL, INC.

## NOTES TO FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIODS ENDED DECEMBER 31, 2024 AND 2023

### NOTE 6 - SHAREHOLDERS' EQUITY, continued

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

	<u>Number of Shares</u>	<u>Exercise price per Share</u>
Options outstanding at September 30, 2023	2,500,000	\$ 0.075 - 0.100
Granted	-	-
Cancelled	<u>(2,150,000)</u>	\$ 0.075 - 0.100
Options outstanding at September 30, 2024	<u>350,000</u>	\$ 0.075
Granted	-	\$ 0.075
Cancelled	<u>-</u>	-
Options outstanding at December 31, 2024	<u>350,000</u>	\$ 0.075

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

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

The Company recorded stock-based compensation expense of \$1,102 and \$4,552 in connection with the Plans for the three-month periods ended December 31, 2024 and 2023, respectively.

# INVITRO INTERNATIONAL, INC.

## NOTES TO FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIODS ENDED DECEMBER 31, 2024 AND 2023

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### NOTE 6 - SHAREHOLDERS' EQUITY, continued

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

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

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

**Reconciliation of outstanding shares of common stock** - As a result of the Company's repurchase of 100,000 shares of common stock during the year ended September 30, 2022, the Company's stock transfer agent confirmed outstanding shares of common stock as of December 31, 2024, are 100,000 shares higher than the outstanding shares on the accompanying financial statements of 22,659,809 as of the three months ended December 31, 2024.

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

### NOTE 7 - PROVISION FOR INCOME TAXES

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current provision	\$ 800	\$ -
	<u>\$ 800</u>	<u>\$ -</u>



# INVITRO INTERNATIONAL, INC.

## NOTES TO FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIODS ENDED DECEMBER 31, 2024 AND 2023

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### NOTE 7 - PROVISION FOR INCOME TAXES, continued

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

Deferred tax assets:	
Net operating loss carryforwards	\$ 2,000
Research and development tax credits	68,000
Allowances and other	<u>11,500</u>
	81,500
Valuation allowance	<u>(81,500)</u>
	<u>\$ -</u>

During the three-month periods ended December 31, 2024 and 2023, the valuation allowance decreased by \$7,800 and \$10,400, respectively.

The Company did utilize funds in net operating loss carryforwards ("NOLs"); however, it did not utilize funds in state research tax credits to reduce their taxable income during the three months ended December 31, 2024 and 2023.

The Company has NOLs for federal reporting purposes of approximately \$0 and \$146,000 as of December 31, 2024 and 2023, respectively, of which are no longer available. The Company had NOLs of approximately \$21,000 and \$0 available for California reporting purposes as of December 31, 2024 and 2023, respectively. These NOLs are available indefinitely.

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

As of December 31, 2024, the Company has research tax credits of \$68,000 for Federal tax purposes and \$0 for state tax purposes. The research tax credits are available to offset future tax liabilities, if any, through 2040. Due to historical ownership changes, the utilization of the research tax credits are subject to annual limitations in future periods, which could substantially reduce the Company's ability to offset future taxable income. Utilization of these amounts could be further limited if additional ownership changes occur in the future.

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

# INVITRO INTERNATIONAL, INC.

## NOTES TO FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIODS ENDED DECEMBER 31, 2024 AND 2023

### NOTE 8 - LEASES

**Operating leases** - The Company leases its corporate headquarters under a non-cancelable operating lease agreement expiring in August 2029. Total lease expense for all locations in the United States was \$18,895 and \$48,502 for the three-month periods ended December 31, 2024 and September 30, 2024, respectively.

Other information related to leases for the three-month periods ended December 31, 2024 were as follows:

Supplemental cash flow information:

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

Operating cash flows from operating leases	<u>\$ 15,876</u>
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Weighted average remaining lease term:

Operating leases	<u>4.67 years</u>
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Weighted average discount rate:

Operating leases	<u>3.65%</u>
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Future annual minimum payments under all operating leases for the remaining years ending September 30<sup>th</sup> are:

For the years ending September 30,	
2025	\$ 66,336
2026	74,000
2027	78,800
2028	81,600
2029	<u>56,000</u>
Total future minimum lease payments	\$ 356,736
Less: amount representing interest	<u>(29,535)</u>
Present value of lease liabilities	327,201
Less: current portion	<u>55,480</u>
Long-term portion	<u>\$ 271,721</u>

# INVITRO INTERNATIONAL, INC.

## NOTES TO FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIODS ENDED DECEMBER 31, 2024 AND 2023

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### NOTE 9 - BASIC AND DILUTED INCOME PER SHARE

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Numerator for basic and diluted income per share:		
Net income	<u>\$ 33,856</u>	<u>\$ 17,667</u>
Denominator for basic and diluted income per share:		
Weighted average shares (basic)	22,659,809	22,659,809
Common stock equivalents	<u>350,000</u>	<u>1,222,534</u>
Weighted average shares (diluted)	<u>23,009,809</u>	<u>23,882,343</u>
Basic and diluted income per share:		
Basic	<u>\$ 0.001</u>	<u>\$ 0.001</u>
Diluted	<u>\$ 0.001</u>	<u>\$ 0.001</u>

# INVITRO INTERNATIONAL, INC.

## NOTES TO FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIODS ENDED DECEMBER 31, 2024 AND 2023

### NOTE 10 - BUSINESS SEGMENT AND GEOGRAPHIC INFORMATION

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

Revenues and net income by geographic area for the three-months ended December 31, 2024 and 2023, as well as identifiable assets by geographic area as of December 31, 2024 and September 30, 2024, are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Revenues:		
United States	\$ 168,644	\$ 130,465
Other countries	<u>75,500</u>	<u>81,160</u>
	<u>\$ 244,144</u>	<u>\$ 211,625</u>
Net income:		
United States	\$ 23,386	\$ 10,892
Other countries	<u>10,470</u>	<u>6,775</u>
	<u>\$ 33,856</u>	<u>\$ 17,667</u>
	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Identifiable assets:		
United States	\$ 1,931,690	\$ 1,908,480
Other countries	<u>29,754</u>	<u>40,641</u>
	<u>\$ 1,961,444</u>	<u>\$ 1,949,121</u>

### NOTE 11 - EMPLOYEE BENEFIT PLAN

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

The Company matches each employee's contribution up to the first 3% of their pay and all such contributions are vested immediately. The Company's contributions to the defined contribution plan for the three-month periods ending December 31, 2024 and 2023, was \$2,608 and \$3,274, respectively.