



Management's Discussion and Analysis

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

This Management's Discussion and Analysis ("MD&A") of interim condensed consolidated financial statements results is dated November 29, 2022 and reviews the business of NuGen Medical Devices Inc. (the "Company" or "NuGen"), for the three and nine-month periods ended September 30, 2022 and 2021, and should be read in conjunction with the accompanying annual financial statements and related notes for the years ended on December 31, 2021 and 2020.

Forward looking information

Some statements contained in this MD&A constitute forward-looking statements including, without limitation, anticipated developments in the Company's operations in future periods and other events or conditions that may occur in the future. These statements relate to future events or the Company's future performance and are inherently uncertain and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, without limitation, those mentioned herein under heading "RISKS AND UNCERTAINTIES". Management believes that the expectations reflected in those statements are reasonable, but no assurance can be given that these expectations will prove to be correct. It is recommended not to place undue reliance on forward looking statements as the plans, intentions or expectations upon which they are based might not occur.

Although management believes that the expectations represented by such forward-looking statements are reasonable, there is significant risk that the forward-looking statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate.

Forward-looking statements in this MD&A include, but are not limited to:

1. Statements concerning the Company's primary business activities,
2. The Company's intention to seek and acquire products and assets to create shareholder value,
3. The Company's intention to raise additional financing to pursue its activities.

The Company does not undertake to update any forward-looking information provided in this MD&A, except as, and to the extent required by, applicable securities laws. For more information on the Company and its business, investors should review the Company's other regulatory filings filed with securities commissions or similar authorities in Canada that are available on SEDAR at www.sedar.com. The Company reviews its forward-looking statements on an ongoing basis and updates this information when circumstances require it.

DESCRIPTION OF THE COMPANY

NuGen Medical Devices Inc., 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 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 ("TSX.V").

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.

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 (refer to Note 4 of the audited financial statements). 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, 2020 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 interim condensed consolidated 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 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.

DESCRIPTION OF THE BUSINESS

Nugen is an emerging specialty medical device company focused on developing and commercializing novel drug delivery technologies. NuGen's principal business is the research, development and commercialization of innovative needle-free injection devices and systems for the administration of subcutaneous medication.

It is developing products using its novel needle-free delivery technology in several important fields including, but not limited to, anaphylaxis, diabetes, severe migraine, erectile dysfunction, chronic anaemia, neutropenia, autoimmune rheumatoid arthritis, growth and fertility hormone, psoriasis as well as DNA and conventional/pediatric vaccines.

Nugen is focusing its development efforts in needle free devices in two areas: (i) liquid jet delivery through the InsuJet™ platform; (ii) and ballistics-based intradermal powder drug injection through the Nanojex platform.

Nugen's InsuJet™ technology platform is based on jet-stream administration of liquid drugs. The operating principle of jet-stream injection technology is to press liquid through a small orifice of a special nozzle such that the injector device creates a fine, high speed jet that can penetrate the skin.

Nugen manufactures and commercializes needle-free injection systems that have received regulatory approvals to be sold in over 40 countries globally. The Corporation is currently manufacturing and has begun soft-selling the InsuJet™ system with an immediate focus on servicing the diabetic community as well as developing the next generation products using its novel needle-free delivery platform. This technology platform is compatible in several important fields and not limited to diabetes. The Corporation intends to explore applications for chronic pain, growth and fertility hormone, migraine, erectile dysfunction, autoimmune, anesthesia, as well as mRNA, DNA and conventional vaccines.

Nugen and its subsidiaries, suppliers, manufacturers or other service providers have obtained all relevant licenses, regulatory approvals, permits or other authorizations from relevant governmental authorities in order to carry on the business as currently conducted and that such licenses, permits and regulatory approvals that have been obtained are in good standing. The licenses include the CE certification obtained from GMED, granted April 21, 2021, which is valid until May 26, 2024. All the suppliers maintain relevant certifications needed to conduct their business, and critical suppliers are covered by the annual audit scope of GMED.

During the nine-month period ended September 30, 2022, the Company conducted these research and development activities:

InsuJet

- Development of the V6 InsuJet injector. This is a further re-design of the V5 injector, where the focus is on the improvement of the general ergonomics and esthetics of the device.
- Development of the V8 injector and sterile accessories. This is a major innovation, where the technology is changed so that it allows for the storage of a drug container inside the injector, similar to an insulin pen. This will offer significant advantages in terms of overall usability, as the drug aspiration step is simplified.

No research and development activities were conducted on *Inojex* and *Nanojex* during the nine-month period ended September 30, 2022.

As at September 30, 2022, the cumulative research and development expenses are:

Inojex :	\$163,609
Nanojex :	\$260,882
InsuJet :	\$2,106,847 (€1,572,274)

Project	Description of the project	Company's plan	Status	Expenditures made	How the expenditures relate to the anticipated timing and costs to take the project to the next stage of the plan	Whether or not the Company plans to expend additional funds on the project	Any factors that have affected the value of the project	Notes
Insujet	Needle-free liquid jet injector, spring powered. There is a first-generation product in the market which is undergoing incremental improvements (V5, V6), and there are future generation models based on break through innovations (V7, V8)	<ul style="list-style-type: none"> - Transfer the V5 injector to production - Start development of V6 injector - Continue development of future generation injectors with focus on connectivity-IOT (V7) and innovative features (drug storage inside device, V8) 	<ul style="list-style-type: none"> - By mid-2020 the V5 injector was approved to go to market - V6 injector: concept development - V7 in engineering & prototype stage - V8 in early concept stage, with some key features in engineering / prototype stage 	\$40,568	<ul style="list-style-type: none"> - V5: Expenses for testing, trial production runs, needed for device approval - V6: The R&D expenses resulted in new & improved design concept for the injector - V7: The R&D expenses resulted in improved performance of the prototype by improving hardware design, making the technology more viable. - V8: The R&D expenses resulted in an innovative patentable solution for drug aspiration, greatly enhancing the usability 	<ul style="list-style-type: none"> - V5: NA, currently in market - V6: in year 1, conditional to cash flow from operations - V7: in year 2, conditional to cash flow from operations - V8: in year 3, conditional to cash flow from operations 	None	-

Project	Description of the project	Company's plan	Status	Expenditures made	How the expenditures relate to the anticipated timing and costs to take the project to the next stage of the plan	Whether or not the Company plans to expend additional funds on the project	Any factors that have affected the value of the project	Notes
Inojex	Liquid jet needle-free technology	Build a 1 cavity prototype tool for the molding of the Ampoule Housing part (disposable syringe)	The device is in pre-commercialization development phase	None	No R&D activities have been done on this technology since 2020	There is no R&D plan to move into full manufacturing for commercialization within the next 12 months	None	The carrying value of this technology is nil since December 31, 2021.
Nanorejex	Ballistics-based intradermal powder drug injection device, aimed at painless delivery of medicine intradermally using a gas jet to accelerate nanoparticles powdered drug or protein at supersonic speed with a single-use, disposable, handheld device	Nugen intends to continue its research at the proof-of-concept stage. Although it is the ultimate goal to eventually commercialize Nanorejex, NuGen has no present plans relating to manufacturing of this device.	The device is in pre-commercialization development phase	None	No R&D activities have been done on this technology since 2020	There is no R&D plan to move into full manufacturing for commercialization within the next 12 months	None	The carrying value of this technology is nil since December 31, 2020.

BASIS OF PRESENTATION

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities, which have been measured at fair value as described in note 15 of the interim condensed consolidated financial statements. The Company's reporting and functional currency is Canadian dollars, which is the currency of the primary economic environment in which the Company operates.

RESULTS OF OPERATIONS

The Company has generated \$187,394 of revenues for the nine-month period ended September 30, 2022 and \$108,689 in 2021.

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

1. Sales and marketing expenses were \$361,354 in 2022 vs. \$69,252 in 2021, an increase of \$292,102 as a result of the annual royalty expense of \$250,000 during the first quarter of 2022. The sales and marketing expenses incurred during the nine-month period ended September 30, 2022 consisted of royalties, investor relations services, brand development services and travel expenses.
2. Salaries and benefits expenses were \$705,707 in 2022 vs. \$841,812 in 2021. Even if the Company does not generate significant revenues, 9 employees work in R&D, testing and packaging at the Shenzhen facility, and 2 employees in the Netherlands facility (administrative assistant and COO).
3. General and administrative expenses were \$627,015 in 2022 vs. \$291,574 in 2021, an increase of \$335,441, attributable to the D&O insurance expense which is much higher as the Company is public since November 8, 2021. The general and administrative expenses consist of rent (Netherlands \$37,308, China \$91,590), insurance (\$270,967), office expenses (\$238,778), filing fees (\$63,314) and interest & bank charges (\$16,648).
4. Professional fees were \$1,454,094 in 2022 vs. \$1,590,656 in 2021, a decrease of \$136,562 attributable to higher professional fees in 2021 related to the process of having the Company listed on the TSXV.
5. Depreciation charges were \$414,776 in 2022 vs. \$478,048 in 2021, attributable to the intangible assets and fixed assets.
6. Share-based payment expense was \$281,712 in 2022 vs. \$nil in 2021, attributable to stock options issued in late 2021 with vesting periods until the end of 2022.
7. Net finance expenses were \$363,054 in 2022 vs. \$925,063 in 2021, a decrease due to a gain on debt settlement and a gain on foreign exchange rate due to a variation of the EUR/CAD rate.
8. A net loss and comprehensive loss of \$4,149,796 in 2022 vs. \$3,891,920 in 2021 was incurred.

BALANCE SHEET HIGHLIGHTS

For the nine-month period ended September 30, 2022 and the year ended December 31, 2021,

1. Cash was \$193,005 in 2022 vs. \$1,749,699 in 2021, with the difference attributable to the cash used in operating activities.
2. Current assets were \$641,102 in 2022 vs. \$2,145,850 in 2021, with the difference attributable the loss from operations during the quarter.
3. Total assets were \$6,457,146 in 2022 vs. \$8,844,888 in 2021, with the difference attributable to the loss from operations and decrease of intangible assets and goodwill related to the foreign exchange rate EUR/CAD, depreciation and amortization.
4. Current liabilities were \$836,629 in 2022 vs. \$1,232,902 in 2021, with the difference primarily attributable to the payments of payables and royalty obligation.
5. Non-current liabilities were \$6,720,217 in 2022 and \$5,954,111 in 2021.
6. Share capital was \$15,076,915 in 2022 vs \$14,191,705 in 2021, an increase of \$885,210 due to the issuance of shares related to a private placement and a debt settlement.
7. Reserves were \$3,328,869 in 2022 and \$3,523,132 in 2021, the decrease mainly attributable to warrants expired in 2022.
8. Deficit was \$(19,132,340) in 2022 and \$(15,811,390) in 2021, with the increase attributable to the net loss of the quarter.

ISSUED AND OUTSTANDING SHARE DATA

	September 30, 2022		December 31, 2021	
	Number	Amount	Number	Amount
		\$		\$
Balance, beginning of the period	86,014,961	14,191,705	62,435,536	6,811,322
Issuance of shares – Private placements	6,403,763	489,888	15,000,000	5,471,180
Issuance cost	-	(15,862)	1,867,550	(554,056)
Issuance of shares – Debt settlement	1,644,736	411,184	187,500	68,813
Issuance of shares – Debt conversion	-	-	1,649,375	605,321
Shares assumed to be issued on reverse acquisition	-	-	4,875,000	1,789,125
Balance, end of the period	94,063,460	15,076,915	86,014,961	14,191,705

The Company has 94,063,460 outstanding common shares as at November 29, 2022.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2022, the Company had \$641,102 in current assets, comprised of cash, accounts receivables, sales taxes recoverable, inventory and prepaid expenses.

At September 30, 2022, the Company had a negative working capital of \$(195,527) comprised of cash (\$193,005), receivables (\$5,333), sales tax receivables (\$206,320), inventory (\$15,377) and prepaid expenses (\$221,067) which was offset by accounts payable and other liabilities (\$786,629) and current portion of the long-term debt (\$50,000).

The Company incurred a net loss and comprehensive loss for the nine-month period ended September 30, 2022 of \$4,022,224 and had an accumulated deficit of \$19,132,340.

As the Company is working on developing markets and working to find distribution networks, it will require additional financing to meet its working capital requirements. 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. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Corporation's ability to continue as a going concern.

	Total	Less than a year	1-5 years
	\$	\$	\$
Contractual obligation			
Accounts payable and other liabilities	786,629	786,629	-
Long-term debt	1,657,001	50,000	1,607,001
Convertible debt	9,686,602	-	9,686,602
Total, contractual obligations	12,130,232	836,629	11,296,603

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.

FINANCIAL INSTRUMENTS

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 long-term debt and convertible debt are carried at amortized cost and 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 and derivative liability are carried at fair value and are measured using different valuation techniques such as Black-Scholes option pricing model, Monte Carlo simulations as described in Note 10 of the financial statements. The Company does not acquire, hold or issue derivative financial instruments for trading purposes and the Company presently has no established credit facility.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any special purpose entities, nor is it a party to any transactions or arrangements that would be excluded from the statement of financial position.

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:

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
	\$	\$	\$	\$
Michael Wright, CEO	48,750	48,750	146,250	146,250
Nicky Canton, COO	36,088	45,000	118,000	135,156
Veronique Laberge, CFO	24,000	24,000	72,000	64,500
Derek Lindsay, director	-	103,800	-	172,200
Total compensation to key management	108,838	221,550	336,250	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.

CRITICAL ACCOUNTING ESTIMATES

The Company's significant accounting judgements and estimates are described in Note 2 of the interim condensed consolidated financial statements for the nine-month periods ended September 30, 2022 and 2021.

CHANGES IN 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.

RISKS AND UNCERTAINTIES

NuGen is subject to a number of risks and uncertainties that could significantly affect the Company's financial condition and performance. This list of risk factors may not be exhaustive as the Company operates in a rapidly changing business environment and new risk factors emerge from time to time. The Company cannot predict such risk factors, nor can the Company assess the impact, if any, of such risk factors or uncertainties on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those projected in any forward-looking statements. Accordingly, neither shareholders of the Company nor purchasers of securities of the Company should rely on forward-looking statements as a prediction of actual results. If any of these risks actually occur, the Company's business, results of operations, financial position and cash flows could be adversely affected. In any such case, the market value of the Company's common shares could decline, and investors may lose all or part of their investment.

Market Risk for Securities

There can be no assurance that an active trading market for the shares of the Company will be established and sustained and the market price for the shares could be subject to wide fluctuations. Factors such as government regulation, interest rates, share price movements of peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the Company's securities. The stock market has from time-to-time experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance of particular companies.

Speculative Nature of Investment Risk

An investment in the shares of the Company carries a high degree of risk and should be considered as a speculative investment. The Company has no history of earnings, limited cash reserves, a limited operating history, has not paid dividends, and is unlikely to pay dividends in the immediate or near future.

Liquidity and Future Financing Risk

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. 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.

Conducting the costly and time-consuming research, pre-clinical and clinical testing necessary to obtain regulatory approvals and bringing the needle-free medical technology and products to market will require a commitment of substantial funds in excess of the Company's current capital. The Company's future capital requirements will depend on many factors, including, among others:

- the progress of current and new product development programs;
- the progress, scope and results of pre-clinical and clinical testing;
- the time and cost involved in obtaining regulatory approvals;
- the cost of manufacturing existing products and new products;
- the cost of prosecuting, enforcing and defending against patent infringement claims and other intellectual property rights;
- competing technological and market developments; and
- the Company's ability to establish and maintain collaborative and other arrangements with third parties to assist in potentially bringing our products to market.

Additional financing may not be available on acceptable terms, or at all. Domestic and international capital markets have been experiencing heightened volatility and turmoil, making it more difficult to raise capital through the issuance of equity securities. Furthermore, as a result of the recent volatility in the capital markets, the cost and availability of credit has been and may continue to be adversely affected by illiquid credit markets and wider credit spreads. Concern about the stability of the markets generally and the strength of counterparties specifically has led many lenders and institutional investors to reduce, and in some cases cease to provide, funding to borrowers. To the extent the Company can raise additional capital through the sale of equity securities or issue securities in connection with another transaction, the ownership position of existing stockholders could be substantially diluted. If additional funds are raised through the issuance of preferred stock or debt securities, these securities are likely to have rights, preferences and privileges senior to shares and may involve significant fees, interest expense, restrictive covenants and the granting of security interests in the Company's assets. Fluctuating

interest rates could also increase the costs of any debt financing. Raising capital through a licensing or other transaction involving the Company's intellectual property, could require the Company to relinquish valuable intellectual property rights and thereby sacrifice long-term value for short-term liquidity.

The Company's failure to successfully address ongoing liquidity requirements would have a substantially negative impact on its business. If the Company is unable to obtain additional capital on acceptable terms when needed, it may need to take actions that adversely affect its business, stock price and ability to achieve cash flow in the future, including possibly surrendering its rights to some technologies or product opportunities, delaying clinical trials or curtailing or ceasing operations.

Going-Concern Risk

These 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. 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. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Corporation's ability to continue as a going concern.

Dividend Risk

The Company has not paid dividends in the past and does not anticipate paying dividends in the near future. The Company expects to retain earnings to finance further growth and, where appropriate, retire debt.

Share Price Volatility Risk

The Company being listed on the TSX.V external factors outside of the Company's control, such as announcements of quarterly variations in operating results, revenues and costs, and sentiments toward stocks, may have a significant impact on the market price of the shares. Global stock markets, including the TSX.V, have experienced extreme price and volume fluctuations from time to time. There can be no assurance that an active or liquid market will develop or be sustained for the shares.

General Business Risks

Conflicts of Interest

Certain of the Company's directors and officers are, and may continue to be, involved in the medical industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Company. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers may conflict with the Company's interests. Directors and officers of the Company with conflicts of interest will be subject to and must follow the procedures set out in applicable corporate and securities legislation, regulations, rules and policies. Notwithstanding this, there may be corporate opportunities that the Company is not able to procure due to a conflict of interest of one or more of the Company's directors or officers.

Tax Risk

The Company is subject to various taxes including, but not limited to the following: Canadian income tax; goods and services tax; provincial sales tax; land transfer tax; and payroll tax as well as taxes in jurisdictions in which it operates. The Company's tax filings will be subject to audit by various taxation authorities. While the Company intends to base its tax filings and compliance on the advice of its tax advisors, there can be no assurance that its tax filing positions will never be challenged by a relevant taxation authority resulting in a greater than anticipated tax liability.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash, and accounts receivable. Cash consists of cash on hand deposited with reputable financial institutions which is closely monitored by management. Management believes credit risk with respect to financial instruments included in cash and accounts receivable is minimal. The Company's maximum exposure to credit risk as at September 30, 2022 is the carrying value of its cash and receivables.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying its financial obligations. The Company manages its liquidity risk by forecasting its operations and anticipating its operating and investing activities. The contractual cash flows of the Company's undiscounted financial liabilities are described in Note 6 of the financial statements. See also above discussion related to going concern risk.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

Risk associated with the development and expansion of business in emerging markets

The Company's business objectives involve the proposed expansion of its target market into emerging markets. Emerging markets have greater political and economic volatility and are far more susceptible to labour disruptions than established markets. This expansion presents challenges related to more volatile economic conditions, competition from companies that are already present in the market, the need to identify correctly and leverage appropriate opportunities for sales and marketing, poor protection of intellectual property, inadequate protection against crime (including counterfeiting, corruption and fraud), inadvertent breaches of local laws or regulations and difficulties in recruiting sufficient personnel with appropriate skills and experience.

The Company's China Operations and other emerging markets are subject to political and other risks associated with operating in a foreign jurisdiction.

The Company will have operations in China and may have operations in additional emerging markets in the future. Changes, if any, in investment policies or shifts in political attitude in the countries in which the Company operates may adversely affect the Company's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, importation of product and supplies, income and other taxes, royalties, the repatriation of profits, expropriation of property, foreign investment, maintenance of concessions, licenses, approvals and permits, environmental matters, land use, land claims of local people, water use and workplace safety. The Company will continue to monitor developments and policies in the emerging markets in which it will operate and assess the impact thereof to its operations; however, such developments cannot be accurately predicted and could have an adverse effect on the Company's operations or profitability.

Inflation in emerging markets, along with governmental measures to combat inflation, may have a significant negative effect on local economies and also on the Company's financial condition and results of operations.

In the past, high levels of inflation have adversely affected emerging economies and financial markets. Moreover, governmental measures to curb inflation and speculation could contribute to the negative economic impact of inflation and could create general economic uncertainty. The emerging markets in which the Company operates or may operate may experience high levels of inflation in the future. Inflationary pressures may weaken investor confidence in such countries and lead to further government intervention in the economy. If countries in which the Company operates experience high levels of inflation in the future and/or price controls are imposed, the Company may not be able to adjust the rates the Company charges its customers to fully offset the impact of inflation on the Company's cost structures, which could adversely affect the Company's results of operations or financial condition.

The Company may be responsible for corruption and anti-bribery law violations.

The Company's business is subject to Canadian laws which generally prohibit companies and employees from engaging in bribery or other prohibited payments to foreign officials for the purpose of obtaining or retaining business. In addition, the Company is subject to the anti-corruption and anti-bribery laws of any other countries in which it conducts business now or in the future. The Company's employees or other agents may, without its knowledge and despite its efforts, engage in prohibited conduct under the Company's policies and procedures and anti-corruption and anti-bribery laws for which the Company may be held responsible. Although the Company has policies and procedures in place that are designed to promote legal and regulatory compliance, the employees, business partners and consultants of the Company could take actions that violate applicable anti-bribery and anti-corruption laws or regulations. Violations of these laws, or allegations of such violations, could result in loss, reduction or expropriation and/or have a material adverse effect on the Company's business, results of operations or financial condition.

Interest rate risk

Interest rate risk consists of a) the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, and b) to the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities. The Company is not exposed to any significant interest rate price risk.

Foreign currency risk

The Company is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings are denominated and the respective functional currencies of Group companies. The functional currencies of Group companies are primarily the Canadian dollars and euros. The currencies in which these transactions are primarily denominated are euro, renminbi and US dollars. This risk is mitigated by timely payment of creditors and monitoring of foreign exchange fluctuations by management. The company is exposed to unrealized foreign exchange risk through its U.S. dollar ("USD"), and Euros cash holdings, as well as receivables, payables, long-term debt and convertible debenture in Euros.

OTHER MD&A REQUIREMENTS

Additional information related to the Company is filed electronically on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.