



Management's Discussion and Analysis

For the three and nine-month periods ended September 30, 2025 and 2024

This Management's Discussion and Analysis ("MD&A") of financial results is dated December 1, 2025 and reviews the business of NuGen Medical Devices Inc. (the "Company" or "NuGen"), for the three and nine-month periods ended September 30, 2025 and 2024, and should be read in conjunction with the accompanying interim condensed consolidated financial statements for the three and nine-month periods ended September 30, 2025 and 2024 and the audited annual financial statements and related notes for the years ended on December 31, 2024 and 2023.

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.sedarplus.ca. 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., 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").

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 three and nine-month periods ended September 30, 2025, the Company incurred a net loss of \$2,628,376 and negative cash flow from operations of \$2,583,659. At September 30, 2025, the Company has an accumulated deficit of \$35,632,316. 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. However, the Company was able to secure sufficient financing to be able to meet its business plan for at least the next twelve months. 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 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, diabetes, semaglutide, growth and fertility hormone as well as DNA and conventional/pediatric vaccines.

NuGen is focusing its development efforts in needle free devices in the area of liquid jet delivery through the InsuJet™ 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 42 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.

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 December 31, 2028. 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, 2025, the Company conducted these research and development activities:

Insujet

- The InsuJet V6 device is an incremental improvement of InsuJet V5, and has some improvements in the housing design, ergonomics and usability features. The next phase of development will include design for manufacturing, and design transfer.

As at September 30, 2025, the cumulative research and development expenses since June 5, 2020 are \$2,302,437 (€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) | - Continue development of future generation injectors with focus on connectivity-IOT (V7) and innovative features (drug storage inside device, V8) | - V7 in engineering & prototype stage - V8 in early concept stage, with some key features in engineering / prototype stage | None | - V7: The R&D expenses resulted in improved performance of the prototype by improving hardware design, making the technology more viable. Readiness level is now at 8. - V8: The R&D expenses resulted in an innovative patentable solution for drug aspiration, greatly enhancing the usability. Readiness level is now at 5. | - V7 & V8: estimated costs in the next 12 months: \$1,000,000 conditional to cash flow from operations | None | - |

BASIS OF PRESENTATION

The 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 as described in note 13 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 \$173,682 of revenues for the nine-month period ended September 30, 2025 and \$594,133 for the same period in 2024. For the nine-month period ended September 30, 2025 and 2024,

1. Sales and marketing expenses were \$79,485 in 2025 vs. \$241,864 in 2024, a decrease of \$162,379 as a result of business development consultants hired and marketing events done in 2024 vs none in 2025. The sales and marketing expenses incurred during the nine-month period ended September 30, 2025 consisted mostly of travel expenses.
2. Salaries and benefits expenses were \$696,903 in 2025 vs. \$872,734 in 2024, a decrease of \$175,831 attributable to an employee in Canada in 2024 that wasn't replaced in 2025. Even if the Company does not generate significant revenues, 13 employees work in testing and packaging at the Shenzhen facility, and 4 employees in the Netherlands.
3. General and administrative expenses were \$430,656 in 2025 vs. \$450,254 in 2024, a decrease of \$19,598. The general and administrative expenses consist of rent (Netherlands \$65,131, China \$78,508, Canada \$22,500), insurance (\$84,228), office expenses (\$139,919), filing fees (\$31,697) and interest & bank charges (\$8,673).
4. Professional and consulting fees were \$1,428,324 in 2025 vs. \$2,439,379 in 2024, a decrease of \$1,011,055 attributable to higher consultants and investor relation services provided to the Company in 2024.
5. Depreciation charges were \$490,955 in 2025 vs. \$487,591 in 2024.
6. Depreciation of the right-of-use asset was \$nil in 2025 vs. \$19,369 in 2024, attributable to the Shenzhen facility lease. The lease has been renewed for a period of twelve months only in March 2024 and again in March 2025. Accordingly, the payment has been recognized as rent.
7. Share-based payment expense was \$nil in 2025 vs. \$94,689 in 2024, attributable to stock options granted in 2024 vs nil in 2025.
8. Net finance expenses were \$(289,899) in 2025 vs. \$1,436,974 in 2024, the difference attributable to the gain on change in fair value, offset by higher accretion expense on the convertible debt in 2025.
9. A net loss and comprehensive loss of \$2,209,264 in 2025 vs. \$5,682,855 in 2024 was incurred.

BALANCE SHEET HIGHLIGHTS

For the nine-month period ended September 30, 2025 and the year ended December 31, 2024,

1. Cash and cash equivalent was \$4,293,372 in 2025 vs. \$6,945,982 in 2024, and restricted cash was \$53,045 vs. \$51,944 in 2024. The cash equivalent is a Guaranteed Investment Certificate and the restricted cash is also a Guaranteed Investment Certificate which is restricted to cover for the credit card issued to the Company.
2. Current assets were \$4,997,740 in 2025 vs. \$7,802,842 in 2024, with the difference attributable to less cash and cash equivalent in 2025 attributable to cash used in operating activities.
3. Total assets were \$10,193,591 in 2025 vs. \$12,894,461 in 2024.
4. Current liabilities were \$1,195,580 in 2025 vs. \$1,336,624 in 2024, with the difference primarily attributable to payment of accounts payables and other liabilities.
5. Non-current liabilities were \$17,656,658 in 2025 and \$17,229,496 in 2024.
6. Share capital was \$23,302,381 in 2025 vs \$23,223,669 in 2024, an increase of \$78,712 due to the issuance of shares related to the exercise of warrants.
7. Reserves were \$4,050,806 in 2025 and \$5,438,325 in 2024, the variation mainly attributable to exercise and expiration of warrants.
8. Deficit was \$35,632,316 in 2025 and \$34,373,247 in 2024, the decrease attributable to the net profit of the period.

SUMMARY OF QUARTERLY RESULTS

| | September 30, 2025 | June 30, 2025 | March 31, 2025 | December 31, 2024 | September 30, 2024 | June 30, 2024 | March 31, 2024 | December 31, 2023 |
|--|-----------------------|------------------|-------------------|----------------------|-----------------------|------------------|-------------------|----------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Sales | 34,678 | 22,121 | 116,883 | 415,746 | 531,815 | 14,924 | 47,394 | 168,659 |
| Cost of goods sold | 13,553 | 8,811 | 52,293 | 190,770 | 270,319 | 5,797 | 21,056 | 106,994 |
| Selling, general and administrative expenses | 1,215,583 | 1,006,118 | 904,623 | 1,092,889 | 2,394,042 | 682,080 | 1,510,390 | 2,258,154 |
| Loss from operations | (1,194,458) | (992,808) | (840,033) | (867,913) | (2,132,546) | (672,953) | (1,484,052) | (2,196,489) |
| Net loss and comprehensive loss | (1,741,266) | (2,441,995) | 1,386,723 | 531,780 | (2,988,656) | (950,828) | (1,743,371) | (2,556,307) |
| Loss per share – basic and diluted | (0.008) | (0.01) | 0.01 | 0.007 | (0.014) | (0.004) | (0.009) | (0.012) |

ISSUED AND OUTSTANDING SHARE DATA

| | September 30, 2025 | | December 31, 2024 | |
|--------------------------------------|--------------------|-------------------|--------------------|-------------------|
| | Number | Amount | Number | Amount |
| | | \$ | | \$ |
| Balance, beginning of period | 225,825,682 | 23,223,669 | 199,125,682 | 21,359,683 |
| Exercise of warrants | 1,210,000 | 78,712 | 22,400,000 | 1,457,156 |
| Exercise of options | - | - | 2,300,000 | 196,830 |
| Issuance of shares – Debt settlement | - | - | 2,000,000 | 210,000 |
| Balance, end of period | 227,035,682 | 23,302,381 | 225,825,682 | 23,223,669 |

As at December 1, 2025, the Company has the following outstanding shares, warrants and options:

| | December 1, 2025 | | |
|----------------------------------|--------------------|------------------|-------------------|
| | Number of shares | Warrants | Options |
| Balance, October 1, 2025 | 227,035,682 | 2,500,000 | 17,548,000 |
| Balance, December 1, 2025 | 227,035,682 | 2,500,000 | 17,548,000 |

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2025, the Company had \$4,997,740 in current assets, comprised of cash and cash equivalent, restricted cash, accounts receivables, sales taxes recoverable, inventory and prepaid expenses.

At September 30, 2025, the Company had a working capital of \$3,802,160 comprised of cash and cash equivalent (\$4,293,372), restricted cash (\$53,045), receivables (\$35,897), sales tax recoverable (\$57,684), inventory (\$340,084) and prepaid expenses (\$217,658) which were offset by accounts payable and other liabilities (\$399,820), deferred revenues (\$136,529) and the current portion of the long-term debt (\$659,231).

The Company incurred a net loss and comprehensive loss for the nine-month period ended September 30, 2025 of \$2,209,264 and had an accumulated a deficit of \$35,632,316.

As the Company is still in its development phase working on developing markets and finding 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. 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.

As at September 30, 2025 the contractual obligations of the Company are:

| | Total | Less than a year | 1-5 years | Greater than 5 years |
|--|-------------------|------------------|-------------------|----------------------|
| | \$ | \$ | \$ | \$ |
| Contractual obligation | | | | |
| Accounts payable and other liabilities | 399,820 | 399,820 | - | - |
| Long-term debt | 3,463,269 | 659,231 | 2,804,038 | - |
| Convertible debt | 25,324,000 | - | 25,324,000 | - |
| Total, contractual obligations | 29,187,089 | 1,059,051 | 28,128,038 | - |

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 and cash equivalent, restricted cash, accounts receivable, 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 long-term debt and convertible debts. 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, except for the derivative of a convertible debt carried at fair value categorized under level 3 and measured using a Monte Carlo simulation. 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, 2025 | Three months ended September 30, 2024 | Nine months ended September 30, 2025 | Nine months ended September 30, 2024 |
|---|--|---|---|---|
| | \$ | \$ | \$ | \$ |
| Ian Heynen, former CEO | - | 103,846 | - | 328,846 |
| Nicky Canton, COO | 46,899 | 69,352 | 139,335 | 158,056 |
| Veronique Laberge, CFO | 45,000 | 70,000 | 135,000 | 160,000 |
| Karen Dunlap, director | 30,000 | 55,000 | 90,000 | 115,000 |
| John Leombruno, director | - | 25,000 | - | 25,000 |
| Richard Buzbuzian, former director | - | 405,000 | - | 495,000 |
| Tony Di Benedetto, former director | - | 405,000 | - | 495,000 |
| Total compensation to key management | 121,899 | 1,133,198 | 364,335 | 1,776,902 |
| | Three months ended September 30, 2025 | Three months ended September 30, 2024 | Nine months ended September 30, 2025 | Nine months ended September 30, 2024 |
| | \$ | \$ | \$ | \$ |
| Sales to a company controlled by a director | - | 505,876 | 63,186 | 505,876 |
| Accretion expense on convertible debt held by two directors | (337,228) | (26,346) | (920,446) | (26,346) |
| Gain on change in fair-value – derivative liability on convertible debt held by two directors | 127,050 | (398,182) | 2,602,616 | (398,182) |
| | (210,178) | 81,348 | 1,745,356 | 81,348 |

Outstanding balances from related parties include the following:

Presented within accounts receivables is \$nil for sales realized during the nine-month period ended September 30, 2025 (\$55,395 as at December 31, 2024) to a company controlled by a director.

Balances owed to key management include the following:

Presented within the convertible debt is \$6,945,332 (\$8,627,502 as at December 31, 2024) for convertible debt held by companies controlled by two directors (refer to convertible debt 3, Note 8).

CRITICAL ACCOUNTING ESTIMATES

The Company's significant accounting judgements and estimates are described in Note 2 of the financial statements for the nine-month periods ended September 30, 2025 and 2024 and include the following:

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.

Convertible debt 3

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses its judgment to select a valuation model and makes assumptions that are mainly based on market conditions existing at the end of each reporting period. Details of the valuation model used for determining the fair value of the embedded derivatives in the Convertible Debts and the assumptions used by management are disclosed in Note 8.

CHANGES IN ACCOUNTING POLICIES

The Company's significant accounting policies are described in Note 3 of the financial statements for the years ended December 31, 2024 and 2023.

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 finding 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. 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.

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 Venture Exchange ("TSXV"), 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 TSXV, 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 cash equivalent and accounts receivable. Cash and cash equivalent 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 cash equivalent and accounts receivable is minimal. The Company's maximum exposure to credit risk as at December 31, 2024 and 2023 is the carrying value of cash and cash equivalent 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 19 of the audited annual 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.

Uncertainty related to tariffs and changing economic context

The U.S government has made and continue to make significant changes to U.S. trade policy and has taken certain actions that could negatively impact international trade, including the imposition of tariffs.

The implementation and continuation of new tariffs and retaliatory measures are uncertain. To the extent they are maintained, these tariffs and/or retaliatory measures may have a negative impact on the Company. Tariffs could impact trade flows, investor sentiment, and monetary policy decisions, leading to greater fluctuations in the CAD/USD exchange rate and the Company's ability to raise funds to finance its operations. In addition, tariffs could also impact the capital expenditures required to continue developing the technology.

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 the Company's subsidiaries. The functional currencies of the Company's subsidiaries are euro and renminbi. The currencies in which these transactions are primarily denominated are euro, renminbi ("RMB") and some transactions in U.S. dollar ("USD"). 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 USD, RMB and EUR cash holdings, as well as receivables, payables, long-term debt and convertible debt in EUR and payables in RMB.

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.sedarplus.ca.