

# **NuGen Medical Devices Inc.**

## **Interim Condensed Consolidated Financial Statements**

**For the three and nine-month periods ended September 30, 2024 and 2023**

**(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.

## Interim Consolidated Statements of Financial Position

As at September 30, 2024 and December 31, 2023

(Expressed in Canadian dollars)

	Note	September 30, 2024 (Unaudited) \$	December 31, 2023 \$
<b>ASSETS</b>			
Current			
Cash		9,343,991	464,456
Restricted cash		51,500	50,375
Accounts receivable		24,265	20,752
Sales taxes recoverable		189,757	334,471
Inventory		337,114	209,285
Prepaid expenses		121,978	250,461
		<b>10,068,605</b>	1,329,800
Non-Current			
Intangible assets	4	3,544,383	3,892,839
Goodwill	4	1,744,293	1,692,227
Property and equipment		2,605	5,223
Right-of-use asset	5	-	25,647
		<b>5,291,281</b>	5,615,936
		<b>15,359,886</b>	6,945,736

**NuGen Medical Devices Inc.**  
**Interim Consolidated Statements of Financial Position**  
*As at September 30, 2024 and December 31, 2023*  
(Expressed in Canadian dollars)

	Note	September 30, 2024 <i>(Unaudited)</i> \$	December 31, 2023 \$
<b>LIABILITIES AND EQUITY</b>			
Current liabilities			
Accounts payable and other liabilities	6, 12	2,325,854	1,069,282
Deferred revenues		382,681	52,308
Current portion of lease liability	7	-	27,114
Current portion of long-term debt	8	519,310	2,141,827
		3,227,845	3,290,531
Non-Current liabilities			
Long-term debt	8	1,732,600	32,752
Convertible debt	9	17,007,880	5,682,726
		22,588,016	9,006,009
<b>Shareholders' deficiency</b>			
Share capital	11	22,653,454	21,359,683
Reserves	11	5,603,540	5,916,263
Accumulated foreign currency translation adjustment		18,047	(35,114)
Deficit		(34,883,480)	(29,301,105)
		(6,608,439)	(2,060,273)
		15,359,886	6,945,736

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

On behalf of the Board of Directors:

/s/ Liang Lin  
Liang Lin, Director

/s/ Karen Dunlap  
Karen Dunlap, Interim CEO and Director

## NuGen Medical Devices Inc.

### Interim Consolidated Statements of Loss and Comprehensive Loss

For the three and nine-month periods ended September 30, 2024 and 2023

(Unaudited - Expressed in Canadian dollars)

	Note	September 30, 2024 \$ (3 months)	September 30, 2023 \$ (3 months)	September 30, 2024 \$ (9 months)	September 30, 2023 \$ (9 months)
<b>Sales</b>		<b>531,815</b>	115,819	<b>594,133</b>	162,744
<b>Cost of goods sold</b>		<b>270,319</b>	42,504	<b>297,172</b>	59,568
<b>Gross profit</b>		<b>261,496</b>	73,315	<b>296,961</b>	103,176
Selling, general and administrative expenses	13	<b>2,394,042</b>	2,169,679	<b>4,586,512</b>	5,954,741
<b>Loss from operations</b>		<b>(2,132,546)</b>	(2,096,364)	<b>(4,289,551)</b>	(5,851,565)
<b>Other expenses (income)</b>					
Other income		<b>(407)</b>	(8,134)	<b>(1,221)</b>	(8,134)
Net financial expenses	14	<b>815,959</b>	193,798	<b>1,436,974</b>	936,266
<b>Loss before income taxes</b>		<b>(2,948,098)</b>	(2,282,028)	<b>(5,725,304)</b>	(6,779,697)
Current tax expense		<b>10,712</b>	679	<b>10,712</b>	8,324
<b>Net loss</b>		<b>(2,958,810)</b>	(2,282,707)	<b>(5,736,016)</b>	(6,788,021)
<b>Other comprehensive loss (income)</b>					
Foreign currency translation adjustment		<b>29,846</b>	(47,971)	<b>(53,161)</b>	(175,561)
<b>Net loss and comprehensive loss</b>		<b>(2,988,656)</b>	(2,234,736)	<b>(5,682,855)</b>	(6,612,460)
<b>Loss per share – basic and diluted</b>		<b>(0.014)</b>	(0.012)	<b>(0.027)</b>	(0.042)
<b>Weighted average number of common shares outstanding - basic and diluted</b>		<b>217,315,899</b>	184,589,834	<b>212,741,740</b>	157,177,509

## NuGen Medical Devices Inc.

### Interim Consolidated Statements of Changes in Shareholders' Equity

For the nine-month periods ended September 30, 2024 and 2023

(Unaudited - Expressed in Canadian dollars)

	Note	Number of shares	Share capital \$	Reserves \$	Foreign currency translation adjustment \$	Deficit \$	Total equity \$
<b>Balance,</b>							
<b>January 1, 2024</b>		<b>199,125,682</b>	<b>21,359,683</b>	<b>5,916,263</b>	<b>(35,114)</b>	<b>(29,301,105)</b>	<b>(2,060,273)</b>
Net loss		-	-	-	-	(5,736,016)	(5,736,016)
Other comprehensive loss		-	-	-	53,161	-	53,161
Exercise of warrants	11	16,300,000	1,060,341	(245,341)	-	-	815,000
Exercise of options	11	300,000	23,430	(8,430)	-	-	15,000
Settlement of debt	8, 11	2,000,000	210,000	-	-	-	210,000
Share-based payments	11	-	-	94,689	-	-	94,689
Warrants expired	11	-	-	(153,641)	-	153,641	-
<b>Balance,</b>							
<b>September 30, 2024</b>		<b>217,725,682</b>	<b>22,653,454</b>	<b>5,603,540</b>	<b>18,047</b>	<b>(34,883,480)</b>	<b>(6,608,439)</b>
<b>Balance,</b>							
	Note	Number of Shares	Share capital \$	Reserves \$	Foreign currency translation adjustment \$	Deficit \$	Total equity \$
Balance,							
January 1, 2023		96,563,460	15,071,790	3,502,722	(228,564)	(20,608,403)	(2,262,455)
Net loss		-	-	-	-	(6,788,021)	(6,788,021)
Other comprehensive loss		-	-	-	175,561	-	175,561
Issuance of shares and warrants – private placement	11	74,722,222	4,998,374	1,951,626	-	-	6,950,000
Cost of issuance	11	-	(540,438)	170,261	-	-	(370,177)
Exercise of warrants	11	26,290,000	1,710,207	(395,707)	-	-	1,314,500
Exercise of options	11	750,000	58,575	(21,075)	-	-	37,500
Settlement of convertible debenture		-	-	(71,657)	-	(28,190)	(99,847)
Share-based payments	11	-	-	920,474	-	-	920,474
Warrants expired	11	-	-	(697,705)	-	697,705	-
<b>Balance,</b>							
<b>September 30, 2023</b>		<b>198,325,682</b>	<b>21,298,508</b>	<b>5,358,939</b>	<b>(53,003)</b>	<b>(26,726,909)</b>	<b>(122,465)</b>

# NuGen Medical Devices Inc.

## Interim Consolidated Statements of Cash Flows

For the nine-month periods ended September 30, 2024 and 2023

(Unaudited - Expressed in Canadian dollars)

	2024	2023
	\$	\$
<b>Operating activities</b>		
Net loss for the period	(5,736,016)	(6,788,021)
Adjustments for:		
Depreciation and amortization	487,591	538,150
Share-based payments	94,689	920,474
Current tax expense	10,712	8,324
Net financial expenses	1,436,974	1,014,563
Income tax paid	(10,712)	(8,324)
Changes in non-cash working capital		
Accounts receivable	(3,513)	(75,065)
Sales taxes recoverable	144,714	(49,225)
Inventory	(127,829)	(6,887)
Prepaid expenses	128,483	(565,635)
Accounts payable and other liabilities	1,322,987	(575,369)
Deferred revenues	330,373	120,131
Cash used in operating activities	(1,921,547)	(5,466,884)
<b>Investing activities</b>		
Net change in restricted cash	(1,125)	(50,000)
Cash provided by investing activities	(1,125)	(50,000)
<b>Financing activities</b>		
Proceeds from issuance of shares in relation to a private placement, net of issuance costs	-	6,579,823
Repayment of lease liability	(27,793)	(94,620)
Proceeds from issuance of a new convertible debt	10,000,000	-
Repayment of convertible debt	-	(786,630)
Proceeds from exercise of warrants and options	830,000	1,352,000
Cash provided by financing activities	10,802,207	7,050,573
Effect of foreign exchange rates on cash held in foreign currencies	-	-
Change in cash during the period	8,879,535	1,533,689
Cash, beginning of the period	464,456	131,450
<b>Cash, end of the period</b>	<b>9,343,991</b>	<b>1,665,139</b>

# **NuGen Medical Devices Inc.**

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

*For the three and nine-month periods ended September 30, 2024 and 2023*

(Unaudited - 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, Ontario, 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”).

#### **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, 2024, the Company incurred a net loss of \$6,355,707 and negative cash flow from operations of \$1,921,547. At September 30, 2024, the Company has an accumulated deficit of \$35,503,171. As the Company is still in its development phase working on developing markets and finding distribution networks, the Company will operate at a loss until its business becomes established.

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. While the Company has been successful in securing financing in the past, raising additional funds is dependent on a number of factors outside the Company’s control, and as such there is no assurance that it will be able to do so in the future. These events or conditions indicate that a material uncertainty that may cast significant doubt on 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.

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.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
*For the three and nine-month periods ended September 30, 2024 and 2023*  
(Unaudited - 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, 2023.

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, 2024.

### **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:

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.**

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

*For the three and nine-month periods ended September 30, 2024 and 2023*

(Unaudited - 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.

#### **A) Significant estimates and judgments made by management in the preparation of these consolidated interim condensed financial statements:**

##### ***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.

##### ***Intangible assets and goodwill***

Significant estimates and judgements are made in testing goodwill and intangible assets for impairment. Management uses estimates or exercises judgment in assessing indicators of impairment, defining a cash generating unit ("CGU"), forecasting future revenue, and in determining other key assumptions such as revenue multipliers used for assessing fair value (less costs of disposal). Goodwill is tested for impairment annually based on the December 31 balances and whenever there is an indication of impairment. Other long-lived assets are tested only when indicators of impairment are present.

#### **B) Other estimates and judgments made by management in the preparation of these consolidated interim condensed financial statements:**

##### ***Fair value of financial instruments***

The individual fair values attributed to the contingent share consideration (refer to Note 10) and the derivative liabilities (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.

## **NuGen Medical Devices Inc.**

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

*For the three and nine-month periods ended September 30, 2024 and 2023*

*(Unaudited - Expressed in Canadian dollars)*

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

##### ***Convertible debentures with derivative liabilities***

The conversion feature (which includes shares and warrants) of convertible notes issued to investors (refer note 9) are considered embedded derivatives because their economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract. Therefore, the Company separates the embedded derivatives from the host contract and accounts for each element separately.

The conversion feature is classified as a derivative financial liability as the loan is convertible into both shares and warrants. The conversion feature is measured as a single compound embedded derivative since they relate to common risks and depend on each other. The embedded derivative is initially recognized at its fair value at the date of issuance. The host contract is initially recognized as the difference between total consideration received for the convertible loans less the fair value of the embedded derivative.

##### ***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 11.

#### **3. SUMMARY OF MATERIAL 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, 2023.

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.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
For the three and nine-month periods ended September 30, 2024 and 2023  
(Unaudited - Expressed in Canadian dollars)

**4. INTANGIBLE ASSETS AND GOODWILL**

Cost	Insujet		Goodwill	Total \$
	Tradename	Technology		
Balance – January 1, 2024	808,818	5,247,809	1,692,227	7,748,854
Effect of movements in exchange rates	24,885	161,460	52,066	238,411
Balance – September 30, 2024	833,703	5,409,269	1,744,293	7,987,265
<b>Accumulated amortization</b>				
Balance – January 1, 2024	288,955	1,874,833	-	2,163,788
Amortization	61,317	397,837	-	459,154
Effect of movements in exchange rates	10,106	65,541	-	75,647
Balance – September 30, 2024	360,378	2,338,211	-	2,698,589
<b>Carrying value, September 30, 2024</b>	<b>473,325</b>	<b>3,071,058</b>	<b>1,744,293</b>	<b>5,288,676</b>

Cost	Insujet		Goodwill	Total \$
	Tradename	Technology		
Balance – January 1, 2023	799,527	5,187,530	1,672,791	7,659,848
Effect of movements in exchange rates	9,291	60,279	19,436	89,006
Balance – December 31, 2023	808,818	5,247,809	1,692,227	7,748,854
<b>Accumulated amortization</b>				
Balance – January 1, 2023	205,686	1,334,546	-	1,540,232
Amortization	80,981	525,427	-	606,408
Effect of movements in exchange rates	2,288	14,860	-	17,148
Balance – December 31, 2023	288,955	1,874,833	-	2,163,788
<b>Carrying value, December 31, 2023</b>	<b>519,863</b>	<b>3,372,976</b>	<b>1,692,227</b>	<b>5,585,066</b>

Amortization was taken on the Insujet intangible assets based on a useful life of ten (10) years. There was no impairment recognized for the nine-month period ended September 30, 2024.

**NuGen Medical Devices Inc.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
*For the three and nine-month periods ended September 30, 2024 and 2023*  
(Unaudited - Expressed in Canadian dollars)

**5. RIGHT-OF-USE ASSET**

The Company recognized a new right-of-use asset for its Shenzhen facility with a corresponding lease liability (Note 7), following the signature of a new lease on May 1, 2022 (amendment effective on January 1, 2023), which are initially measured at the present value of the future lease payments.

	<b>Total</b>
	\$
Balance – January 1, 2023	<b>154,969</b>
Lease modification	<b>(46,875)</b>
Depreciation on amended lease	<b>(78,799)</b>
Effect of movements in exchange rates	<b>(3,648)</b>
Balance, December 31, 2023	<b>25,647</b>
Depreciation on amended lease	<b>(25,922)</b>
Effect of movements in exchange rates	<b>275</b>
<b>Balance – September 30, 2024</b>	<b>-</b>

**6. ACCOUNTS PAYABLE AND OTHER LIABILITIES**

	<b>September 30, 2024</b>	December 31, 2023
	\$	\$
Accounts payable	<b>1,332,211</b>	971,078
Due to related parties (Note 12)	<b>961,170</b>	65,731
Income tax payable	<b>25,473</b>	25,473
Other payables	<b>7,000</b>	7,000
	<b>2,325,854</b>	1,069,282

All amounts in accounts payable are due within one year.

**NuGen Medical Devices Inc.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
*For the three and nine-month periods ended September 30, 2024 and 2023*  
(Unaudited - Expressed in Canadian dollars)

**7. LEASE LIABILITY**

In order to calculate the present value of the future lease payments, the Company has used a discount rate of 12% which represents the Company's interest rate that would need to be provided if it issues a debenture given the present risk level of the Company and the underlying asset. The present value of the future lease payments was calculated from May 1, 2022, the signing date of new agreement, for a term of more than twelve months. Changes to the Company's lease liabilities for the nine-month period and the year ended December 31, 2023 are as follows:

	<b>Total</b>
	\$
Balance – January 1, 2023	<b>160,823</b>
Lease modification	<b>(52,705)</b>
Repayment of lease obligation	<b>(84,652)</b>
Interest on lease liability	<b>7,189</b>
Impact of change in foreign exchange rates	<b>(3,541)</b>
<b>Balance – December 31, 2023</b>	<b>27,114</b>
Repayment of lease obligation	<b>(27,793)</b>
Interest on lease liability	<b>388</b>
Impact of change in foreign exchange rates	<b>291</b>
<b>Balance – September 30, 2024</b>	<b>-</b>

Contractual undiscounted cash flow for lease liabilities:

	<b>September 30, 2024</b>	December 31, 2023
	\$	\$
Less than one year	-	28,162
One to four years	-	-
More than four years	-	-
<b>Total undiscounted cash flows</b>	<b>-</b>	<b>28,162</b>

Amounts recognized in net earnings:

	<b>September 30, 2024</b>	December 31, 2023
	\$	\$
Interest on lease liabilities	<b>388</b>	7,189
Variable lease payments not included in the measurement of lease liabilities	<b>102,962</b>	111,715
	<b>103,350</b>	118,904

## NuGen Medical Devices Inc.

### Notes to the Interim Condensed Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2024 and 2023

(Unaudited - Expressed in Canadian dollars)

#### 8. LONG-TERM DEBT

		September 30, 2024	December 31, 2023
		\$	\$
Loan payable to Mosadex	(i)	519,310	390,001
CEBA loan	(ii)	37,817	32,752
Promissory note	(iii)	50,000	50,000
Cash consideration due to Mosadex	(iv)	1,644,783	1,701,826
<b>Total</b>		<b>2,251,910</b>	<b>2,174,579</b>
Less current portion		519,310	2,141,827
<b>Long-term portion</b>		<b>1,732,600</b>	<b>32,752</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 90 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, being March 8, 2024. 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 nine-month period ended September 30, 2024, an accretion expense of \$12,346 (\$43,407 in 2023) was recorded. On April 16, 2024, a third amendment was agreed between both parties to settle the amount due of EUR 275,000 by the issuance of 2,000,000 shares at a deemed price of \$0.20 per share. The 2,000,000 shares were issued on April 26, 2024 and resulted in a gain on debt settlement of \$193,975 recognized in the net financial expenses. It was also agreed to issue a bonus payment of EUR 329,314 by November 8, 2026 or once the Company will complete an equity financing of a minimum of \$3.5M, bearing 8% interest starting on March 8, 2024. This modification resulted in the accounting of a new liability for an amount of \$483,762 and result in a loss of the same amount recognized in net financial expenses.
- (ii) During 2020, the Company received a \$60,000 loan from the Canada Emergency Business Account (“CEBA loan”), bearing no interest and a \$20,000 loan forgiveness available if \$40,000 is paid before January 18, 2024. 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. As the Company did not repay the principal before January 18, 2024, a cancellation of the government grant (\$20,000) was recorded in 2023 and the loan was recognized at a fair value of \$32,752 based on an interest rate of 5% and an estimated market interest rate of 22.75% with the difference of \$27,248 recognized as a government grant. The remaining balance of \$60,000 bears 5% interest annually and must be repaid no later than December 31, 2026. During the nine-month period ended September 30, 2024, an amount of \$5,064 (\$4,908 in 2023) has been recognized as accretion expense.

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

(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 six months of interest shall be paid in advance, and in the event the Company repays the principal amount of the loan 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, being March 8, 2024. 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%. On April 16, 2024, a third amendment was agreed between both parties to postpone the repayment of EUR 1,200,000 due on March 8, 2024 to November 8, 2026. This amount will now bear 8% interest calculated since November 8, 2021. 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 22.75% and resulted in a gain on debt extinguishment of \$303,603 recognized in the net financial expenses. For the nine-month period ended September 30, 2024, an amount of CAD \$198,417 (\$232,526 in 2023) has been recognized as accretion expense.

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

		<b>September 30, 2024</b>	December 31, 2023
		\$	\$
Balance at beginning of the period		<b>2,174,579</b>	1,835,828
Government grant	(ii)	-	(7,248)
Accretion expenses	(i), (ii), (iv)	<b>215,827</b>	324,851
Debt settlement	(i)	<b>(403,975)</b>	-
Bonus payment	(i)	<b>483,762</b>	
(Gain) on loan extinguishment		<b>(303,603)</b>	
Foreign exchange variation on debt		<b>85,320</b>	21,148
<b>Balance at end of the period</b>		<b>2,251,910</b>	2,174,579

## NuGen Medical Devices Inc.

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#### 9. CONVERTIBLE DEBENTURES AND DERIVATIVE LIABILITY

The following table summarizes the components of the convertible debts:

	Host (amortized cost)	Derivative (FVTPL)	Total	Equity component
<b><u>Convertible debt 1</u></b>				
Balance, December 31, 2023	5,682,726	-	5,682,726	521,723
Accretion expense	759,502	-	759,502	-
Effects of foreign exchange	190,283	-	190,283	-
Balance, September 30, 2024	6,632,511		6,632,511	521,723
<b><u>Convertible debt 3</u></b>				
Balance, December 31, 2023	-	-	-	-
New issuance	2,818,144	7,181,856	10,000,000	-
Accretion expense	(22,813)	-	(22,813)	-
Fair value adjustment	-	398,182	398,182	-
Balance, September 30, 2024	2,795,331	7,580,038	10,375,369	-
<b>Balance, September 30, 2024</b>	<b>9,427,842</b>	<b>7,580,038</b>	<b>17,007,880</b>	<b>521,723</b>
	Host (amortized cost)	Derivative (FVTPL)	Total	Equity component
<b><u>Convertible debt 1</u></b>				
Balance, December 31, 2022	4,760,551	-	521,723	521,723
Accretion expense	863,993	-	-	-
Effects of foreign exchange	58,182	-	-	-
Balance, December 31, 2023	5,682,726	-	521,723	521,723
<b><u>Convertible debt 2</u></b>				
Balance, December 31, 2022	649,697	-	71,657	71,657
Accretion expense	46,099	-	-	-
Gain on extinguishment of debt	(9,013)	-	-	-
Repayment	(686,783)	-	(71,657)	(71,657)
Balance, December 31, 2023	-	-	-	-
<b>Balance, December 31, 2023</b>	<b>5,682,726</b>	<b>-</b>	<b>521,723</b>	<b>521,723</b>

**NuGen Medical Devices Inc.**  
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**9. CONVERTIBLE DEBENTURES AND DERIVATIVE LIABILITY (continued)**

**Convertible debt 3**

On September 20, 2024, the Company completed a private placement of secured convertible debts (the “debts”) for aggregate gross proceeds of \$10,000,000. The debts mature on the date that is five (5) years from the closing, being September 20, 2029 and bear interest at a rate of 12% per annum payable on the maturity date in arrears. The Convertible Debentures are secured by a first ranking security interest in all of the present and after-acquired property and assets of the Company pursuant to a general security agreement.

At any time prior to the close of business on the last business day immediately preceding September 20, 2029, the holders have the right, at the holder’s option, to convert all or a portion of the outstanding principal amount of the Convertible Debentures into units of the Company at a price of \$0.10 per unit. Each unit shall be comprised of one common share in the capital of the Company and one common Share purchase warrant exercisable at a price of \$0.10 per common Share until September 20, 2029.

The debts represent hybrid financial instruments with multiple embedded derivatives requiring separation. The debt host portion (the “Host”) of the instrument is classified at amortized cost, whereas the aggregate conversion (the “Embedded Derivatives”) are classified as fair value through profit and loss (FVTPL).

The fair value of the debts at inception was estimated at \$10,000,000 and determined using a valuation model which required the use of significant unobservable inputs.

**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.

The initial fair value of the contingent share consideration at June 5, 2020 was estimated using a Monte Carlo simulation based on the following assumptions: share price volatility of 106%, exchange rate volatility of 6.7%, risk free rate of 0.73%.

At November 8, 2022, as the price of the shares did not reach EUR 0.60 per share during the 12 months from the listing, the Company recognized the maximum amount of additional shares to be issued on the first tranche, being 666,667 shares, as per the share purchase agreement. At that date, since the number of shares to be issued became fixed, the corresponding value of \$53,333, based on a share price of \$0.08, was reclassified into the reserves and will be reclassified into share capital once the shares are issued.

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**10. CONTINGENT SHARE CONSIDERATION (continued)**

At November 8, 2023, as the price of the shares did not reach EUR 0.90 per share during the 24 months from the listing, the Company recognized the maximum amount of additional shares to be issued on the first tranche, being 1,000,000 shares, as per the share purchase agreement. At that date, since the number of shares to be issued became fixed, the corresponding value of \$135,000, based on a share price of \$0.135, was reclassified into the reserves and will be reclassified into share capital once the shares are issued.

	<b>Contingent share consideration</b>
	<b>\$</b>
<b>Balance, December 31, 2022</b>	<b>175,000</b>
Change in fair value	(40,000)
Reclassification of contingent share consideration	(135,000)
<b>Balance, December 31, 2023</b>	<b>-</b>
<b>Balance, September 30, 2024</b>	<b>-</b>

**11. SHAREHOLDERS' EQUITY**

The following details the share capital of the Company.

*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, December 31, 2022</b>		96,563,460	15,071,790
Shares issued for private placements	(i), (ii), (iii)	74,722,222	4,457,936
Shares issued for exercise of warrants	(iv)	26,390,000	1,716,712
Shares issued for exercise of options	(v)	1,450,000	113,245
<b>Balance, December 31, 2023</b>		199,125,682	21,359,683
Shares issued for exercise of warrants	(vi)	16,300,000	1,060,341
Shares issued for exercise of options	(vii)	300,000	23,430
Shares issued – debt settlement	(viii)	2,000,000	210,000
<b>Balance, September 30, 2024</b>		217,725,682	22,653,454

## **NuGen Medical Devices Inc.**

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

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#### **11. SHAREHOLDERS' EQUITY (continued)**

- (i) On February 14, 2023, the Company issued 50,000,000 units which comprise one common share and one warrant at an agreed price of \$0.05 per unit for gross proceeds of \$2,500,000. The common shares were recorded at \$1,747,421 and the warrants were recorded in warrants reserve at the value attributed to them at the time of the issuance of the units being \$752,579.
- (ii) On April 25, 2023, the Company issued 22,222,222 units which comprise one common share and one warrant at an agreed price of \$0.18 per unit for gross proceeds of \$4,000,000. The common shares were recorded at \$2,922,870 and the warrants were recorded in warrants reserve at the value attributed to them at the time of the issuance of the units being \$1,077,130. As part of the private placement, the Company also issued 1,306,624 broker warrants.
- (iii) On May 18, 2023, the Company issued 2,500,000 units which comprise one common share and one warrant at an agreed price of \$0.18 per unit for gross proceeds of \$450,000. The common shares were recorded at \$328,083 and the warrants were recorded in warrants reserve at the value attributed to them at the time of the issuance of the units being \$121,917. As part of the private placement, the Company also issued 174,835 broker warrants.
- (iv) Between June 23, 2023 and November 7, 2023, 26,390,000 common shares were issued by the Company upon warrants exercised at an exercise price of \$0.05, for a gross amount of \$1,319,500.
- (v) Between July 31, 2023 and November 16, 2023, 1,450,000 common shares were issued by the Company upon options exercised at an exercise price of \$0.05, for a gross amount of \$72,500.
- (vi) Between January 16 and July 30, 2024, 16,300,000 common shares were issued upon warrants exercised at an exercise price of \$0.05 per share, for gross proceeds of \$815,000.
- (vii) On February 1, 2024, 300,000 common shares were issued by the Company upon options exercised at an exercise price of \$0.05, for a gross amount of \$15,000.
- (viii) On April 26, 2024, the Company issued 2,000,000 shares as a debt settlement at a deemed price of \$0.20 per share and resulted in a gain on debt settlement of \$193,975 recognized in the net financial expenses.

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**11. SHAREHOLDERS' EQUITY (continued)**

*c) Share Purchase Options*

The Company has a stock option plan (the "Plan") under which the Company may grant options to directors, officers, employees and consultants. The number of shares to be reserved and set aside for issue under this plan is determined from time to time by the Board. The continuity of outstanding stock options is as follows:

	Number of stock options	Weighted average exercise price per share \$
<b>Outstanding – December 31, 2022</b>	8,720,000	0.16
Granted	13,875,000	0.20
Exercised	(1,450,000)	0.05
Expired	(1,270,000)	0.40
<b>Outstanding – December 31, 2023</b>	19,875,000	0.18
Granted	923,000	0.13
Exercised	(300,000)	0.05
Expired	(950,000)	0.36
<b>Outstanding – September 30, 2024</b>	<b>19,548,000</b>	<b>0.17</b>
Exercisable – December 31, 2023	19,875,000	0.18
Exercisable – September 30, 2024	19,548,000	0.17

During the nine-month period ended September 30, 2024, the Company granted 923,000 options (8,275,000 in 2023) to certain directors, officers, employees and consultants. Each option vests at grant date. One option allows the holder to purchase one common share of the Company at exercise prices between \$0.125 and \$0.15 (\$0.20 in 2023) per common share for a period of five years. The weighted average fair value of the options granted during the period of \$0.103 (\$0.031) per option was estimated at the grant date based on the Black-Scholes valuation model using the following assumptions:

	2024	2023
Share price	\$0.13-\$0.15	\$0.12-\$0.205
Number of options granted	923,000	13,875,000
Exercise price	\$0.125-\$0.15	\$0.20
Expected life in years	5 yrs	5 yrs
Volatility	95%	95%
Risk-free interest rate	3.47% to 3.67%	3.31% to 4.00%
Dividend yield	-	-

The volatility of the Company's shares is based on an average of share volatilities as reported by a selection of small-cap, publicly traded peers operating within the needleless injection and general medical device space.

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**11. SHAREHOLDERS' EQUITY (continued)**

The total expense recognized in profit or loss for the nine-month period ended September 30, 2024 amounts to \$94,689 (\$920,474 in 2023).

The following table provides additional information about outstanding stock options as at September 30, 2024:

<b>Exercise prices</b>	<b>No. of options outstanding</b>	<b>Weighted average remaining life (years)</b>
\$0.05	<b>4,250,000</b>	3.21
\$0.125	<b>523,000</b>	4.42
\$0.15	<b>400,000</b>	4.78
\$0.20	<b>13,675,000</b>	3.75
\$0.40	<b>700,000</b>	2.17
<b>\$0.17</b>	<b>19,548,000</b>	<b>3.68</b>

The following table provides additional information about outstanding stock options as at December 31, 2023:

<b>Exercise prices</b>	<b>No. of options outstanding</b>	<b>Weighted average remaining life (years)</b>
\$0.05	<b>4,550,000</b>	3.96
\$0.20	<b>13,875,000</b>	4.54
\$0.40	<b>1,450,000</b>	2.92
<b>\$0.18</b>	<b>19,875,000</b>	<b>4.29</b>

*d) Warrants*

On February 14, 2023, the Company issued a total of 50,000,000 warrants in connection with a private placement. Each warrant is exercisable at \$0.05 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 \$752,579.

The warrants issued in February 2023 were valued using a Black-Scholes model, assuming share price of \$0.035, risk-free interest rate of 4.27% and volatility of 95%.

On April 25, 2023, the Company issued a total of 22,222,222 warrants in connection with a private placement. Each warrant is exercisable at \$0.24 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 \$1,077,130. In connection with the issuance of the private placement units, the Company issued 1,306,624 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 \$146,979.

The warrants issued in April 2023 were valued using a Black-Scholes model, assuming share price of \$0.132 (\$0.205 for the brokers warrants), risk-free interest rate of 3.64% and volatility of 95%.

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#### 11. SHAREHOLDERS' EQUITY (continued)

On May 18, 2023, the Company issued a total of 2,500,000 warrants in connection with a private placement. Each warrant is exercisable at \$0.24 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 \$121,917. In connection with the issuance of the private placement units, the Company issued 174,835 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 \$23,282.

The warrants issued in May 2023 were valued using a Black-Scholes model, assuming share price of \$0.132 (\$0.23 for the brokers warrants), risk-free interest rate of 4.10% and volatility of 95%.

Between June 23, 2023 and November 7, 2023, 26,390,000 common shares were issued by the Company upon warrants exercised at an exercise price of \$0.05, for a gross amount of \$1,319,500.

Between January 16 and July 30, 2024, 16,300,000 common shares were issued by the Company upon warrants exercised at an exercise price of \$0.05 per share, for gross proceeds of \$815,000.

The continuity of outstanding share warrants is as follows:

	Number of warrants	Weighted average exercise price per share \$
<b>Balance – December 31, 2022</b>	18,122,532	0.46
Issued	76,203,681	0.11
Exercised	(26,390,000)	0.05
Expired	(9,091,689)	0.46
<b>Balance – December 31, 2023</b>	58,844,524	0.16
Exercised	(16,300,000)	0.05
Expired	(6,530,843)	0.30
<b>Balance – September 30, 2024</b>	<b>36,013,681</b>	<b>0.19</b>

All warrants outstanding are exercisable upon issuance. The following table provides additional information about outstanding share warrants as at September 30, 2024:

Exercise prices	Number of warrants outstanding	Weighted average remaining life (years)
\$0.05	9,810,000	1.11
\$0.18	1,481,459	0.57
\$0.24	24,722,222	0.57
\$0.19	<b>36,013,681</b>	0.71

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**11. SHAREHOLDERS' EQUITY (continued)**

The following table provides additional information about outstanding share warrants as at December 31, 2023:

<b>Exercise prices</b>	<b>Number of warrants outstanding</b>	<b>Weighted average remaining life (years)</b>
\$0.05	<b>26,110,000</b>	0.49
\$0.18	<b>1,481,459</b>	1.33
\$0.24	<b>24,722,222</b>	1.33
\$0.30	<b>6,530,843</b>	0.58
<b>\$0.16</b>	<b>58,844,524</b>	<b>1.28</b>

*e) Reserves*

The option and warrant reserve accounts have been created to record the offsetting credits of the share-based payment expenses relating to the issuance of stock options, warrants and convertible debentures.

	<b>Options</b>	<b>Warrants</b>	<b>Convertible debenture</b>	<b>Shares to be issued</b>	<b>Total reserves</b>
	<b>\$</b>	<b>\$</b>	<b>(Note 9)</b>	<b>(Note 10)</b>	<b>\$</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance, December 31, 2022</b>	<b>1,954,663</b>	<b>901,346</b>	<b>593,380</b>	<b>53,333</b>	<b>3,502,722</b>
Share-based payment expense of the period	1,363,973	-	-	-	1,363,973
Private placement warrants	-	2,121,887	-	-	2,121,887
Warrants exercised	-	(397,212)	-	-	(397,212)
Options exercised	(40,745)	-	-	-	(40,745)
Warrants expired	-	(697,705)	-	-	(697,705)
Repayment of convertible debenture	-	-	(71,657)	-	(71,657)
Shares to be issued	-	-	-	135,000	135,000
<b>Balance, December 31, 2023</b>	<b>3,277,891</b>	<b>1,928,316</b>	<b>521,723</b>	<b>188,333</b>	<b>5,916,263</b>
Share-based payment expense of the period	94,689	-	-	-	94,689
Warrants exercised	-	(245,341)	-	-	(245,341)
Options exercised	(8,430)	-	-	-	(8,430)
Warrants expired	-	(153,641)	-	-	(153,641)
<b>Balance, September 30, 2024</b>	<b>3,364,150</b>	<b>1,529,334</b>	<b>521,723</b>	<b>188,333</b>	<b>5,603,540</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, 2024</b>	Three months ended September 30, 2023	<b>Nine months ended September 30, 2024</b>	Nine months ended September 30, 2023
	\$	\$	\$	\$
Short-term employee benefits	<b>173,198</b>	43,728	<b>486,902</b>	131,184
Consulting fees paid or accrued to an officer	<b>70,000</b>	45,000	<b>160,000</b>	138,000
Consulting fees paid or accrued to directors and former directors	<b>890,000</b>	171,000	<b>1,130,000</b>	553,300
Share-based payments – options	-	-	-	115,265
<b>Total compensation to key management</b>	<b>1,133,198</b>	259,728	<b>1,776,902</b>	937,749

*Balances owed to key management include the following:*

Presented as a due to related parties within accounts payable and other liabilities is \$961,170 as at September 30, 2024 for unpaid consulting fees incurred during the period for directors and officers (\$65,731 as at December 31, 2023).

On September 20, 2024, the Company completed a private placement of secured convertible debts for aggregate gross proceeds of \$10,000,000. Holders of these convertible debts are companies related to the Company through directors in common.

Also, during the nine-month period ended September 30, 2024, revenues were recognized from a customer related to the Company through directors in common:

	<b>Three months ended September 30, 2024</b>	Three months ended September 30, 2023	<b>Nine months ended September 30, 2024</b>	Nine months ended September 30, 2023
	\$	\$	\$	\$
Sales of goods to a company related through directors in common	<b>505,876</b>	-	<b>505,876</b>	-

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#### 13. EXPENSES BY NATURE

	Three months ended September 30, 2024 \$	Three months ended September 30, 2023 \$	Nine months ended September 30, 2024 \$	Nine months ended September 30, 2023 \$
<i>Selling, general and administrative expenses:</i>				
Salaries and benefits	283,217	108,716	872,734	424,846
Rent	23,732	17,827	102,962	44,667
Depreciation and amortization	155,423	178,499	487,591	538,150
Share-based payments	44,175	47,211	94,689	920,474
Professional and consulting fees	1,628,875	1,474,866	2,439,379	2,931,102
Other	258,620	342,560	589,157	1,095,502
<b>Total selling, general and administrative expenses</b>	<b>2,394,042</b>	<b>2,169,679</b>	<b>4,586,512</b>	<b>5,954,741</b>

#### 14. NET FINANCIAL EXPENSES

	Three months ended September 30, 2024 \$	Three months ended September 30, 2023 \$	Nine months ended September 30, 2024 \$	Nine months ended September 30, 2023 \$
Interest expense on lease liability and other	-	2,598	388	8,053
Accretion expense – loan to Mosadex	82	15,249	12,346	43,407
Accretion expense – CEBA loan	1,904	1,636	5,064	4,908
Accretion expense – cash consideration due to Mosadex	82,316	66,468	198,417	189,119
Accretion and interest expense – convertible debts	246,541	131,116	736,689	677,607
(Gain) on debt settlement	-	-	(193,975)	-
(Gain) on extinguishment of a debt	-	(9,013)	(303,603)	(9,013)
Bonus payment on loan to Mosadex	33,393	-	483,762	-
Loss on change in fair value – embedded derivative	398,182	-	398,182	-
Loss on change in fair value – contingent share consideration	-	(70,000)	-	(30,000)
Loss on foreign exchange	53,541	55,744	99,704	52,185
<b>Total finance expenses</b>	<b>815,959</b>	<b>193,798</b>	<b>1,436,974</b>	<b>936,266</b>

**NuGen Medical Devices Inc.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
For the three and nine-month periods ended September 30, 2024 and 2023  
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**15. COMMITMENT**

On January 29, 2024, the Company signed two lease agreements for its Shenzhen facility, the first one starting on March 1, 2024 for a one-year term and a rent of \$1,490 per month, and the second lease starting on May 1, 2024 for a one-year term and a rent of \$6,874 per month.

**16. FINANCIAL INSTRUMENTS**

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.

Classification	Measurement	Carrying value	Fair value	Carrying value	Fair value
		September 30, 2024	September 30, 2024	December 31, 2023	December 31, 2023
		\$	\$	\$	\$
<b>Financial Assets</b>					
Cash	Amortized cost	9,343,991	9,343,991	464,456	464,456
Accounts receivable	Amortized cost	24,265	24,265	20,752	20,752
		<b>9,368,256</b>	<b>9,368,256</b>	485,208	485,208
<b>Financial Liabilities</b>					
Accounts payable and other liabilities	Amortized cost	2,325,854	2,325,854	1,069,282	1,069,282
Long-term debt	Amortized cost	2,251,910	2,239,028	2,174,579	2,054,695
Convertible debts	Amortized cost	17,627,571	14,906,009	5,682,726	5,076,683
		<b>22,205,335</b>	<b>19,470,891</b>	8,926,587	8,200,660

Short-term financial instruments, comprising cash and restricted cash, accounts receivable and accounts payable and other liabilities 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 fair value categorized under level 2 is 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.

## NuGen Medical Devices Inc.

### Notes to the Interim Condensed Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2024 and 2023

(Unaudited - Expressed in Canadian dollars)

#### 17. 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 and revenues as at September 30, 2024 and December 31, 2023 is as follows:

	September 30, 2024	December 31, 2023
<b>Non-current assets</b>	<b>\$</b>	<b>\$</b>
Canada	182	727
Netherlands	5,291,099	5,588,072
China	-	27,137
<b>Total</b>	<b>5,291,281</b>	<b>5,615,936</b>

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.

	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
<b>Revenues</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Europe	19,877	103,293	57,623	131,837
Asia	511,188	11,917	535,760	23,807
Others	750	609	750	7,100
<b>Total</b>	<b>531,815</b>	<b>115,819</b>	<b>594,133</b>	<b>162,744</b>