

**NuGen Medical Devices Inc.**  
**(formerly BuzBuz Capital Corp.)**

**Interim Condensed Consolidated Financial Statements**

**For the three and nine-month periods ended September 30, 2022 and 2021**

**(Unaudited and not reviewed by the Company's independent auditor)**

## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The accompanying unaudited interim financial statements of NuGen Medical Devices Inc. (the "Company") are the responsibility of management and the Board of Directors.

The unaudited interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the unaudited interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 - Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes, which are in place to provide it with sufficient knowledge to support management representations that it has exercised reasonable diligence in that (i) the unaudited interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the unaudited interim financial statements and (ii) the unaudited interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the unaudited interim financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited interim financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

## **NOTICE TO NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, the statements must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The accompanying unaudited interim financial statements of the Corporation have been prepared by management and are responsibility of the Corporation's management. The Corporation's independent auditor has not performed a review or an audit of these interim financial statements.

**NuGen Medical Devices Inc. (formerly BuzBuz Capital Corp.)****Interim Consolidated Statements of Financial Position***As at September 30, 2022 and December 31, 2021*

(Expressed in Canadian dollars)

	Note	September 30, 2022 \$	December 31, 2021 \$
<b>ASSETS</b>			
Current			
Cash		193,005	1,749,699
Accounts receivable		5,333	11,225
Sales tax recoverable		206,320	300,056
Inventory		15,377	12,899
Prepaid expenses		221,067	71,971
		641,102	2,145,850
Non-Current			
Intangible assets	3	4,254,736	5,015,729
Goodwill	3	1,548,413	1,665,039
Property and equipment		12,895	18,270
		5,816,044	6,699,038
		6,457,146	8,844,888

**NuGen Medical Devices Inc. (formerly BuzBuz Capital Corp.)****Interim Consolidated Statements of Financial Position***As at September 30, 2022 and December 31, 2021*

(Expressed in Canadian dollars)

	Note	September 30, 2022 \$	December 31, 2021 \$
<b>LIABILITIES AND EQUITY</b>			
Current liabilities			
Accounts payable and other liabilities	6	786,629	907,902
Royalty obligation	8	-	325,000
Current portion of the long-term debt	7	50,000	-
		<b>836,629</b>	1,232,902
Non-Current liabilities			
Long-term debt	7	1,607,001	1,594,995
Convertible debt	9	4,763,076	4,013,356
Contingent share consideration	10	350,140	345,760
		<b>7,556,846</b>	7,187,013
<b>Equity</b>			
Share capital	11	15,076,915	14,191,705
Reserves	11	3,328,869	3,523,132
Accumulated foreign currency translation adjustment		(373,144)	(245,572)
Deficit		(19,132,340)	(15,811,390)
		<b>(1,099,700)</b>	1,657,875
		<b>6,457,146</b>	8,844,888

**Reporting entity, nature of operations and going concern (Note 1)**

On behalf of the Board of Directors:

/s/ Michael Wright  
Michael Wright, CEO and director

/s/ Derek Lindsay  
Derek Lindsay, Director

**NuGen Medical Devices Inc. (formerly BuzBuz Capital Corp.)**  
**Interim Consolidated Statements of Loss and Comprehensive Loss**  
*For the three and nine-month periods ended September 30, 2022 and 2021*  
(Expressed in Canadian dollars)

	Note	September 30, 2022 \$ (3 months)	September 30, 2021 \$ (3 months)	September 30, 2022 \$ (9 months)	September 30, 2021 \$ (9 months)
<b>Sales</b>		<b>4,028</b>	26,781	<b>187,394</b>	108,689
<b>Cost of goods sold</b>		<b>1,208</b>	8,838	<b>56,218</b>	35,867
<b>Gross profit</b>		<b>2,820</b>	17,943	<b>131,176</b>	72,822
Selling, general and administrative expenses	13	<b>1,028,412</b>	1,293,780	<b>3,788,438</b>	3,235,475
<b>Loss from operation</b>		<b>(1,025,592)</b>	(1,275,837)	<b>(3,657,262)</b>	(3,162,653)
<b>Other expenses</b>					
Net financial expenses	14	<b>88,865</b>	26,855	<b>363,054</b>	361,877
<b>Net loss for the period</b>		<b>(1,114,457)</b>	(1,302,692)	<b>(4,020,316)</b>	(3,524,530)
Current tax expense		<b>(35)</b>	846	<b>1,908</b>	3,396
<b>Net loss</b>		<b>(1,114,422)</b>	(1,303,538)	<b>(4,022,224)</b>	(3,527,926)
<b>Other comprehensive loss</b>					
Foreign currency translation adjustment		<b>46,486</b>	12,752	<b>127,572</b>	363,994
<b>Net loss and comprehensive loss</b>		<b>(1,160,908)</b>	(1,316,290)	<b>(4,149,796)</b>	(3,891,920)
<b>Loss per share - basic and diluted</b>		<b>(0.013)</b>	(0.006)	<b>(0.045)</b>	(0.020)
<b>Weighted average number of common shares outstanding - basic and diluted</b>		<b>88,730,463</b>	64,676,251	<b>91,409,159</b>	64,155,536

**NuGen Medical Devices Inc. (formerly BuzBuz Capital Corp.)**  
**Interim Consolidated Statements of Changes in Shareholder's Equity**  
*For the three and nine-month periods ended September 30, 2022 and 2021*  
(Expressed in Canadian dollars)

	Note	Number of Shares	Share Capital \$	Reserves \$	Foreign Currency Translation Adjustment \$	Deficit \$	Total equity \$
<b>Balance, January 1, 2022</b>		<b>86,014,961</b>	<b>14,191,705</b>	<b>3,523,132</b>	<b>(245,572)</b>	<b>(15,811,390)</b>	<b>1,657,875</b>
Net loss		-	-	-	-	(4,022,224)	(4,022,224)
Other comprehensive income		-	-	-	(127,572)	-	(127,572)
Issuance of shares – debt settlement	11	1,644,736	411,184	-	-	-	411,184
Issuance of shares and warrants – private placement	11	6,403,763	489,888	150,488	-	-	640,376
Cost of issuance	11	-	(15,862)	3,154	-	-	(12,708)
Convertible debt – equity component	9	-	-	71,657	-	-	71,657
Warrants expired	11	-	-	(701,274)	-	701,274	-
Share-based payments		-	-	281,712	-	-	281,712
<b>Balance, September 30, 2022</b>		<b>94,063,460</b>	<b>15,076,915</b>	<b>3,328,869</b>	<b>(373,144)</b>	<b>(19,132,340)</b>	<b>(1,099,700)</b>

	Note	Number of Shares	Share Capital \$	Reserves \$	Foreign Currency Translation Adjustment \$	Deficit \$	Total equity \$
Balance, January 1, 2021		62,435,536	6,811,322	1,008,730	192,006	(8,704,308)	(692,250)
Net loss		-	-	-	-	(3,527,926)	(3,527,926)
Other comprehensive loss		-	-	-	(363,994)	-	(363,994)
Issuance of shares and warrants – private placement	11	15,000,000	5,471,180	528,820	-	-	6,000,000
Cost of issuance	11	1,867,550	(554,056)	63,036	-	-	(491,020)
<b>Balance, September 30, 2021</b>		<b>79,303,086</b>	<b>11,728,446</b>	<b>1,600,586</b>	<b>(171,988)</b>	<b>(12,232,234)</b>	<b>924,810</b>

**NuGen Medical Devices Inc. (formerly BuzBuz Capital Corp.)****Interim Consolidated Statements of Cash Flows***For the three and nine-month periods ended September 30, 2022 and 2021**(Expressed in Canadian dollars)*

	Note	2022	2021
		\$	\$
<b>Operating activities</b>			
Net loss for the period		<b>(4,022,224)</b>	(3,527,926)
Adjustments for:			
Depreciation, amortization and impairment		<b>414,776</b>	478,048
Share-based payments		<b>281,712</b>	-
Current tax expense		<b>1,908</b>	-
Royalty expense – settled with shares	8	<b>250,000</b>	-
Sales and marketing expense – settled with a convertible debt	9	<b>740,000</b>	-
Net financial expenses	14	<b>363,054</b>	361,877
Changes in non-cash working capital			
Accounts receivable		<b>5,892</b>	(2,412)
Sales taxes recoverable		<b>93,736</b>	(95,246)
Inventory		<b>(2,478)</b>	2,971
Prepaid expenses		<b>(149,096)</b>	26,510
Accounts payable and other liabilities		<b>(121,273)</b>	1,568,887
Royalty obligation		<b>(75,000)</b>	(250,000)
Cash used in operating activities		<b>(2,218,993)</b>	(1,432,467)
<b>Financing activities</b>			
Proceeds of issuance of shares in relation to a private placement, net of issuance of costs	11	<b>627,668</b>	1,265,270
Proceeds from loan		-	100,000
Cash provided from financing activities		<b>627,668</b>	1,365,270
Effect of foreign exchange rates on cash		<b>34,631</b>	(13,862)
Change in cash during the period		<b>(1,556,694)</b>	(81,059)
Cash and cash held in trust, beginning of the period		<b>1,749,699</b>	276,349
<b>Cash and cash held in trust, end of the period</b>		<b>193,005</b>	195,291

# **NuGen Medical Devices Inc. (formerly BuzBuz Capital Corp.)**

## **Notes to the Interim Condensed Consolidated Financial Statements**

*For the three and nine-month periods ended September 30, 2022 and 2021*

(Expressed in Canadian dollars)

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### **1. REPORTING ENTITY, NATURE OF OPERATIONS AND GOING CONCERN**

NuGen Medical Devices Inc., (“NuGen” or “the Company”), formerly BuzBuz Capital Corp. up to the completion of the Amalgamation, as defined below, was incorporated under the laws of Ontario on September 5, 2017. The Company’s registered address and principal place of business is located at 1400-18 King Street, Toronto, ON, M5C 1C4.

NuGen Medical Devices Inc. is a medical device manufacturing company specializing in the field of needleless injections and related technologies. NuGen is the parent company of European Pharma Group B.V. and its wholly-owned subsidiaries European Pharma Group Shenzhen Ltd. and European Pharma Group Hong Kong Ltd. (“EPG”).

#### Private placement, Amalgamation and reverse takeover

On October 1, 2020, Inolife R&D Inc. entered into an amalgamation agreement with BuzBuz Capital Corp., pursuant to which Inolife R&D Inc. and BuzBuz Capital Corp agreed to amalgamate under the Canada Business Corporations Act to form a new entity “Amalco” to complete an arm’s-length qualifying transaction in accordance with the policies of the TSX Exchange (the "Qualifying Transaction"). The Amalgamation was structured as a three-cornered amalgamation and, as a result, the amalgamated corporation was to become a wholly-owned subsidiary of BuzBuz Capital Corp. at the time of the completion of the Amalgamation.

Immediately prior to the completion of the Qualifying Transaction, on October 15, 2021, BuzBuz Capital Corp. consolidated its common shares on the basis of one post-consolidation BuzBuz common share for every 2 BuzBuz common shares existing before such consolidation. Similarly, immediately prior to the Amalgamation, on October 14, 2021, Inolife R&D Inc. consolidated its common shares on the basis of one post-consolidation Inolife common share for every 3 Inolife common shares existing before such consolidation. The number of units, shares, warrants and options and the issuance price of shares and the exercise price of warrants and options of Inolife in these consolidated interim financial statements were retroactively adjusted to reflect such consolidation.

On October 19, 2021, the Amalgamation was completed and BuzBuz Capital Corp. changed its name to NuGen Medical Devices Inc. On November 8, 2021, the common shares of NuGen Medical Devices Inc. began trading upon the Toronto Stock Venture Exchange under the symbol "NGMD" and the common shares of the former BuzBuz were delisted from the TSX Venture Exchange.

In connection with the Amalgamation, the following transactions occurred:

- On December 30, 2020, Inolife R&D Inc. completed a private placement of 15,000,000 subscription receipt at a price of \$0.40 per subscription receipt for aggregate gross proceeds of \$6,000,000. Each subscription receipt was exchangeable for one common share and ½ warrant of Inolife R&D Inc. and ultimately entitled the holder thereof to one common share and ½ warrant of NuGen Medical Devices Inc., upon completion of the Qualifying Transaction;
- The holders of Inolife R&D Inc.’s common shares (including those investors in the Private Placement following the exchange of the Subscription Receipts for common shares of Inolife R&D Inc. received one common share of NuGen Medical Devices Inc. in exchange for each outstanding common share of Inolife R&D Inc. Following the share exchange, there were 86,014,561 issued and outstanding common shares of NuGen Medical Devices Inc., of which the common shareholders of the former Inolife R&D Inc. controlled a majority.

**NuGen Medical Devices Inc. (formerly BuzBuz Capital Corp.)**  
**Notes to the Interim Condensed Consolidated Financial Statements**

*For the three and nine-month periods ended September 30, 2022 and 2021*

(Expressed in Canadian dollars)

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**1. REPORTING ENTITY, NATURE OF OPERATIONS AND GOING CONCERN (continued)**

For accounting purposes, it has been determined that BuzBuz Capital Corp. was the accounting acquiree and Inolife R&D Inc. was the accounting acquirer as the shareholders of the former Inolife R&D Inc. now control NuGen Medical Devices Inc., based upon the guidance in IFRS 10, *Consolidated Financial Statements*, and IFRS 3, *Business Combinations*, to identify the accounting acquirer. Since Inolife R&D Inc. is considered the accounting acquirer, these consolidated financial statements are prepared as a continuation of the financial statements of Inolife R&D Inc. As a result, 2021 comparative information and the information up to date of the Qualifying Transaction included herein is solely that of Inolife R&D Inc. For simplicity, transactions undertaken by Inolife R&D Inc. are referred to as being undertaken by the Company in these consolidated interim financial statements.

**Going Concern**

These interim condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and discharge of liabilities at their carrying values in the ordinary course of operations for the foreseeable future.

During the nine-month period ended September 30, 2022, the Company incurred a net loss of \$4,022,224 and negative cash flow from operations of \$2,218,993. At September 30, 2022, the Company has an accumulated deficit of \$19,132,340. As the Company is still in its development phase working on developing markets and working to find distribution networks, the Company will likely operate at a loss until its business becomes established, and the Company will require additional financing in order to fund future operations and expansion plans. Management actively manages its forecasted cash requirements and has determined that the Company has adequate resources to continue as a going concern through at least the next three months from the date of the statement of financial position. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The Company's ability to secure any required financing to sustain operations will depend in part upon prevailing capital market conditions and business success. There can be no assurance that the Company will be successful in its efforts to secure any additional financing or additional financing on terms satisfactory to management. If additional financing is raised by issuance of additional shares from treasury, control may change, and shareholders may suffer dilution. If adequate funds are not available, or are not available on acceptable terms, the Company may be required to scale back its current business plan or cease operations.

The Company's ability to continue as a going concern is dependent upon the continued financial support of shareholders and lenders, its ability to attain profitable operations and generate funds therefrom and/or its ability to continue to obtain equity or debt capital to obtain the necessary financing sufficient to meet current and future obligations.

These interim condensed consolidated financial statements do not reflect the adjustments or reclassification of assets and liabilities which would be necessary if the Company were unable to continue as a going concern. Such adjustments could be material.

**NuGen Medical Devices Inc. (formerly BuzBuz Capital Corp.)**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
*For the three and nine-month periods ended September 30, 2022 and 2021*  
(Expressed in Canadian dollars)

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## **2. BASIS OF PREPARATION**

### **2.1 Statement of compliance**

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34. These interim condensed consolidated financial statements do not include all the information and disclosures required in the Company’s annual financial statements and should be read in conjunction with the Company’s annual financial statements for the year ended December 31, 2021.

These interim financial statements have not been the subject of a review or an audit by the Company’s independent auditor and they were approved and authorized by the Board of Directors of the Company on November 29, 2022.

### **2.2 Basis of presentation**

These interim condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities, which have been measured at fair value. The Company’s reporting and functional currency is Canadian dollars, which is the currency of the primary economic environment in which the Company operates.

### **2.3 Basis of consolidation**

These interim condensed consolidated financial statements include the accounts of the Company and those of its three subsidiaries European Pharma Group B.V., European Pharma Group Shenzhen Ltd. and European Pharma Group Limited (Hong Kong). The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. The Company’s subsidiaries are all 100% owned.

All transactions and balances between companies are eliminated upon consolidation, including unrealized gains and losses on transactions between the companies.

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

All figures presented in the interim condensed consolidated financial statements are reflected in Canadian dollars, which is the functional and presentation currency of the parent. The functional currencies of the subsidiaries are described as follows:

	<u>Functional</u>
European Pharma Group B.V.	Euro
European Pharma Group Shenzhen	Euro
European Pharma Group Hong Kong	Euro

Transactions in foreign currencies are translated to the respective functional currencies of Company’s subsidiaries at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are recognized in the consolidated statement of loss.

The financial statements of foreign operations that have a functional currency different from that of the Company’s presentation currency are translated into Canadian dollars. Assets and liabilities are translated at the rates in effect at the end of the reporting period; revenue and expense items are translated at the average exchange rate for the period. Gains or losses arising from translation are recorded in equity under the heading Accumulated foreign currency translation adjustment.

**NuGen Medical Devices Inc. (formerly BuzBuz Capital Corp.)**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
*For the three and nine-month periods ended September 30, 2022 and 2021*  
(Expressed in Canadian dollars)

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**2. BASIS OF PREPARATION (continued)**

**2.5 Use of management estimates, judgments and measurement uncertainty**

The preparation of these interim condensed consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of these interim condensed consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Such estimates primarily relate to unsettled transactions and events as at the date of these interim condensed consolidated financial statements. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenues, and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. Significant estimates and judgments made by management in the preparation of these interim condensed consolidated financial statements are outlined below:

**a) The following areas require management's critical estimates:**

***Calculation of share-based payments***

The Company measures the cost of share-based payments by reference to the fair value of the equity instrument or underlying equity instrument at the date on which they are granted. Estimating fair value for share-based payments requires management to determine the most appropriate valuation model for a grant, which is dependent on the terms and conditions of each grant. The Black-Scholes option pricing model is used to determine the fair value for the stock options and warrants and utilizes assumptions such as stock price, volatility and expected life of the option or contractual life of the warrant. Details of the assumptions used are included in Note 10.

***Business combination***

In determining the fair value of all identifiable assets and liabilities acquired, the most significant estimates relate to the valuation of intangible assets. For any intangible asset identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent valuation expert or management may develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows. The evaluations are linked closely to the assumptions made by management regarding the future performance of these assets and any changes in the discount rate applied.

***Reverse takeover acquisition***

In a reverse acquisition transaction, the identifiable assets, liabilities and contingent liabilities of the acquired Company are recorded at their fair values. The determination of the fair value of these assets and liabilities require significant estimates to establish the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Any difference in the fair value of the shares deemed to have been issued and the fair value of the acquiree's identifiable net assets, represents a service received by the accounting acquirer for the net assets of the accounting acquiree, that service being the listing of shares.

**NuGen Medical Devices Inc. (formerly BuzBuz Capital Corp.)**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
*For the three and nine-month periods ended September 30, 2022 and 2021*  
(Expressed in Canadian dollars)

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**2. BASIS OF PREPARATION (continued)**

***Convertible debentures with derivative liabilities***

In determining the fair value for the convertible debenture conversion feature considered to be a derivative liability, the Company uses the Black-Scholes pricing model and makes estimates of the expected volatility of the shares, risk-free interest rate, effective discount rate, share price, and major event expected date and probability, as the conversion feature is dependent on these estimates.

***Fair value of financial instruments***

The individual fair values attributed to the contingent share consideration (refer to Note 10) and the derivative liability (refer to Note 9) are determined using valuation techniques. The Company uses judgment to select the methods used to make certain assumptions and in performing the fair value calculations in order to determine (a) the values attributed to each component of a transaction at the time of their issuance; (b) the fair value measurements for certain instruments that require subsequent measurement at fair value on a recurring basis; and (c) for disclosing the fair value of financial instruments subsequently carried at amortized cost. These valuation estimates could be significantly different because of the use of judgment and the inherent uncertainty in estimating the fair value of these instruments that are not quoted in an active market.

**b) The following area requires management's critical judgment:**

***Going concern***

The evaluation of the Company's ability to continue as a going concern, to raise additional financing in order to cover its operating expenses and its obligations for the upcoming year requires significant judgment-based assumptions including the probability that future events are considered reasonable according to the circumstances. Please refer to Note 1 for further information.

**NuGen Medical Devices Inc. (formerly BuzBuz Capital Corp.)**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
*For the three and nine-month periods ended September 30, 2022 and 2021*  
(Expressed in Canadian dollars)

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**2. BASIS OF PREPARATION (continued)**

***Intangible assets and goodwill***

Significant judgements are made in determining the useful lives and recoverable amounts of the Company's intangible assets and goodwill, and in evaluating whether certain events or circumstances represent objective evidence of impairment. Estimates of the recoverable amounts of the intangible assets and goodwill rely on certain factors such as future cash flows and discount rates. Future cash flows are based on sales projections and costs which are estimated based on forecasted results while discount rates are based on the Company's cost of capital. Future outcomes may be materially different than those assumptions used in the impairment assessment and therefore could have a significant effect on the results of the Company.

Management uses its judgment to determine whether costs incurred meet the criteria to be recorded as an intangible asset.

Expenditures incurred for preparing and filing for regulatory approval are capitalized when the criteria for recognizing an asset are met, usually when approval is considered highly probable that a marketing authorization from the International health authorities will be granted. The likelihood of regulatory approval is reviewed and adjusted for, should facts and circumstances change.

***Recognition of deferred tax assets and measurement of income tax expense***

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on assessment of the Company's ability to use the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. If changes were made to management's assessment regarding the Company's ability to use future tax deductions, the Company could be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The interim condensed consolidated financial statements have been prepared following the same accounting policies used in the audited annual consolidated financial statements for the year ended December 31, 2021.

The accounting policies have been applied consistently by the Company's entities and to all periods presented in these interim condensed consolidated financial statements, unless otherwise indicated.

**NuGen Medical Devices Inc. (formerly BuzBuz Capital Corp.)**  
**Notes to the Interim Condensed Consolidated Financial Statements**

For the three and nine-month periods ended September 30, 2022 and 2021

(Expressed in Canadian dollars)

**4. REVERSE ACQUISITION ACCOUNTING**

On October 19, 2021, the Company completed an amalgamation with BuzBuz Capital Corp. (“BuzBuz”), pursuant to an agreement signed on August 6, 2020. The Company and BuzBuz carried out a business combination by way of an amalgamation where the companies, both existing under the laws of Canada, amalgamated and formed one Company under the provisions of the Canada Business Companies Act and, upon the amalgamation taking effect, Company's shareholders and the BuzBuz’s shareholders have received shares of the Company continuing from the amalgamation. Immediately following the transaction, 95% of shares were owned by former shareholders of Nugen and 5% were owned by the shareholders of BuzBuz. Under the terms of the Agreement, the shareholders of NuGen Shares (the “Nugen Shareholders”) will receive one (1) of a BuzBuz common share (each whole share, a “BuzBuz Share”) for everyone (1) NuGen Share (the “Exchange Ratio”).

As BuzBuz does not meet the definition of a business under *IFRS 3, Business Combinations*, the acquisition of BuzBuz was accounted for under *IFRS 2, Share Based Payment*. Under a reverse acquisition accounting, any difference in the fair value of the consideration and the fair value of BuzBuz’s net asset acquired is recorded as a listing expense charge in the statement of loss and comprehensive loss. The result of listing expense was as follows:

	2021
	\$
<hr/>	
<b>Common share consideration</b>	
# of common shares assumed to be issued to BuzBuz shareholders	4,875,000
Fair value of common shares	0.37
	<hr/> <b>1,789,125</b> <hr/>
# of options assumed to be issued to BuzBuz shareholders	450,000
Fair value of options	0.21
<b>Fair value of options</b>	<hr/> <b>92,700</b> <hr/>
<b>Total consideration</b>	<hr/> <b>1,881,825</b> <hr/>
<b>BuzBuz’s net asset at fair value</b>	
Cash	5,292
Loan receivable	250,000
Accounts payable and accrued liabilities	(89,053)
<b>BuzBuz’s net asset at fair value</b>	<hr/> <b>166,239</b> <hr/>
<b>Excess (listing expense)</b>	<hr/> <b>1,715,586</b> <hr/>

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**5. INTANGIBLE ASSETS AND GOODWILL**

Cost	Insujet		Inojex	Goodwill	Total \$
	Tradename	Technology	Technology		
Balance – January 1, 2021	863,276	5,601,150	163,609	1,805,846	<b>8,433,881</b>
Impairment	-	-	(163,609)	-	<b>(163,609)</b>
Effect of movements in exchange rates	(68,471)	(444,261)	-	(140,807)	<b>(653,539)</b>
Balance – December 31, 2021	794,805	5,156,889	-	1,665,039	<b>7,616,733</b>
<b>Accumulated amortization</b>					
Balance – January 1, 2021	49,431	320,723	-	-	<b>370,154</b>
Amortization	82,015	532,135	-	-	<b>614,150</b>
Effect of movements in exchange rates	(6,455)	(41,884)	-	-	<b>(48,339)</b>
Balance – December 31, 2021	124,991	810,974	-	-	<b>935,965</b>
<b>Carrying value, December 31, 2021</b>	<b>669,814</b>	<b>4,345,915</b>	<b>-</b>	<b>1,665,039</b>	<b>6,680,768</b>
<b>Accumulated amortization</b>					
Balance – January 1, 2022	794,805	5,156,889	-	1,665,039	<b>7,616,733</b>
Effect of movements in exchange rates	(54,725)	(355,069)	-	(116,626)	<b>(526,420)</b>
Balance – September 30, 2022	740,080	4,801,820	-	1,548,413	<b>7,090,313</b>
<b>Accumulated amortization</b>					
Balance – January 1, 2022	124,991	810,971	-	-	<b>935,962</b>
Amortization	54,490	353,544	-	-	<b>408,034</b>
Effect of movements in exchange rates	(7,590)	(49,242)	-	-	<b>(56,832)</b>
Balance – September 30, 2022	171,891	1,115,273	-	-	<b>1,287,164</b>
<b>Carrying value, September 30, 2022</b>	<b>568,189</b>	<b>3,686,547</b>	<b>-</b>	<b>1,548,413</b>	<b>5,803,149</b>

Amortization was taken on the Insujet intangible assets, based on a useful life of ten (10) years.

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**6. ACCOUNTS PAYABLE AND OTHER LIABILITIES**

	<b>September 30, 2022</b>	<b>December 31, 2021</b>
	\$	\$
Accounts payable	779,629	878,484
Due to a director	-	22,418
Other payables	7,000	7,000
	<b>786,629</b>	<b>907,902</b>

All amounts in accounts payable are due within one year.

**7. LONG-TERM DEBT**

		<b>September 30, 2022</b>	<b>December 31, 2021</b>
		\$	\$
Loan payable to Mosadex	(i)	302,902	275,241
CEBA loan	(ii)	38,363	33,455
Promissory note	(iii)	50,000	50,000
Cash consideration due to Mosadex	(iv)	1,265,735	1,236,299
<b>Total</b>		<b>1,657,001</b>	<b>1,594,995</b>
Less current portion		50,000	-
<b>Long-term portion</b>		<b>1,607,001</b>	<b>1,594,995</b>

- (i) On June 5, 2020, in conjunction with the acquisition of European Pharma Group B.V., the Company shall pay to Mosadex the amount of EUR 575,000, bearing 0% interest and payable within ninety days of the go-public transaction. The fair value of the loan payable at the acquisition date was deemed to be equivalent to the principal due to its expected short-term maturity. On August 26, 2021, an amendment was agreed between both parties to reduce the payable amount to EUR 275,000 payable by the Company within 28 months from the go-public transaction. This amendment was treated in 2021 as a debt extinguishment and resulted in the accounting of a new payable of \$269,553 on the amendment date, based on an estimated market rate of 18%, and in a gain on loan extinguishment of \$587,772 recognized in net financial expenses. For the period ended September 30, 2022, an accretion expense of \$35,760 (\$nil in 2021) was recorded.

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**7. LONG-TERM DEBT (continued)**

- (ii) During 2020, the Company received a \$60,000 loan from the Canada Emergency Business Account (“CEBA Loan”). The CEBA Loan bears 0% interest until December 31, 2022. If the balance is not paid by December 31, 2022, the remaining balance will be converted to a 3-year term loan at 5% annual interest paid monthly, effective January 1, 2023. The full balance must be repaid by no later than December 31, 2025. No principal payments are required until December 31, 2022. Principal repayments can be voluntarily made at any time without fees or penalties. \$20,000 loan forgiveness is available, provided the outstanding balance is \$60,000 at December 31, 2021, and \$40,000 is paid back between January 1, 2021 and December 31, 2022. The loan was recognized initially at the fair value of \$37,151 based on an estimated market interest rate of 18%, with the difference of \$22,849 recognized as a government grant in the statement of loss and comprehensive loss of 2020. For the period ended September 30, 2022, an amount of \$4,908 (\$15,209 in 2021) has been recognized as accretion expense.
- (iii) On August 27, 2021, the Company signed a loan agreement of \$50,000, bearing interest at 20%, maturing on February 27, 2023. A minimum of 6 months of interest shall be paid in advance, and in the event the Company repays the principal amount of these loans prior to August 27, 2022, the loan shall bear an additional interest of 5%.
- (iv) In conjunction with the acquisition of European Pharma Group B.V., the Company shall pay to Mosadex the amount of EUR 1,000,000, bearing 0% interest and due 16 months after the acquisition date. The initial fair value of \$1,251,690 of the cash consideration payable of EUR 1,000,000 was measured by discounting the notional principal using a discount rate of 18% over the 16-month period from the acquisition date. On August 26, 2021, an amendment was agreed between both parties to increase this amount to EUR 1,200,000, but to postpone the repayment by the Company to 28 months after the listing of the Company on the TSX Venture Exchange. This amendment was treated as a debt extinguishment and resulted in the accounting of a new debt recognized at the fair value on that date based on an estimated market interest rate of 18%. For the period ended September 30, 2022, an amount of CA \$150,045 (\$143,616 in 2021) has been recognized as accretion expense.

The table below summarizes changes to the long-term debt:

		<b>September 30, 2022</b>	<b>December 31, 2021</b>
		\$	\$
Balance at beginning of the period		<b>1,594,995</b>	2,557,945
Accretion expenses	(i), (ii), (iv)	<b>190,713</b>	261,727
Foreign exchange variation on debt		<b>(128,707)</b>	(152,805)
<b>Balance at end of the period</b>		<b>1,657,001</b>	1,594,995

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**8. ROYALTY OBLIGATION**

	<b>September 30, 2022</b>	December 31, 2021
	<b>\$</b>	<b>\$</b>
Royalty obligation, beginning of the period	<b>325,000</b>	389,010
Add: Accretion expense	-	10,990
Add: Annual royalty payment	<b>250,000</b>	
Payment in shares	<b>(500,000)</b>	(75,000)
Payment in cash	<b>(75,000)</b>	-
<b>Royalty obligation, end of the period</b>	-	325,000
Less: current portion	-	(325,000)
<b>Non-current portion</b>	-	-

On March 31, 2017, the Company entered into a royalty payment agreement with TransferTech Sherbrooke (“TTS”) relating to the use and transfer of all rights, titles and interests associated with the Company’s powder injection (Nanorejex) technology. In exchange for the rights and an option to acquire the technology, the Company has agreed to a royalty rate of 5% on sales made from the technology. The term of the agreement ends on March 31, 2026 and required an initial payment of \$50,000, a payment of \$50,000 on March 31, 2018, \$100,000 on March 31, 2019, \$150,000 on March 31, 2020, \$250,000 on March 31, 2021 and \$250,000 on March 31 of each year between 2022 and 2026. The obligation was recorded initially as a liability at a present value of \$282,127 using a mid-term maturity between 3 and 4 years and a discount rate of 20%. This estimated maturity has been adjusted in 2020 to include the full amount of the fourth-year payment which resulted in a higher accretion expense. The Company retains the option to buy the technology from TTS until March 31, 2026 for an agreed price of the greater of \$3,000,000 or an amount representing 10% of the sale of any asset related to the Technology.

As per an agreement signed on November 5, 2020 between TTS and the Company, the minimum royalty payment of \$150,000 for 2020 was renegotiated according to the following distribution: \$75,000 of capital (plus \$22,740 of interest and sales taxes included in accounts payable) payable in cash before March 31, 2021, and the other \$75,000 payable in common shares to be issued on October 19, 2021 at a price of \$0.40 per common share, which created a gain on debt settlement of \$6,187 recognized in net financial expenses in the year ended December 31, 2021.

The unpaid balance of \$250,000 initially due in March 2021 and the new minimum royalty payment of March 2022 of \$250,000 have been paid by the issuance of shares on February 2, 2022, which created a gain on debt settlement of \$88,816 recognized in net financial expenses in the nine-month period ended September 30, 2022, and the unpaid balance of \$75,000 initially due in March 2020 has been paid in cash on March 31, 2022. The unpaid minimum royalty payment for all subsequent years until March 31, 2026 can be paid either in cash or common shares at the sole discretion of the Company.

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**9. CONVERTIBLE DEBENTURES AND DERIVATIVE LIABILITY**

***Convertible debt 1***

On June 5, 2020, as part of the consideration issued for the acquisition of EPG and its subsidiaries, the Company issued a convertible debenture of 6,235,000 EUR that carries no interest and that is convertible at \$2.85 for the principal as adjusted in Canadian dollars as at the going-public and which can be exercised within 5 years following that date. As a result of the conversion price of the debentures not being fixed at the time of issuance, the conversion feature is a derivative liability and is revalued at each period end. The initial fair value of the derivative liability was estimated based on a Black-Scholes model, assuming a risk-free rate of 0.89%, and a duration of 5.5 years and based on the EUR/CAD exchange rate of 1.52 on that date. The residual value at inception was allocated to the debt component, which resulted in discounting the principal by a market rate of 18% over its initially estimated 5.5-year term. The debt component is subsequently accounted for at amortized cost and the amortization schedule has been adjusted prospectively at the date of going public using a 5-year term to reflect the actual maturity date, which resulted in a gain on change in expected cash flows of \$643,009 in the year ended December 31, 2021.

The derivative liability was reevaluated on the going-public date at \$521,723, using the Black-Scholes model, assuming a risk-free rate of 0.89% and a duration of 5 years, and based on the EUR/CAD exchange rate of 1.44 on that date. This amount was reclassified from liabilities to equity reserves as the number of shares to be delivered on conversion became fixed, based on the 6,235,000 EUR principal converted to CAD \$8,946,602 on that date and convertible at \$2.85, and the conversion option no longer met the definition of a derivative liability.

***Convertible debt 2***

During the year ended December 31, 2020, the Company completed a bridge financing, by a non-brokered private placement for gross proceeds of \$455,000 by issuing convertible debenture units, each unit being comprised of a \$1,000 unsecured convertible debenture bearing an interest rate of 10% per annum, due on the date that is thirty-six months from the closing date, convertible to acquire one (1) share at a conversion price of \$0.30 per share. The financing included transaction costs of \$12,800 which resulted into net proceeds of \$442,200. As a result of the conversion price of the debentures not being fixed at the time of issuance, the conversion feature is a derivative liability and is revalued at each period end.

The Amalgamation on October 19, 2021 represented a liquidity event triggering the automatic conversion of the bridge financing. As a result, an accelerated accretion expense of \$162,155 and a gain on fair value of \$199,582 were recognized in the year ended December 31, 2021 on the liability component and the derivative liability, respectively, immediately before the conversion, and subsequently converted into 1,649,375 common shares issued at a price of \$0.30 per share.

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**9. CONVERTIBLE DEBENTURES AND DERIVATIVE LIABILITY (continued)**

***Convertible debt 3***

On September 8, 2022, the Company settled an account payable, by a non-brokered private placement for gross proceeds of \$740,000, by issuing convertible debenture units, each unit being comprised of a \$1,000 unsecured convertible debenture bearing an interest rate of 10% per annum, due on September 8, 2024, convertible to acquire one (1) share at a conversion price of \$0.25 per share. The fair value of the debt component was estimated by discounting the principal by a market rate of 18% over its 2 years. The fair value of the equity component was estimated by using the Black-Scholes model, assuming a risk-free rate of 3.63% and a duration of 2 years. As a result, a gain on debt settlement of \$137,127 was recognized in the period ended September 30, 2022.

The following table summarizes the components of the convertible debts:

	<b>Liability component</b>	<b>Derivative liability</b>	<b>Equity component</b>
<b><i>Convertible debt 1</i></b>			
Balance, January 1, 2021	4,275,190	312,500	-
Accretion expense	712,982	-	-
Change in fair value	-	209,223	-
Change in timing of expected cash flows	(643,009)	-	-
Reclassification of derivative liability	-	(521,723)	521,723
Effects of foreign exchange	(331,807)	-	-
Balance, December 31, 2021	4,013,356	-	521,723
<b><i>Convertible debt 2</i></b>			
Balance, December 31, 2020	267,850	270,166	-
Accretion and interest expense	226,963	-	-
Change in fair value	-	(159,658)	-
Conversion	(494,813)	(110,508)	-
Balance, December 31, 2021	-	-	-
<b>Balance, December 31, 2021</b>	<b>4,013,356</b>	<b>-</b>	<b>521,723</b>

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**9. CONVERTIBLE DEBENTURES AND DERIVATIVE LIABILITY (continued)**

	Liability component	Derivative liability	Equity component
<b><u>Convertible debt 1</u></b>			
Balance, January 1, 2022	4,013,356	-	521,723
Accretion expense	501,028	-	-
Effects of foreign exchange	(287,850)	-	-
Balance, September 30, 2022	4,226,534	-	521,723
<b><u>Convertible debt 3</u></b>			
Balance, January 1, 2022	-	-	-
New issuance	531,216	-	71,657
Accretion expense	5,326	-	-
Balance, September 30, 2022	536,542	-	71,657
<b>Balance, September 30, 2022</b>	<b>4,736,076</b>	<b>-</b>	<b>593,380</b>

**10. CONTINGENT SHARE CONSIDERATION**

The contingent share consideration resulted from the business combination in connection with the acquisition of EPG based on the catch-up clause which requires the Company to issue an additional number of shares based on the average price of the six previous months of the maturity of the convertible debt in the event that : (i) in the 12 months from the listing the price of the shares does not reach EUR 0.60 per share; (ii) in the 24 months from the listing the price of the shares does not reach EUR 0.90 per share.

At September 30, 2022, the contingent share consideration was estimated using a Monte Carlo simulation based on the following assumptions: share price volatility of 95% (95% as at December 31, 2021), exchange rate volatility of 6.9% (6.9% as at December 31, 2021) and risk free rate of 0.085% (0.085% as at December 31, 2021).

	Contingent share consideration
	\$
<b>Balance, January 1, 2021</b>	<b>339,924</b>
Change in fair value	5,836
<b>Balance, December 31, 2021</b>	<b>345,760</b>
Change in fair value	4,380
<b>Balance, September 30, 2022</b>	<b>350,140</b>

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**11. SHAREHOLDER'S EQUITY**

The following details the share capital of NuGen Medical Devices Inc.

*a) Share Capital Authorized*

The Company is authorized to issue an unlimited number of common shares without par value. All issued shares were fully paid.

*b) Movements in the company's share capital are as follows:*

		<b>Number of Shares</b>	<b>Amount \$</b>
<b>Balance, January 1, 2022</b>		86,014,961	14,191,705
Shares issued on debt settlement	(vi)	1,644,736	411,184
Shares issued for private placements	(vii)	6,403,763	474,026
<b>Balance, September 30, 2022</b>		94,063,460	15,076,915
		<b>Number of Shares (i)</b>	<b>Amount \$</b>
<b>Balance, January 1, 2021</b>		62,435,536	6,811,322
Shares issued for private placements	(ii)	15,000,000	5,471,180
Shares issued on debt settlement	(ii)	1,867,550	(554,056)
Shares issued on debt conversion	(iii)	187,500	68,813
Shares assumed to be issued on reverse acquisition	(iv)	1,649,375	605,321
Issuance cost settled in shares	(v)	4,875,000	1,789,125
<b>Balance, December 31, 2021</b>		86,014,961	14,191,705

- (i) After giving effect to the consolidation of 3:1 (see Note 1)
- (ii) During the year ended December 31, 2021, the Company issued 15,000,000 units which comprise one common share and ½ warrant at an agreed price of \$0.40 per unit for gross proceeds of \$6,000,000. The common shares were recorded at \$5,471,180 and share issuance costs amounted to \$491,020. The warrants were recorded in warrants reserve at the value attributed to them at the time of the issuance of the units being \$528,820. As part of the private placement, the Company issued 1,867,550 units which comprise one common share and ½ warrant at an agreed price of \$0.40 per unit as finder's fees and commission to the broker in the amount of \$63,037.
- (iii) During the year ended December 31, 2021, the Company also settled a portion of the royalty obligation for shares, resulting an issuance of 187,500 common shares at an agreed price of \$0.40 per share for a total amount of \$75,000 (refer to Note 7).

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**11. SHAREHOLDER'S EQUITY (continued)**

- (iv) In addition, the convertible debt initially issued on November 29, 2020 in the amount of \$455,000 and accrued interest in the amount of \$39,813 was fully converted on October 19, 2021 into 1,649,375 common shares at a price of \$0.30 per share (refer to Note 8).
- (v) In connection with the reverse acquisition, the Company issued 4,875,000 common shares in consideration of BuzBuz's net asset for a deemed value of \$1,789,125.
- (vi) On February 2, 2022, the Company settled a portion of the December 31, 2021 royalty obligation and the annual royalty payment of March 2022 for shares, resulting an issuance of 1,644,736 common shares at an agreed price of \$0.304 per share for a total amount of \$500,000 (refer to Note 8).
- (vii) On July 22, 2022 and September 8, 2022, the Company issued a total of 6,403,763 units which comprise one common share and one warrant at an agreed price of \$0.10 per unit for gross proceeds of \$640,376. The common shares were recorded at \$489,888 and share issuance costs amounted to \$15,862. The warrants were recorded in warrants reserve at the value attributed to them at the time of the issuance of the units being \$150,488. As part of the private placement, the Company also issued 127,080 brokers warrants.

*c) Warrants*

During the year ended December 31, 2021, the Company issued 7,500,000 warrants in connection with a private placement. Each unit purchased in the private placement included  $\frac{1}{2}$  warrant exercisable at \$0.70 over a one-year period. These warrants were recorded in warrant reserve at the value attributed to them at the time of the issue of the private placement being \$528,820. In connection with the issuance of the private placement units, the Company issued 933,775 warrants as finder's fees and commission to the broker. These warrants were recorded in warrant reserve at the value attributed to them at the time of the issue of the private placement being \$63,037.

The warrants issued in 2021 were valued using a Black-Scholes model, assuming share price of \$0.37, risk free interest rate of 0.74% and volatility of 95%.

On September 30, 2022, the Company extended the expiry term of these warrants for an additional 12 months from September 30, 2022 to September 30, 2023 and amended the exercise price of the warrants from \$0.70 to \$0.40 per warrant. These amendments had a net impact on equity of nil.

On July 22, 2022 and September 8, 2022, the Company issued a total of 6,403,763 warrants in connection with a private placement. Each warrant is exercisable at \$0.30 over a two-year period. These warrants were recorded in warrant reserve at the value attributed to them at the time of the issue of the private placement being \$150,488. In connection with the issuance of the private placement units, the Company issued 127,080 warrants as commission to the broker. These warrants were recorded in warrant reserve at the value attributed to them at the time of the issue of the private placement being \$3,154.

The warrants issued in July and September 2022 were valued using a Black-Scholes model, assuming share prices of \$0.09 and \$0.10, respectively, risk free interest rate of 3.07% and 3.63%, respectively, and volatility of 95%.

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**11. SHAREHOLDER'S EQUITY (continued)**

The continuity of outstanding warrants is as follows:

	Number of warrants	Weighted average exercise price per share \$
<b>Balance – December 31, 2020</b>	7,758,492	0.44
Issued	8,433,775	0.34
Expired	(1,494,998)	0.60
<b>Balance – December 31, 2021</b>	14,697,269	0.57
Issued	6,530,843	0.30
Expired	(4,724,604)	0.30
<b>Balance – September 30, 2022</b>	<b>16,503,508</b>	<b>0.53</b>

All warrants outstanding are exercisable upon issuance. The following table provides additional information about outstanding share warrants as at September 30, 2022:

Exercise prices	No. of Warrants Outstanding	Weighted Average Remaining Life (Years)
\$0.30	6,530,843	1.92
\$0.40	7,500,000	1.00
\$0.60	866,666	0.72
\$0.70	933,776	0.10
\$0.90	672,223	0.33
<b>\$0.53</b>	<b>16,503,508</b>	<b>1.27</b>

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**12. RELATED PARTY TRANSACTIONS**

Key management includes the Company's directors, officers and any employees with authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly.

*Compensation awarded to key management includes the following:*

	<b>Three months ended September 30, 2022</b>	Three months ended September 30, 2021	<b>Nine months ended September 30, 2022</b>	Nine months ended September 30, 2021
	\$	\$	\$	\$
Short-term employee benefits	<b>84,838</b>	93,750	<b>264,250</b>	281,406
Consulting fees paid to an officer	<b>24,000</b>	24,000	<b>72,000</b>	64,500
Consulting fees paid to a director	-	103,800	-	172,200
Share-based payments - options	<b>20,501</b>	-	<b>64,810</b>	-
<b>Total compensation to key management</b>	<b>129,339</b>	221,550	<b>401,060</b>	518,106

*Balances owed to key management include the following:*

Presented as a due to a director within accounts payable and other liabilities as at September 30, 2022 is \$nil (\$22,418 as at December 31, 2021) due to key management for reimbursement of expenses and board-related fees incurred during the year ended December 31, 2021.

**13. EXPENSES BY NATURE**

	<b>Three months ended September 30, 2022</b>	Three months ended September 30, 2021	<b>Nine months ended September 30, 2022</b>	Nine months ended September 30, 2021
	\$	\$	\$	\$
<i>Selling, general and administrative expenses:</i>				
Salaries and benefits	<b>203,466</b>	363,883	<b>705,707</b>	841,812
Rent	<b>42,687</b>	46,094	<b>128,060</b>	138,282
Depreciation and amortization	<b>124,868</b>	157,726	<b>414,776</b>	478,048
Share-based payment expense	<b>44,362</b>	-	<b>281,712</b>	-
Professional fees	<b>428,574</b>	715,046	<b>1,454,094</b>	1,590,656
Other	<b>184,455</b>	11,031	<b>804,089</b>	186,677
<b>Total selling, general and administrative expenses</b>	<b>1,028,412</b>	1,293,780	<b>3,788,438</b>	3,235,475

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**14. NET FINANCIAL EXPENSES**

		<b>Three months ended September 30, 2022</b>	Three months ended September 30, 2021	<b>Nine months ended September 30, 2022</b>	Nine months ended September 30, 2021
	Note	\$	\$	\$	\$
Interest expense	7	<b>2,500</b>	-	<b>7,500</b>	-
Accretion expense – loan to Mosadex	7	<b>11,920</b>	-	<b>35,760</b>	-
Accretion expense - CEBA loan	7	<b>1,636</b>	2,035	<b>4,908</b>	15,209
Accretion expense - cash consideration due to Mosadex	7	<b>50,772</b>	43,089	<b>150,045</b>	143,616
Accretion expense - royalty obligation	8	-	-	-	10,990
Accretion expense - convertible debt	9	<b>174,863</b>	199,896	<b>506,354</b>	590,504
(Gain) loss - debt settlement	8-9	<b>(137,127)</b>	-	<b>(225,943)</b>	-
(Gain) loss on change in fair value	10	<b>1,460</b>	(251,435)	<b>4,380</b>	(164,664)
(Gain) loss on foreign exchange		<b>(17,159)</b>	33,270	<b>(119,950)</b>	(233,778)
<b>Total finance expenses</b>		<b>88,865</b>	26,855	<b>363,054</b>	361,877

**NuGen Medical Devices Inc. (formerly BuzBuz Capital Corp.)**  
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*For the three and nine-month periods ended September 30, 2022 and 2021*

(Expressed in Canadian dollars)

**15. FINANCIAL INSTRUMENTS – FAIR VALUE AND RISK MANAGEMENT**

The Company does not acquire, hold or issue derivative financial instruments for trading purposes. The following table presents the classification, measurement subsequent to initial recognition, carrying values and fair values (where applicable) of financial assets and liabilities.

<b>Classification</b>	<b>Measurement</b>	<b>Carrying Value Sept 30, 2022 \$</b>	<b>Fair Value Sept 30, 2022 \$</b>	<b>Carrying Value December 31, 2021 \$</b>	<b>Fair Value December 31, 2021 \$</b>
<b>Financial Assets</b>					
Cash	Amortized cost	193,005	193,005	1,749,699	1,749,699
Accounts receivable	Amortized cost	5,333	5,333	11,225	11,225
		<b>198,338</b>	<b>198,338</b>	<b>1,760,924</b>	<b>1,760,924</b>
<b>Financial Liabilities</b>					
Accounts payable and other liabilities	Amortized cost	786,629	786,629	907,902	907,902
Royalty obligation	Amortized cost	-	-	325,000	325,000
Long-term debt	Amortized cost	1,657,001	1,657,001	1,594,995	1,594,995
Convertible debt	Amortized cost	4,763,076	4,763,076	4,013,356	4,013,356
Contingent share consideration	FVTPL	350,140	350,140	345,760	345,760
		<b>7,556,846</b>	<b>7,556,846</b>	<b>7,187,013</b>	<b>7,187,013</b>

Short-term financial instruments, comprising cash, accounts receivable, accounts payable and other liabilities and royalty obligation are carried at amortized cost which, due to their short-term nature, approximates their fair value.

Long-term financial instruments consist of the debt and convertible debt. They are carried at amortized cost and their carrying value approximates their fair value categorized under level 2, as they are measured based upon discounted future cash flows using a discount rate, adjusted for the Company's own credit risk, that reflects current market conditions for instruments with similar terms and risks.

Contingent share consideration is carried at fair value categorized under level 3 and are measured using a Monte Carlo simulation as described in Note 10.

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**16. SEGMENT REPORTING**

The Company has one operating segment and one reportable segment, being the manufacturing of needless injector devices. Geographic segment information of the Company's non-current assets as at September 30, 2022 and December 31, 2021 and revenues for the nine-month periods ended September 30, 2022 and 2021 are as follows:

	<b>September 30, 2022</b>	December 31, 2021
<b>Non-current assets</b>	<b>\$</b>	<b>\$</b>
Canada	<b>1,127</b>	1,439
Netherlands	<b>5,803,777</b>	6,683,947
China	<b>11,140</b>	13,652
<b>Total</b>	<b>5,816,044</b>	6,699,038

	<b>Three months ended September 30, 2022</b>	Three months ended September 30, 2021	<b>Nine months ended September 30, 2022</b>	Nine months ended September 30, 2021
<b>Revenues</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Europe	<b>990</b>	19,786	<b>137,245</b>	82,295
Asia	<b>998</b>	4,995	<b>25,857</b>	24,394
Others	<b>2,040</b>	-	<b>24,292</b>	-
<b>Total</b>	<b>4,028</b>	24,781	<b>187,394</b>	108,689

The geographic information analyses the Company's revenue and non-current assets by the Company's country of domicile and other countries. In presenting the geographic information, segment revenue has been based on the geographic location of customers and segment assets were based on the geographic location of the assets.