



Conavi Medical Corp.

**ANNUAL INFORMATION FORM
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

Dated February 26, 2026

TABLE OF CONTENTS

	Page
SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS	1
MARKET AND INDUSTRY DATA.....	2
CORPORATE STRUCTURE	3
GENERAL DEVELOPMENT OF THE BUSINESS	3
NARRATIVE DESCRIPTION OF THE BUSINESS	9
RISK FACTORS	20
DIVIDENDS AND DISTRIBUTIONS.....	52
DESCRIPTION OF CAPITAL STRUCTURE.....	52
MARKET FOR SECURITIES.....	52
DIRECTORS AND OFFICERS.....	56
PROMOTER.....	63
LEGAL PROCEEDINGS AND REGULATORY ACTIONS.....	63
INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS	63
TRANSFER AGENT AND REGISTRAR	63
MATERIAL CONTRACTS	64
AUDIT COMMITTEE INFORMATION	64
INTEREST OF EXPERTS	66
ADDITIONAL INFORMATION.....	66

SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS

In this annual information form (the “**AIF**”), unless otherwise noted or the context indicates otherwise, the “Company”, “Conavi”, “we”, “us” and “our” refer to Conavi Medical Corp. Reference is made in this AIF to the audited consolidated financial statements (the “**Financial Statements**”), together with the auditor’s report thereon, and management’s discussion and analysis (the “**MD&A**”) for Conavi for the financial year ended September 30, 2025. All financial information in this AIF is prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and is presented in Canadian dollars unless otherwise noted. Unless otherwise stated, all references to “\$” are to Canada dollars and references to “US\$” are to United States dollars. The information contained herein is dated as of September 30, 2025 (the last day of Conavi’s most recently completed financial year), unless otherwise stated. Additional financial information is provided in the Financial Statements and MD&A which are available on SEDAR+ at www.sedarplus.ca.

All references in this AIF to the Company also include references to all subsidiaries of the Company as applicable, unless the context requires otherwise.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this AIF may constitute “**forward-looking information**” within the meaning of Canadian securities laws which the Company refers to as forward-looking information. In some cases, forward-looking information can be identified by the use of terms such as “may”, “will”, “should”, “expect”, “plan”, “anticipate”, “believe”, “intend”, “estimate”, “predict”, “potential”, “continue” or other similar expressions concerning matters that are not statements about the present or historical facts. Forward-looking information may relate to management’s future outlook and anticipated events or results and may include statements or information regarding the future financial position, business strategy and strategic goals, competitive conditions, research and development activities, regulatory approvals, projected costs and capital expenditures, financial results, research and clinical testing outcomes, taxes and plans and objectives of, or involving, Conavi. Without limitation, information regarding future commercial activities, Conavi’s Novasight Hybrid System (as defined below), future potential partnerships, research and development activities, information regarding clinical studies, the Company’s plans to seek further regulatory clearances, future plans for the use of proceeds from previous financings, as well as the Company’s plans for development of its next generation Novasight Hybrid System (“**Novasight 3.0**”) is forward-looking information.

Forward-looking information is based on certain factors and assumptions regarding, among other things, regulatory approval, market acceptance and the rate of market penetration of the Novasight Hybrid System and the success of Conavi’s partnerships and distribution arrangements. While the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect and actual results may vary materially from the disclosure herein. The successful commercialization of any one of the Novasight Hybrid System will depend on a number of financial, logistical, technical, legal, regulatory, competitive, economic, and other factors, the outcome of which cannot be predicted, and some of which will be out of the Company’s control. Due to the early stage of commercialization for the Novasight Hybrid System, it is difficult for the Company to accurately predict its future revenues or results of operations or the timing of its current research and development programs. In addition, despite the Company’s current focus on the commercialization of the Novasight Hybrid System, the Company continues to invest in additional research and development and product and process improvements, and

these activities may require significant cash commitments which may, in turn, affect the profitability of the Company.

Forward-looking information is subject to certain factors, including risks and uncertainties, which could cause actual results to differ materially from what the Company currently expects. These factors include: the Company's ability to obtain additional financing on terms favorable to it, if at all; transition from research and development activities to commercial activities; market acceptance and adoption of the Novasight Hybrid System; risks relating to the Company's implementation of a sales and marketing model with respect to its product; the risk that changes to current healthcare reimbursement codes or healthcare spending will negatively affect the acceptance or usage of the Novasight Hybrid System; risks related to potential tariffs, quarter to quarter fluctuations in financial results due to numerous external risk factors; risks related to third-party contractual performance; risks associated with the introduction of products or existing products by competitors that compete with the Novasight Hybrid System; risks associated with conducting business internationally; risks related to medical or scientific advances that could render the Company's products obsolete; market acceptance and adoption of the Novasight Hybrid System; dependence on key suppliers for components of certain products; regulatory and clinical risks; risks relating to the protection of its patents, trade secrets, trademarks and other intellectual property ("IP") and third party IP; risks inherent in the conduct of research and development activities, including the risk of unfavorable or inconclusive clinical trial outcomes; potential product liability, competition and the risks posed by potential technological advances; and, risks relating to fluctuations in the exchange rate between the U.S. and the Canadian dollar.

Undue importance should not be placed on forward-looking information, nor should reliance be placed upon this information as of any other date. Unless required by law, Conavi does not undertake to update this information at any particular time. These forward-looking statements are made as of the date of this AIF.

MARKET AND INDUSTRY DATA

This AIF includes market and industry data obtained from third-party sources, industry publications, scientific journals and publicly available information. Conavi believes that this market and industry data is accurate and that its estimates and assumptions are reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market and industry data used throughout this AIF are not guaranteed and Conavi does not make any representation as to the accuracy of such information. Although Conavi believes it to be reliable, Conavi has not independently verified any of the data from third-party sources referred to in this AIF, nor analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying economic and other assumptions relied upon by such sources.

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company is the successor corporation to Titan Medical Inc., which was formed pursuant to two separate amalgamations under the *Business Corporations Act* (Ontario) on July 28, 2008 (“**Pre-RTO Titan**”).

Conavi Medical Inc. (“**Pre-RTO Conavi**”) was initially incorporated as Colibri Technologies Inc. on November 7, 2007 under the *Canada Business Corporations Act*. On April 13, 2012, Pre-RTO Conavi filed Articles of Continuance to continue as a corporation under the *Business Corporations Act* (Ontario). On December 29, 2015, Pre-RTO Conavi filed Articles of Amendment changing its name to “Conavi Medical Inc.”

On October 11, 2024, Pre-RTO Titan and Pre-RTO Conavi completed a transaction, which constituted a reverse takeover of Pre-RTO Titan (the “**RTO**”), pursuant to which 1000824255 Ontario Inc., a wholly-owned subsidiary of Pre-RTO Titan, amalgamated with Pre-RTO Conavi to form a newly amalgamated company, “Conavi Medical Inc.”, and under the amalgamation, securities of Pre-RTO Conavi were exchanged for securities issued by the Company. Immediately prior to the closing of the RTO, Pre-RTO Titan changed its name from “Titan Medical Inc.” to “Conavi Medical Corp.” and completed a share consolidation on the basis of 1 post-consolidation common share of Pre-RTO Titan for each 25 pre-consolidation common shares of Pre-RTO Titan. In addition, in connection with the RTO, Pre-RTO Titan delisted its common shares from the Toronto Stock Exchange on October 15, 2024 and Pre-RTO Titan changed its fiscal year end to September 30 from December 31 to align with the fiscal year end of Pre-RTO Conavi. Accordingly, the Company’s year-end is September 30. Following completion of the RTO, the Common Shares of the Company were listed and commenced trading on October 16, 2024 in Canada on the TSX Venture Exchange (the “**TSXV**”) under the symbol “CNVI”. The Common Shares of the Company are also traded in the U.S. on the OTCQB under the symbol “CNVIF”. The Company has been classified by the TSXV as a Tier 2 Technology issuer.

The Company’s head office is located at 293 Lesmill Road, Toronto, Ontario, M3B 2V1, Canada, Telephone: (416) 483-0100.

Inter-Corporate Relationships

The Company has two directly wholly-owned subsidiaries: Conavi Medical Inc. and Titan Medical USA Inc., a Delaware corporation. Conavi Medical Inc. has a further wholly-owned subsidiary, Conavi Medical US Inc., a Delaware corporation.

GENERAL DEVELOPMENT OF THE BUSINESS

Overview

The Company is focused on designing, manufacturing, and marketing imaging technologies to guide common minimally invasive cardiovascular procedures. Its patented Novasight Hybrid™ System (the “**Novasight Hybrid System**”) is the first system to combine both intravascular ultrasound (“**IVUS**”) and optical coherence tomography (“**OCT**”) imaging methods to enable simultaneous and co-registered

imaging of coronary arteries. The first-generation Novasight Hybrid System received 510(k) clearance from the U.S. Food and Drug Administration (the “**US FDA**”); and regulatory approval for clinical use from Health Canada, China’s National Medical Products Administration, and Japan’s Ministry of Health, Labor and Welfare. A US FDA 510(k) submission for the next-generation Novasight Hybrid System (“**Novasight 3.0**”) was made in September 2025. The Company was founded by a team of clinicians and researchers based on intellectual property developed at Sunnybrook Health Sciences Centre (“**Sunnybrook**”) in Toronto.

In June 2008, the Company entered into a technology licensing agreement with Sunnybrook (the “**Sunnybrook Technology Licensing Agreement**”) for the exclusive rights (globally, and for all fields of use) to the key enabling aspects of its unique solution to hybrid IVUS/OCT imaging technology. Pursuant to the Sunnybrook Technology Licensing Agreement, Conavi agreed to pay a minimum annual royalty of \$50,000 (creditable against other royalties and fees payable to Sunnybrook under the Sunnybrook Technology Licensing Agreement), and a royalty of 1% of net sales (though Conavi and Sunnybrook have separately agreed that a 2% royalty shall instead apply on sales through certain distributors). The Sunnybrook Technology Licensing Agreement includes the right to grant sublicenses, and in the event of a sublicensing transaction, there is a sublicensing fee payable to Sunnybrook of 25% of the consideration received by the Company pursuant to the sublicensing transaction; or, if greater, 1% of the net sales of the sublicensee. Unless earlier terminated (in the case of certain insolvency events in respect of Conavi, or in the case of a material uncured breach by either party), the term of the Sunnybrook Technology Licensing Agreement runs until the expiration or invalidity of the last issued patent covered by the agreement. The issuance date of the last patent covered by the Sunnybrook Technology Licensing Agreement was August 6, 2024.

General Developments

Between November 2022 and December 2022, Pre-RTO Conavi raised approximately US\$11 million as consideration for the issuance of preferred shares and preferred share purchase warrants of Conavi.

In August 2023, Pre-RTO Conavi raised approximately US\$12.5 million pursuant to a private placement of preferred shares of Pre-RTO Conavi.

On March 17, 2024, Pre-RTO Conavi entered into a definitive amalgamation agreement with Pre-RTO Titan in respect of the RTO.

Between May 13, 2024 and August 13, 2024, Pre-RTO Conavi raised approximately US\$5 million as consideration for the issuance of secured convertible notes bearing interest at a rate of 18% per annum, which were convertible into the same securities of the Company as those underlying the Subscription Receipts (as defined below), but at a conversion price based on a 40% discount to the price of the Subscription Receipts. On or about August 30, 2024, Pre-RTO Conavi issued an additional US\$1 million of secured convertible notes bearing interest at a rate of 10% per annum which were convertible into the same securities as those underlying the Subscription Receipts, at a conversion price equivalent to the price of the Subscription Receipts.

On October 8, 2024, Pre-RTO Conavi completed a private placement of subscription receipts (the “**Subscription Receipts**”) for gross proceeds of approximately US\$7.7 million (the “**RTO Financing**”). Upon closing of the RTO, the Subscription Receipts were automatically exchanged for common shares and

an equal number of common share purchase warrants of Pre-RTO Conavi (which common shares and common share purchase warrants were immediately exchanged for Common Shares and common share purchase warrants of the Company (“**RTO Warrants**”). The RTO Warrants have an exercise price of approximately US\$1.35 per Common Share and expire on October 11, 2029.

On October 11, 2024, the RTO closed (see section titled “*Name, Address and Incorporation*”). Upon closing of the RTO, 44,250,086 Common Shares of the Company were outstanding (of which approximately 4,561,592 Common Shares (being approximately 10% of the outstanding Common Shares at the time) were held by the shareholders of Pre-RTO Titan), and 16,225,713 RTO Warrants were outstanding (including the RTO Warrants issued pursuant to the conversion of the Pre-RTO Conavi convertible notes described above). Further, 32,693 broker warrants were issued by the Company in exchange for broker warrants issued in the RTO Financing (the “**RTO Broker Warrants**”). The RTO Broker Warrants are exercisable at a price of US\$1.08 per share until October 11, 2026. Upon the RTO closing, the Company’s new Omnibus Equity Incentive Plan (the “**Omnibus Equity Incentive Plan**”) became effective with 8,850,017 Common Shares being reserved for issuance thereunder and under any other securities-based compensation plans of the Company.

On October 16, 2024, the Company commenced trading on the TSXV under the new symbol “CNVF”.

In October 2024, the Company engaged ICP Securities Inc. to provide automated market making services in compliance with the policies and guidelines of the TSXV.

In December 2024, East Ocean Medical (Hong Kong) Company Limited (“**EOM**”) received National Medical Products Administration (“**NMPA**”) approval in China for a version of the Novasight Hybrid System pursuant to the EOM Licensing Agreement (as defined below). This approval triggered a fourth and final milestone payment of approximately \$8.358 million which was used to fund the repurchase of a promissory note owing by the Company to EOM.

In December 2024, the Company completed an important animal experiment with key opinion leaders and was near to finalizing a design freeze for the Novasight 3.0. The decision was made to shift substantially all the Company’s resources towards the Novasight 3.0.

In January 2025, the Company completed the design freeze of the Novasight 3.0 and initiated design verification testing in support of a regulatory application to the US FDA.

In January 2025, the board of directors of the Company (the “**Board**”) approved the grant of 1,073,696 stock options pursuant to the terms of the Company’s Omnibus Equity Incentive Plan. Of this, 961,944 stock options were issued to directors and officers.

In January 2025, the Company announced that it had filed a preliminary short form prospectus with the securities regulatory authorities in the Provinces of British Columbia, Alberta, and Ontario in connection with an offering of units (with each unit consisting of one Common Share and one Warrant) (the “**2025 Offering**”).

In February 2025, the Company announced that it had entered into a corporate development and strategic services agreement with BND Projects Inc. (“**BND**”). Pursuant to the services agreement, BND will advise the Company on corporate developments and strategic investment matters, including communications

strategy and raising public awareness of the Company and its business. Around this time, the Company terminated its agreement for investor relations services with Kilmer Lucas Inc.

In March 2025, the American College of Cardiology, American Heart Association, and other medical organizations issued a Class 1A guideline recommending the use of intravascular imaging in patients presenting with acute coronary syndrome and undergoing a coronary intervention in the left main artery or for a complex lesion. A Class 1A guideline is the highest level of evidence and strongest level of recommendation.

On March 6, 2025, the Common Shares were approved for uplisting from the OTC Pink Open Market to the OTCQB Venture Market.

On March 21, 2025, the Company announced that the 2025 Offering was expected to proceed as an offering of Common Shares (or pre-funded Common Share purchase warrants of the Company (“**Pre-Funded Warrants**”) in lieu of Common Shares).

On April 23, 2025, the Company closed the 2025 Offering for aggregate gross proceeds of \$20,000,000. Under the 2025 Offering, subscribers either purchased Common Shares at \$0.40 per Common Share or Pre-Funded Warrants for \$0.39999 per Pre-Funded Warrant (together with the Common Shares, the “**2025 Offering Securities**”). Investors purchased a total of 50,000,000 2025 Offering Securities (consisting of 32,500,000 Common Shares and 17,500,000 Pre-Funded Warrants) for gross proceeds of \$20,000,000. Each Pre-Funded Warrant issued in lieu of a Common Share at the election of a subscriber entitles the holder thereof to acquire one Common Share at an exercise price of \$0.00001 per Common Share. The Pre-Funded Warrants will not expire.

CPOINT Capital Corp., an insider of the Company, purchased 625,000 Common Shares under the 2025 Offering and Juno Pharmaceuticals LP, an insider of the Company, purchased 1,250,000 Common Shares under the 2025 Offering. The subscriptions for Common Shares by CPOINT Capital Corp. and Juno Pharmaceuticals LP were related party transactions within the meaning of applicable Canadian securities laws. The subscriptions by such insiders were exempt from the formal valuation and minority approval requirements applicable to related party transactions on the basis that the value of the transactions insofar as they involved related parties was less than 25% of the Company’s market capitalization.

At closing of the 2025 Offering, the Company paid Bloom Burton Securities Inc. (“**Bloom Burton**”) a cash commission of \$1,034,657.75 and issued 2,408,350 compensation options (the “**2025 Compensation Options**”) to Bloom Burton, the sole and exclusive agent for the 2025 Offering. In addition, in connection with the 2025 Offering, 77,700 and 35,000 compensation options were issued to Raymond James Ltd. and Research Capital Corporation, respectively. Each 2025 Compensation Option entitles the holder thereof to purchase one Common Share at an exercise price of \$0.40 per Common Share at any time on or before 5:00 p.m. (Toronto Time) on April 23, 2027.

In May 2025, the Novasight Hybrid System was named “Production Innovation of the Year” at the 2025 Minnesota Manufacturing Awards.

In May 2025, the Company submitted a case report to the Journal of the Society of Coronary Angiography and Intervention with images collected from the Novasight 2.0 system, highlighting the clinical benefits of a hybrid IVUS and OCT imaging. The Company also completed a draft of a whitepaper, however, it was decided that this would be submitted to an academic journal.

In June 2025, the Board approved the grant of 5,729,749 stock options pursuant to the terms of the Omnibus Equity Incentive Plan. Of this, 5,423,185 stock options were issued to directors and officers.

In July 2025, The American Journal of Cardiology published a review article titled Regional Disparities and Predictors of Intracoronary Imaging Use During Percutaneous Coronary Intervention in the United States, which underscored both the underutilization and growing clinical importance of intracoronary imaging (ICI) during percutaneous coronary interventions (PCI).

In July 2025, the Journal of the Society of Coronary Angiography and Intervention published the case report submitted in May 2025, highlighting the clinical impact of the Novasight Hybrid System in guiding accurate diagnosis and optimal stent placement in a complex coronary case.

In July 2025, two pre-clinical, porcine animal experiments were successfully completed with key opinion leaders to showcase the functionality of the Novasight 3.0 system and validate usability.

In August 2025, the Company completed catheter and system-level design verification testing, along with the engineering confidence test. All other testing and work to support a US FDA 510(k) submission around the end of Q3 of calendar 2025 were on schedule.

On September 16, 2025, the Company announced that it had submitted the Novasight 3.0 to the US FDA for 510(k) clearance for coronary applications.

Recent Developments

On October 29, 2025, the Company announced that it had entered into an agreement with the Province of Ontario as part of the Life Sciences Scale-Up Fund (the “**Scale-Up Fund Agreement**”). Pursuant to the Scale-Up Fund Agreement, the Company is eligible to receive up to \$2.5 million over the course of the project to cover up to one-third of eligible project costs related to the commercial launch of Novasight 3.0, subject to certain requirements. The Company received the first tranche of funding under the Scale-Up Fund Agreement in November 2025, in the amount of \$500,000. The Company is eligible to receive a second tranche in the amount of \$1,250,000 under the Scale-Up Fund Agreement following approval or clearance of Novasight 3.0 by a regulatory body, which is expected to occur when the Company receives US FDA 510(k) clearance, which is expected by the end of calendar Q2 2026. The Company is eligible to receive a third and final tranche in the amount of \$750,000 under the Scale-Up Fund Agreement on April 30, 2027, provided that at such time Novasight 3.0 is being actively used in at least seven hospitals, and a regulatory submission has been made to a second body or jurisdiction. The second and third tranches require the Company to have incurred at least \$5,250,000 and \$7,500,000 of project costs, respectively, by the applicable date, and have 39 active employees in its Toronto facility by the applicable date. The Company anticipates receiving the full amount of the grant based on its historical and projected spend toward the project contemplated under the Scale-Up Fund Agreement, along with the status of the Company’s anticipated milestones and its hiring plan.

On November 3, 2025, the Company announced that it had appointed Mark Quick as Chief Financial Officer. Mr. Quick is a seasoned finance executive with more than 20 years of experience in the medical technology and life sciences sectors. Prior to joining the Company, he held senior financial leadership roles with publicly traded companies on Nasdaq, where he led capital markets strategy, budgeting and forecasting, financial reporting, and corporate development initiatives. Earlier in his career, Mr. Quick

served as a sell-side equity research analyst at Canaccord Genuity, where he covered the medical device industry. The Company also announced that Stefano Picone would take on a transitional strategic role with the Company as the Chief Strategy Officer, which role ended on December 24, 2025.

On November 21, 2025, the Company announced that it had filed a preliminary short form prospectus with the securities regulatory authorities in the Provinces of British Columbia, Alberta and Ontario in connection with an offering (the “**2026 Offering**”) of common shares of the Company (“**Common Shares**”) and/or Pre-Funded Warrants (together with the Common Shares, the “**2026 Offering Securities**”) in lieu of Common Shares.

On December 18, 2025, the Company announced that it had filed a final short form prospectus in connection with the 2026 Offering for the issuance of a minimum of 33,333,333 2026 Offering Securities and a maximum of 44,444,444 2026 Offering Securities at a price of \$0.45 per Common Share or \$0.44999 per Pre-Funded Warrant, for gross proceeds of between \$15,000,000 and \$20,000,000.

On December 29, 2025, the Company announced that Stefano Picone had completed his transitional role as Chief Strategy Officer of the Company, effective December 24, 2025. The Company also announced that it was expecting the 2026 Offering to be completed in January 2026.

On January 7, 2026, the Company announced that it had filed an amended and restated final short form prospectus in connection with the 2026 Offering for the issuance of a minimum of 26,666,667 2026 Offering Securities and a maximum of 33,333,333 2026 Offering Securities at a price of \$0.45 per Common Share or \$0.44999 per Pre-Funded Warrant, for gross proceeds of between \$12,000,000 and \$15,000,000.

On January 13, 2026, the Company announced that it had closed the 2026 Offering. Bloom Burton acted as sole and exclusive agent for the 2026 Offering. Under the 2026 Offering, subscribers purchased a total of 26,666,670 Common Shares at a price of \$0.45 per Common Share, for gross proceeds of \$12,000,001.50. Bloom Burton (together with its sub-agents) received a total cash commission of \$701,479.49 and 1,558,843 compensation options of the Company (“**2026 Compensation Options**”). Each 2026 Compensation Option entitles the holder to buy one Common Share at a price of \$0.45 per Common Share until expiry on January 13, 2028.

On February 26, 2026, the Company announced that it had entered into a termination agreement with MaRS Investment Accelerator Fund Inc. (“**MaRS IAF**”), pursuant to which the Company and MaRS IAF agreed to terminate the \$270,000 loan agreement dated June 1, 2011. Under the termination agreement, the indebtedness was satisfied through the issuance of 75,000 Common Shares, which shares are subject to a four-month statutory hold period.

NARRATIVE DESCRIPTION OF THE BUSINESS

Product Overview

The Company is focused on designing, manufacturing, and marketing imaging technologies to guide common minimally invasive cardiovascular procedures. Its Novasight Hybrid System is the first system to combine both IVUS and OCT imaging methods to enable simultaneous and co-registered imaging of coronary arteries.

The Novasight Hybrid System

The first generation of the Novasight Hybrid System received US FDA 510(k) clearance in April 2018. At that time, the Company was unable to launch a full-scale commercialization effort in the United States, due to limited capital resources and commercial obligations to strategic partners in other jurisdictions outside the United States. Commercialization of the first generation Novasight Hybrid System was also materially impacted by the COVID-19 pandemic, which drastically reduced procedural volumes and prevented Company representatives from physically entering the hospital to support procedures and conduct training and other commercial activities. In late 2021, Conavi resumed marketing and commercialization of the first generation Novasight Hybrid system in North America, with a focus on the United States. Between late 2021 and October 2022, the system was used at six leading academic sites in the United States, along with Sunnybrook Health Sciences Centre in Toronto, Canada. Despite a positive clinical response recognizing the benefits of hybrid IVUS/OCT imaging, the Company ultimately determined that the manufacturability and performance of the first generation of the Novasight Hybrid system was not optimal and suitable for broad market adoption in the United States. Based on this feedback, Conavi undertook a two-fold development and engineering program. First, it made certain iterations to the first-generation Novasight Hybrid System (“Novasight 2.0”). Novasight 2.0 was used at a select number of clinical sites to gain further feedback and insights. Second, the Company undertook the development of a next generation version, that being Novasight 3.0, intended to be a best-in-class hybrid IVUS/OCT intravascular imaging system.

A US FDA 510(k) regulatory submission for Novasight 3.0 was made in September 2025. The Company is now focused on preparing for regulatory clearance, followed by a targeted market release and then a broader commercial launch in the United States. Based on the design and development completed to date, the Company intends to offer the following features:

- State of the art image quality – Conavi believes that its hybrid IVUS/OCT image quality must be at least as good as the highest quality standalone systems widely used by competitors. Novasight 3.0 will offer high definition IVUS in the range of 60 MHz and improved OCT imaging depth relative to the current Novasight 2.0 and other competing systems;
- Enhanced ease-of-use – Minimally invasive cardiovascular procedures are complex and involve many different tools and technologies, and therefore it is critical that any new imaging system or device easily and efficiently fits into the existing clinical workflow and practices. Development of Novasight 3.0 is focused on user comfort, ease of image interpretation and ease of operation such as removing the patient interface module (the connector between catheter and console) from the sterile field and other workflow enhancements such as a bedside controller, integrated artificial intelligence to aid doctors in visualization and assessment, and guided hybrid workflows;

- Excellent catheter deliverability – Intravascular imaging catheters are inserted over guidewires and through guide catheters and advanced to the region of interest during the intervention for the procedure. Ideally, an intravascular imaging catheter should be able to navigate distal vessels, torturous anatomy, and cross difficult lesions, including an ability to cross stents. Novasight 3.0 will feature a redesigned catheter shaft and monorail to improve deliverability. It is also being designed with enhanced guide catheter compatibility, specifically to be 5F (1.67 mm) compatible for IVUS-only use, whereas the current system is only 6F (2 mm) guide catheter compatible. Use of a smaller guide catheter (through which the guide wire, intravascular imaging catheter, and other catheters are inserted) is clinically preferable for smaller patients;
- Robust performance and manufacturing – Intravascular imaging systems are inherently complex consisting of hardware, software, mechanical and electrical components, which all must seamlessly function together. Development of Novasight 3.0 has focused on ensuring that it is appropriately robust and reliable and does not require servicing or repairs beyond what is standard and allowable. It is also important that the system be designed such that it is manufacturable at scale and the cost of production provides the Company with attractive gross margins. Novasight 3.0 is being developed with these considerations in mind;
- Economic value – allows customers to purchase one console instead of two.

The development of Novasight 3.0 has been a joint effort involving Conavi’s internal Research & Development team along with leading, third-party external medical device contract engineering groups and specialized suppliers.

In addition, on November 21, 2022, Conavi entered into an INOVAIT Ultimate Recipient Agreement (the “**INOVAIT Agreement**”) with Sunnybrook and Dr. Brian Courtney pursuant to which Dr. Courtney (in his capacity as a principal investigator at Sunnybrook Research Institute) and Conavi are receiving up to a total of approximately \$2 million in grant funding from the INOVAIT program at Sunnybrook (approximately \$1.62 million of which has been allocated to and received by Conavi and approximately \$380,000 of which is allocated to Dr. Courtney) to collaborate on development of certain elements of the system. Pursuant to the INOVAIT Agreement, the INOVAIT program makes cash contributions to Conavi and to Dr. Courtney over the term of the INOVAIT Agreement, for up to one-third of the eligible costs (to the extent supported by the program’s cost principles) necessary to carry out the project entitled “AI Solutions for Minimally Invasive Imaging Systems”. A non-refundable fee of five percent of the funds provided to Conavi and Dr. Courtney under the INOVAIT Agreement is required to be paid back to Sunnybrook to support the INOVAIT program. In addition, over the course of the project, Conavi has paid approximately an additional \$270,000 to Dr. Courtney (in his capacity as principal investigator at Sunnybrook Research Institute) to fund costs of the project exceeding those supported by the INOVAIT program. The INOVAIT Agreement initially provided for a completion date of the project of March 31, 2025; however, the INOVAIT Agreement was amended on December 15, 2025 to extend the date of project completion to June 30, 2026 (though no additional funding is expected to be provided under the program) and includes certain obligations of the Company to exploit, protect and enforce intellectual property generated pursuant to the project, and to maintain ownership of any intellectual property generated by the project in Canada and to not exclusively license such intellectual property without the consent of the Canadian federal government.

The US FDA 510(k) submission for Novasight 3.0 was made in September 2025 and for intravascular imaging of the coronary arteries indicated in patients who are candidates for transluminal interventional cardiology procedures. As part of the regulatory submission, the Company had to finalize design of the product, as well as complete console, software, and catheter design verification testing (“DVT”), along with system-level DVT and a system-level engineering confidence test. The Company also undertook two animal experiments with key opinion leaders and performed human factors testing to support product validation. The Company anticipates US FDA 510(k) clearance by the end of calendar Q2 2026, following which it is planning a targeted market release at three hospitals in the United States and then a broader commercial launch. Until that time, Conavi plans to undertake certain work to support a potential additional information request from the US FDA. Furthermore, the Company must complete a transfer to production to have products available for clinical use, and is planning ongoing product and process improvements to Novasight 3.0 to further enhance customer experience, improve manufacturability, and reduce cost of goods sold.

Whereas the current version of the Novasight Hybrid System was manufactured by Conavi, the production of Novasight 3.0 will be outsourced although Conavi may continue to manufacture certain sub-components for which it has proprietary know-how.

A targeted market release of Novasight 3.0 in the United States is currently expected in calendar Q3 of 2026. The milestones in connection with achieving launch are finalizing the development and completing the transfer to production, which includes all work to transfer the product from the development stage to the production stage. Both the catheter and console production will be assigned to a third-party. The estimated remaining costs as of the date of this AIF prior to the targeted market release of Novasight 3.0 in the United States is \$5,200,000. Included in this estimate is the manufacturing of pre-production units to support reliability studies, the purchase of inventory to support early production, and finalizing catheter and console design transfer packages. The estimated cost is higher than originally projected, mainly due to revised estimates.

The Market

The current global market for coronary intravascular imaging is estimated by the Company to have grown to be over US\$900 million with an estimated total addressable market of US\$4 billion.¹ The Company estimates that four million coronary interventions are performed annually around the world. Traditionally in the intravascular imaging space, procedural decisions were made using traditional angiography - X-ray imaging with contrast dye - to determine artery size and extent of disease. IVUS and OCT allows physicians to image arteries from the inside, providing more precise assessment to guide procedural decisions.

Utilization of IVUS and OCT continues to increase and in the United States, the percentage of coronary interventions performed using intravascular imaging has grown from approximately 10% in 2017 to more than 30% since 2023.² This is due to several factors including:

- The changing reimbursement landscape – there has been significant increase in complex percutaneous coronary intervention reimbursement in the United States for intravascular lithotripsy

¹ <https://investors.bostonscientific.com/~media/Files/B/Boston-Scientific-IR-V3/2025-bsx-investor-day-slides.pdf>

² Based on analysis of Current Procedural Terminology (CPT) and International Classification of Disease, 10th Revision (ICD-10) codes published by the US Center of Medicare and Medicaid Services.

(heavy calcification)³ where intravascular imaging is most often used. Further, changes to Medicare's complexity adjustment in 2023 provided an incremental US\$2,000 for use of intravascular imaging in coronary disease cases performed as part of diagnostic angiograms in the outpatient setting.

- Physician training and development – Most training centers have adopted “imaging first” strategy for complex percutaneous coronary intervention and graduating fellows’ increasing comfort and understanding of the technology drive further adoption.
- Society guidelines – In August 2024, use of intravascular imaging (IVUS or OCT) for coronary interventions was elevated to a Class 1A guideline in Europe by the European Society of Cardiology. In February 2025, guidelines in the United States were elevated to Class IA by the American College of Cardiology and American Heart Association for patients presenting with acute coronary syndrome and undergoing a coronary intervention in the left main artery or in a complex lesion. Mounting evidence and the European action has led to discussion that the guideline in the United States will be expanded to include all patients requiring coronary interventions.
- Supporting clinical evidence – there have been recent statistical and clinically meaningful improvements in patient outcomes.

Operations

The Company maintains its head office at leased premises in Toronto, Ontario, which includes both industrial and office space totaling 18,003 square feet. The space is divided into three units in the same building. The largest unit is 12,113 square feet which houses operations, quality, information technology and finance. Included in this unit is a 1,200 square foot cleanroom and roughly 4,800 square feet for console production, along with inventory storage and a specialized transducer fabrication room. The other two units (totalling 5,890 square feet) house research & development and human resources.

Competition

Intravascular Ultrasound (IVUS)

Philips and Boston Scientific are the two largest global suppliers of IVUS systems. Philips added its IVUS franchise following the acquisition of Volcano Corp. in February 2015.

Both Philips⁴ and Boston Scientific⁵ sell several types of catheters and systems for both coronary and peripheral use and both have a global presence. Philips has approximately two-thirds of the global IVUS market, and up to 90% of the market for peripheral interventions. In 2018, Boston Scientific introduced the

³ <https://cardiovascularbusiness.com/topics/clinical/interventional-cardiology/ivl-gains-higher-level-reimbursement-one-biggest-coding-updates-pci-decades>

⁴ <https://www.usa.philips.com/healthcare/education-resources/technologies/igt/intravascular-ultrasound-ivus> and <https://www.usa.philips.com/healthcare/education-resources/technologies/igt/intravascular-ultrasound-ivus/peripheral/peripheral-ivus>

⁵ <https://www.bostonscientific.com/en-EU/products/ivus-systems.html>

Opticross HD IVUS system which operates at 60 MHz. Historically, IVUS systems operated at a lower frequency (i.e., 20-40 MHz), which allowed for greater penetration but a lower resolution.

Philips has both a rotational IVUS (45MHz) as well as a solid-state (phased array) IVUS (20Mhz) system. The solid-state IVUS system is the most widely used of the two (the majority of Philips' market share is based on this device). This device has a much lower resolution than the rotational IVUS catheter (as well as much lower than the Boston Scientific HD catheter), but is still widely used primarily due to catheter lab integration and ease of use. The Philips solid-state device does not require flushing or bagging an interface module to bring it into the sterile field (all that is required is that the catheter is opened and plugged in to a unit outside the sterile field on the patient table rail). This IVUS system is often the default imaging system included with Philips C-Arm installations, so is present in many catheter labs throughout the United States (even those where intravascular imaging utilization rate is low). Pricing data of the Philips catheters varies widely depending on the hospital and the bundled deal provided to them by the vendor (and/or catheter utilization deal), however, it is believed that the Philips catheter has an ASP below that of the Opticross HD IVUS from Boston Scientific.

The Opticross HD IVUS has gained traction since its release for its superior image quality (high resolution allows users to see detailed luminal features such as dissections not previously identified easily with other IVUS systems). The system requires flushing of the catheter and bagging of an interface module to bring into the sterile field.

There are several other commercial IVUS companies, although, their collective market share is minimal. ACIST Medical,⁶ owned by Bracco Group, has a high definition IVUS system for both coronary and peripheral use. Terumo Medical has a standalone IVUS system that is marketed predominantly in Japan.⁷ InfraredX⁸ (owned by Nipro Corporation) has an IVUS-system for coronary use that also includes simultaneous co-registered near-infrared spectroscopy to aid in the detection of lipid cores. These systems are similar in terms of workflow to the Opticross HD IVUS (require flushing of the catheter and bagging of an interface module to bring into the sterile field). The ACIST and InfraredX systems are considered HD IVUS and the ACIST system currently has the fastest IVUS-only pullback on the market at 10mm/s.

In April 2024, Provisio Medical announced that it had received US 510(k) clearance for the use of its sonic lumen tomography IVUS (SLT-IVUS) system for peripheral procedures.⁹ Whereas IVUS provides an image, SLT-IVUS provides dimensions of a vessel's flow lumen.

Conavi is aware of two pre-commercial IVUS companies. One is Evident Vascular,¹⁰ the launch of which was announced in October 2023, and is initially focused on peripheral applications. The other company was disclosed in conference and cannot be publicly revealed.

⁶ <https://acist.com/products/acist-hdi-hd-ivus-imaging/>

⁷ <https://tis.terumo.com/products/procedures/imaging>

⁸ <https://www.infraredx.com/>

⁹ <https://vascularnews.com/provisio-medical-announces-us-fda-clearance-of-the-provisio-slt-ivus-system/>

¹⁰ <https://evidentvascular.com/>

Optical Coherence Tomography (OCT)

Abbott Laboratories is the predominant global supplier of intravascular OCT.¹¹ It acquired its franchise as part of the acquisition of St. Jude Medical in January 2017, which had purchased Lightlab (the original developer of intravascular OCT) in July 2010. The Abbott OCT system is indicated exclusively for coronary use. Abbott Laboratories has been active in terms of making improvements and updates to its system, including the launch of the Ultreon™ platform in 2021. The Ultreon™ platform assists in the assessment of calcification, as well as EEL for stent sizing.

Gentuity¹² (owned by Nipro Corporation) sells a high frequency OCT system. It features a 1.8F (0.6 mm) catheter, which is the smallest imaging catheter on the market. SpectraWAVE, Inc. sells an OCT system exclusively in the United States that combines near-infrared spectroscopy. Both products are indicated solely for coronary use. SpectraWAVE, Inc.¹³ and Gentuity claim to have better OCT image quality than the Ultreon™ platform (specifically deeper penetration and higher resolution).

Avinger Inc. (NASDAQ:AVGR) sells a suite of OCT-guided devices for performing atherectomies or crossing chronic total occlusions in the peripheral vasculature. Avinger Inc. has a limited market presence with revenues of approximately \$8 million per year.

Hybrid Intravascular Imaging

Conavi is one of two standalone commercial-stage medical device companies with a coronary intravascular imaging solution (the other being Panorama Hengsheng (Beijing) Science and Technology Co., Ltd.).

There are two other companies with hybrid IVUS/OCT systems. In both cases, the ultrasound and optical imaging cores are physically off-set and therefore, the imagers are not perfectly colinear. The first company is Panorama Hengsheng (Beijing) Science and Technology Co., Ltd.,¹⁴ which has a technology approved and commercially available in China. The second company is Terumo Corporation,¹⁵ whose technology remains in development and is not approved for use.

¹¹ <https://www.cardiovascular.abbott/us/en/hcp/products/percutaneous-coronary-intervention/intravascular-imaging/optical-coherence-tomography-oct.html>

¹² <https://gentuity.com/>

¹³ <https://www.spectrawave.com/>

¹⁴ <https://clinicaltrials.gov/study/NCT05596279>

¹⁵ <https://pubmed.ncbi.nlm.nih.gov/32850981/>

Regulatory

United States Regulations

The Novasight Hybrid System is a medical device subject to extensive regulation by the US FDA and other federal, state, local and foreign regulatory bodies. US FDA regulations govern, among other things, the following activities that we or our partners perform and will continue to perform:

- product design and development;
- product testing;
- product manufacturing;
- product safety;
- post-market adverse event reporting, including reporting of deaths, serious injuries or device malfunctions;
- post-market surveillance;
- complaint handling;
- repair or recall of products;
- product storage;
- record keeping;
- premarket clearance or approval;
- post-market approval studies;
- advertising and promotion; and
- product marketing, sales and distribution, including export and import.

Unless an exception applies, the US FDA requires that the manufacturer of a new medical device or a new indication for use of, or other significant change in, existing currently marketed medical device obtain either 510(k) pre-market notification clearance or premarket approval (“**PMA**”) before it can market or sell those products in the United States. Conavi manufactures Class II medical devices, which require 510(k) clearance. Clearance to market Novasight 2.0 in the United States is based on a letter-to-file that does not require a new regulatory submission.

As part of an application for 510(k) clearance, a manufacturer must submit a premarket notification demonstrating that the proposed device is substantially equivalent to a previously cleared 510(k) device or a device that was in commercial distribution before May 28, 1976 for which the US FDA has not yet called for the submission of PMA applications. The manufacturer must show that the proposed device has the

same intended use as the predicate device, and it either has the same technological characteristics, or it is shown to be equally safe and effective and does not raise different questions of safety and effectiveness as compared to the predicate device. The US FDA's 510(k) clearance pathway usually takes from three (3) to twelve (12) months from the date the application is completed, but it can take significantly longer and clearance is never assured. Although many 510(k) premarket notifications are cleared without clinical data, in some cases, the US FDA requires significant clinical data to support substantial equivalence. In reviewing a premarket notification, the US FDA may request additional information, including clinical data, which may significantly prolong the review process. After a device receives 510(k) clearance, any modification that could significantly affect its safety or effectiveness, or that would constitute a new or major change in its intended use, will require a new 510(k) clearance or, depending on the modification, could require a PMA approval. The US FDA requires each manufacturer to make this determination initially, but the US FDA can review any such decision and can disagree with a manufacturer's determination. If the US FDA disagrees with a manufacturer's determination regarding whether a new premarket submission is required for the modification of an existing device, the US FDA can require the manufacturer to cease marketing and/or recall the modified device until 510(k) clearance or approval of a PMA application is obtained.

A PMA application must be submitted if the device cannot be cleared through the 510(k) process. Under the PMA process, the applicant submits extensive supporting data, including, in most cases, data from clinical studies, in the PMA application to establish reasonable evidence of the safety and effectiveness of the product. This process typically takes at least one to two years from the date the PMA is accepted for filing but can take significantly longer for the US FDA to review. If the US FDA were to require Conavi to seek 510(k) clearance or approval of a PMA application for any modifications to a previously cleared product, Conavi may be required to cease marketing or recall the modified device until Conavi obtains this clearance or approval. In addition, in these circumstances, Conavi may be subject to significant regulatory fines or penalties for failure to submit the requisite 510(k) premarket notification(s) or PMA application(s).

After a device is placed on the market, regardless of its classification or premarket pathway, numerous regulatory requirements apply. These include, but are not limited to:

- establishment registration and device listings with the US FDA;
- US FDA Quality System Regulation (“QSR”) compliance, which requires manufacturers, including third-party manufacturers, to follow stringent design, testing, process control, documentation and other quality assurance procedures;
- labeling regulations and the US FDA's general prohibition of promoting products for uncleared or unapproved, or “off-label” uses;
- clearance or approval of product modifications that could significantly affect safety or efficacy or that would constitute a major change in intended use;
- medical device reporting regulations, which require that manufacturers report to the US FDA if their device may have caused or contributed to a death or serious injury or malfunctioned in a way that would likely cause or contribute to a death or serious injury if it were to recur;
- corrections and removal reporting regulations, which require that manufacturers report to the US FDA field corrections and product recalls or removals if undertaken to reduce a risk to health posed

by the device or to remedy a violation of the United States Federal Food, Drug, and Cosmetic Act, (“**FDCA**”), that may present a risk to health. In addition, the US FDA may order a mandatory recall if there is a reasonable probability that the device would cause serious adverse health consequences or death; and

- post-approval restrictions or conditions, including requirements to conduct post-market surveillance studies to establish continued safety data.

The US FDA has broad post-market and regulatory enforcement powers. The agency may conduct unannounced inspections to determine compliance with the QSR and other regulations, and these inspections may include the manufacturing facilities of subcontractors. Failure by us or our suppliers to comply with applicable regulatory requirements can result in enforcement action by the US FDA or other regulatory authorities, which may result in sanctions and related consequences including, but not limited to:

- untitled letters or warning letters;
- fines, injunctions, consent decrees and civil penalties;
- recall, detention or seizure of our products;
- operating restrictions, partial suspension or total shutdown of production;
- refusal of or delay in granting our requests for 510(k) clearance or premarket approval of new products or modified products;
- withdrawing 510(k) clearance or premarket approvals that are already granted;
- refusal to grant export approval for our products;
- criminal prosecution; and
- unanticipated expenditures to address or defend such actions.
- We are subject to unannounced device inspections by the US FDA as well as other regulatory agencies overseeing the implementation and adherence of applicable state and federal regulations. These inspections may include our suppliers’ facilities.

The first generation of the Novasight Hybrid System (the “**Novasight 1.0**”) received US FDA 510(k) clearance in April 2018. At that time, the Company was unable to launch a full-scale commercialization effort in the United States, due to limited capital resources and commercial obligations to strategic partners in other jurisdictions outside the United States. Commercialization of the first generation Novasight Hybrid System was also materially impacted by the COVID-19 pandemic, which drastically reduced procedural volumes and prevented Company representatives from physically entering the hospital to support procedures and conduct training and other commercial activities. In late 2021, Conavi resumed marketing and commercialization of the first generation Novasight Hybrid System in North America, with a focus on the United States. Between late 2021 and October 2022, the system was used at six leading academic sites

in the United States, along with Sunnybrook Health Sciences Centre in Toronto, Canada. Despite a positive clinical response recognizing the benefits of hybrid IVUS/OCT imaging, the Company ultimately determined that the manufacturability and performance of the first generation of the Novasight Hybrid System was not optimal and suitable for broad market adoption in the United States. Based on this feedback, Conavi undertook a two-fold development and engineering program. First, it made certain iterations to the first-generation Novasight Hybrid System, which was used at a select number of clinical sites to gain further feedback and insights. Second, the Company undertook the development of a next generation version, that being Novasight 3.0, intended to be a best-in-class hybrid IVUS/OCT intravascular imaging system. A US FDA 510(k) submission for the Novasight 3.0 was made in September 2025.

Japanese Regulation

In Japan, medical devices must be approved prior to importation and commercial sale by the Ministry of Health, Labor and Welfare, or MHLW. The approval process identifies a Marketing Authorization Holder, or MAH, who is designated as the only authorized seller of products. Manufacturers of medical devices outside of Japan who do not operate through a Japanese entity are able to designate a MAH who will apply for product approval and take responsibility for the medical device as designated. The MHLW evaluates each device for safety and efficacy. As part of its approval process, the MHLW may require that the product be tested in Japanese laboratories. The approval process ranges in length and certain medical devices may require a longer review period for approval. Once a device is approved, the MHLW issues a Shonin to the MAH or designated MAH, thereby permitting such entity to import the device into Japan for sale.

After a device is approved for importation and commercial sale in Japan, the MHLW continues to monitor sales of approved products for compliance with labeling regulations, which prohibit promotion of devices for unapproved uses, and reporting regulations, which require reporting of product malfunctions, including serious injury or death caused by any approved device. Failure to comply with applicable regulatory requirements can result in enforcement action by the MHLW, which may include fines, injunctions, and civil penalties; recall or seizure of our products; operating restrictions; partial suspension or total shutdown of sales in Japan; or criminal prosecution.

The Novasight 1.0 has been approved for commercial sale in Japan. Conavi has engaged a third-party regulatory consultant to maintain the approval status for Novasight 1.0 in Japan.

Human Resources

As at September 30, 2025, the Company had approximately 42 employees and 4 independent contractors. As at the date hereof, the Company has approximately 42 employees and 5 independent contractors.

Specialized Skill and Knowledge

The nature of the Company's business requires specialized skills and knowledge. The Company is focused on designing, manufacturing, and marketing imaging technologies to guide common minimally invasive cardiovascular procedures, all of which requires technical expertise.

In order to attract and retain personnel with the specialized skills and knowledge required for the Company's operations, the Company maintains competitive remuneration and compensation packages. To date, the Company has been able to meet its staffing requirements.

Intellectual Property and Licensing

Although IVUS and OCT are established technologies, the combination of both modalities onto a single system is novel and Conavi has developed novel means to manufacture low profile minimally invasive imaging devices and systems to support them.

Pursuant to the Sunnybrook Technology Licensing Agreement, Conavi has exclusive rights (globally, and for all fields of use) to the key enabling aspects of its unique solution to hybrid IVUS/OCT imaging technology. Conavi has agreed to pay to Sunnybrook a royalty on direct sales and a royalty on sales through distributors and a sublicensing fee, as applicable. The core patent for the Novasight Hybrid System (US Pat: US8784321) was filed in 2008, plus a continuation from this patent being US11147452 (International filing WO2008086613A1). In the primary market (the United States), this patent expires in 2030. In other jurisdictions, the patents expire in 2028.

Additional IP relevant to the hybrid imaging technology has been filed to further support this product application:

- Co-ordination of imaging with blood clearing apparatus (expiration 2031-2032) (Patent US9076202, Patent USRE49218E1)
- Means for reducing rotational distortion (expiration 2032) (Patent US9039626 and Continuation US10729376)
- Improvements in image quality by detecting and compensating for external noise (expiration 2038) (Patent US10482582, and Continuations US10902564, US11538137 and 11769230)
- Application specific catheters with imaging cores (expiration 2038) (Patent US11051761)
- Conavi also has rights to IP in other strategic areas including but not limited to:
 - Scanning mechanisms enabling forward viewing imaging (Patent US8214010, Continuation in part US8460195; Continuations US9375147, US10667785, and US11523800)
 - Low profile tilt angle detection in imaging probes (Patent US9700280, Continuations US10390791 and US11364009)
 - Assembly of low-profile imaging catheters with functional elements embedded in shafts (Patent US11317891)
 - 3D display and processing (Patent US9786056 and Continuation US10699411).

Additional IP filings are planned around novel methods of fabricating and assembling imaging cores, as well as means of improving clinical workflows.

Conavi's strategy has been to file all patents in the United States, with additional jurisdictions being considered in proportion to expected value in additional markets. Core patents are also filed in Japan, China, Europe, South Korea, India, Canada, Australia, and New Zealand. Overall, Conavi has proprietary protection on 15 patent families with 102 issued patents including continuations and divisional filings.

In addition to protection via patent and trademark protection, Conavi takes measures to protect key knowhow and trade secrets. All source code for software and firmware is hosted on physical servers that are located on-premises. These are protected via a firewall blocking all external traffic, except for virtual private networks using multi-factor authentication. Access to source code is granted on an as-needed basis. Each source file has a copyright / confidential notice within it. During development, for suppliers that may produce custom components that include trade secrets, a non-disclosure agreement is executed prior to sharing designs / ordering components. For development efforts where it is anticipated protectable IP may be generated, an IP assignment agreement is put in place.

Novasight, Novasight Hybrid, Conavi (stylized), and its logo are registered trademarks in the United States and other jurisdictions.

In June 2021, Conavi entered into a technology transfer and licensing agreement (“**EOM Licensing Agreement**”) with EOM to enable it to develop and manufacture a version of the Novasight Hybrid system for sale exclusively in China. Source code and other aspects of our software were retained to prevent unauthorized development, manufacturing, or commercialization. Domestically manufactured products tend to benefit from more favourable reimbursement in China. EOM is an affiliate of China Grand Pharmaceutical Group (SEHK: 512). In December 2024, EOM received approval from the NMPA for a version of the Novasight Hybrid system. In consideration for the license, EOM was required to make milestone payments (prior to product approval in China) on successful completion of milestones and then a tiered royalty per sale (after product approval in China), ranging from 5.0%-10.0% of 75.0% of amounts invoiced to EOM coronary imaging system customers (subject to a minimum royalty per product sold), provided that EOM shall pay a minimum nonrefundable annual royalty of US \$250,000, which shall be creditable against the royalties otherwise due. All milestones were achieved and all the corresponding milestone payments were paid, totalling approximately C\$19 million, of which approximately \$10.7 million were used to fund the repurchase of the Class E Preferred Shares of Pre-RTO Conavi and a further \$8.3 million was used to fund the repurchase of a promissory note. EOM also purchases certain components from Conavi at a mark-up which are used in the development and manufacture of its domestic product. Unless earlier terminated, the EOM Licensing Agreement will remain in effect for so long as EOM is researching, developing, manufacturing, commercializing or otherwise using the licensed products. The EOM Licensing Agreement is terminable by each party for a material uncured breach of the other party or certain insolvency events of the other party.

Pre-RTO Titan Intellectual Property

As part of the RTO, the Company acquired the intellectual property portfolio of Pre-RTO Titan. This includes over 240 patents and patent applications related to robotic-assisted surgery. Beginning in 2023, Pre-RTO Titan entered into intellectual property and other licensing agreements for one-time and upfront consideration totaling over US\$15,500,000 (see the section of the annual information form of Pre-RTO Titan for the fiscal year ended December 31, 2023 entitled “*Development of the Business – Three Year History*” for more information). Currently, there is no ongoing revenue from the Pre-RTO Titan intellectual property portfolio, however, the Company is continuing to explore monetization opportunities.

RISK FACTORS

An investment in the Common Shares involves a high degree of risk and should be considered highly speculative due to the nature and present early stage of Conavi’s business. The following risks are the

material risks that the Company faces; however, the risks below are not the only ones the Company faces. Additional risks and uncertainties not presently known to Conavi or that Conavi believes to be immaterial may also adversely affect Conavi's business. If any of the following risks occur, Conavi's business, financial condition and results of operations could be seriously harmed and investors could lose all or part of their investment. Before deciding to invest in any Common Shares, investors should carefully consider the risk factors described below.

Risks Relating to Conavi's Operating History, Business and Industry

Conavi is a growth stage company and faces challenges often encountered by growth stage companies.

Conavi has encountered and will encounter risks and uncertainties frequently experienced by growth stage companies in rapidly changing industries, such as the risks and uncertainties described herein. If Conavi's assumptions regarding these risks and uncertainties (which it will use to plan its business) are incorrect or change due to external events, or if Conavi does not address these risks successfully, its operating and financial results could differ materially from its expectations and its business could suffer.

Conavi has a limited operating history, which makes it difficult to evaluate its current business and future prospects and increases the risk of your investment.

Investment in Conavi carries a high degree of risk and should be considered as a speculative investment. Conavi is a commercialization stage medical device company with a limited operating history. As a result of its limited operating history, its ability to forecast future results of operations is limited and subject to a number of uncertainties, including an inability to plan for future growth. Conavi has encountered and Conavi will encounter risks and uncertainties frequently experienced by growing companies in life sciences industries, such as risks, and uncertainties related to:

- US FDA and other regulatory clearances and the timing of such clearances;
- market acceptance of the Novasight Hybrid System;
- reliability and scalability of the Novasight Hybrid System;
- timely completion and results of clinical research programs;
- obtaining reimbursement authorization from government and other healthcare payors;
- adding customers;
- the successful commercialization of its business;
- competition from incumbents and other disruptive technologies;
- its ability to control costs, particularly product development, manufacturing and sales and marketing expenses; and
- general economic and political conditions.

If Conavi does not address these risks successfully, its business, results of operations, cash flows, financial condition and financing plans may be adversely affected.

Conavi has incurred significant losses since inception, and expects to incur losses for the foreseeable future and may never achieve nor sustain profitability.

Since its inception, Conavi has incurred significant losses. To date, Conavi has financed its operations primarily through offerings of its equity securities, debt financing and, to a much lesser extent, cash flows from sales of its product. Conavi has devoted substantially all of its resources to research and development, sales and marketing activities and clinical and regulatory initiatives to obtain required clearances to commercialize its product. Conavi's ability to generate sufficient revenue from its existing products or from any of its future products, and to transition to profitability and generate consistent positive cash flows is uncertain. Further, because Conavi only recently began generating revenue from product sales and such revenue has been limited to date, any projections that Conavi may make regarding future revenues are subject to substantial uncertainty and variability and may not prove to be accurate. Conavi will continue to incur significant operating expenses as it continues to support its clinical programs, build its commercial infrastructure, invest in increased sales and marketing efforts, and incur additional operational and reporting costs associated with being a public company. As a result, Conavi is expected to continue to incur operating losses for the foreseeable future and may never generate sufficient revenue to achieve profitability.

Conavi is dependent on the success of the Novasight Hybrid System and cannot be certain that the Novasight Hybrid System will achieve the broad acceptance necessary to develop a sustainable, profitable business.

Conavi's revenues are primarily derived from sales of the Novasight Hybrid System, which is an intravascular imaging system with the ability to combine both IVUS and OCT to enable simultaneous and co-registered imaging of coronary arteries. Conavi expects that sales of the Novasight Hybrid System into the existing intravascular imaging market, will continue to account for substantially all of its revenues for the foreseeable future. The ability of the Novasight Hybrid System to achieve the broad acceptance necessary to develop a sustainable, profitable business depends on a number of factors, such as:

- the availability of clinical evidence supporting the benefits of the Novasight Hybrid System;
- physicians accepting the benefits of the use of IVUS/OCT hybrid imaging products generally and the benefits of the Novasight Hybrid System in particular, regardless of the clinical evidence, and in light of any potential changes in workflow required for use of the Novasight Hybrid System;
- physician experience with the Novasight Hybrid System, either used alone or jointly with other imaging methods;
- the availability of training necessary for proficient use of the Novasight Hybrid System, as well as the willingness of physicians to participate in such training;
- physicians' perceptions of the risks generally associated with the use of intravascular imaging products;
- our ability to secure support from leading medical organizations for the use of the Novasight Hybrid System;

- the availability of alternative treatments or procedures that are perceived to be, or are, more effective, safer, easier to use and/or less costly than the Novasight Hybrid System;
- hospitals' willingness to purchase the Novasight Hybrid System, particularly if already using traditional intravascular imaging products, and the availability of sufficient funds to make such purchases if desired; and
- the level of reimbursement that third-party payors will provide for use of intravascular imaging products.

The Novasight Hybrid System may not adequately address market requirements and may not gain market acceptance among physicians, third-party payors, patients and others in the medical community due to factors such as:

- the actual and perceived benefits and ease of use of the Novasight Hybrid System relative to the products and services offered by Conavi's competitors;
- the quality of the images rendered by the Novasight Hybrid System;
- the cost, performance, benefits and reliability of the Novasight Hybrid System relative to the products and services offered by Conavi's competitors;
- the availability of coverage and adequate reimbursement for the Novasight Hybrid System and the procedures during which it may be used; and
- the extent and timing of technological advances in the intravascular imaging field.

If IVUS/OCT hybrid imaging technology generally, or the Novasight Hybrid System specifically, does not gain wide market acceptance, Conavi may not be able to achieve its anticipated growth, revenues or profitability and its results of operations would suffer.

If clinical evidence is unable to demonstrate the benefits of the Novasight Hybrid System, Conavi may not be able to differentiate its integrated OTC-IVUS technology from IVUS-only technology and therefore may be unable to meaningfully develop or expand the market for the Novasight Hybrid System.

Clinical studies are planned to test the benefits of the Novasight Hybrid System over other intravascular imaging technology; however, the timing and substance of results from these studies remains uncertain. For example, the results of clinical studies could be substantially delayed due to factors beyond Conavi's control, including the ability of clinical investigators to rapidly enroll a sufficient number of patients in studies. Further, even if Conavi is successful in demonstrating the benefits of the Novasight Hybrid Systems over other intravascular imaging technologies, further large-scale treatment trials demonstrating such benefits may be required in order to drive market acceptance of IVUS/OCT hybrid imaging. Conavi cannot assure that these large-scale treatment trials will be undertaken promptly or at all, nor can Conavi assure that the results of such studies will be favorable, even if completed.

It is also possible that the IVUS/OCT hybrid imaging technology within the current Novasight Hybrid System may require further refinement in order to optimize its functionality. Unless and until Conavi is able to demonstrate that the Novasight Hybrid System has superior functionality, the Novasight Hybrid

System may be viewed as having little or no benefits as compared to existing intravascular imaging technologies. Accordingly, market acceptance of the Novasight Hybrid System may not occur, which would materially and adversely affect our business and results of operations.

Even if Conavi is successful in establishing the benefits of its products as compared to other intravascular imaging technologies, it may be unable to meaningfully develop or expand the market for its product if physicians are reluctant to recommend the use of intravascular imaging, like the Novasight Hybrid System, particularly if non-invasive alternatives might be available.

If the clinical studies that Conavi sponsors or co-sponsors do not produce results necessary to support regulatory clearance, approval, adequate third-party payor reimbursement, and/or market acceptance of its products in the United States or elsewhere, Conavi may not be able to develop or increase penetration in identified markets and its business prospects may suffer.

Conavi may sponsor or co-sponsor additional studies in the future, to demonstrate the benefits of its products in order to increase market penetration and support its efforts to obtain and/or increase third-party payor reimbursement for procedures performed with the Novasight Hybrid System. Implementing a study is time consuming and expensive, and the outcome is uncertain. The initiation or completion of any clinical study may be prevented, delayed or halted for numerous reasons, including, but not limited to, the following:

- the US FDA, institutional review boards and/or other regulatory authorities may not agree that the studies conducted as exempted investigations under the US FDA's Investigational Device Exemption regulation qualify for that exemption, may not approve a clinical study protocol, or may force modifications to a previously approved protocol or place a clinical study on hold;
- patients may not enroll in, or may enroll at lower than expected rates, or may not complete a clinical study;
- patients or investigators may not comply with study protocols;
- patients may not return for post-treatment follow-up at the expected rate;
- patients may experience adverse side effects, including adverse side effects from our or a co-sponsor's investigational products;
- patients may die during a clinical study for a variety of reasons that may not be related to Conavi's products, including the advanced stage of their disease and other medical problems;
- sites participating in an ongoing clinical study may withdraw, requiring Conavi or its co-sponsors to engage new sites;
- third-party clinical investigators may decline to participate in Conavi's clinical studies, may not perform the clinical studies on the anticipated schedule, or may fail to perform clinical studies in a manner consistent with the investigator agreement, clinical study protocol, good clinical practices, or otherwise as required to secure regulatory clearance, approval, adequate third-party payor reimbursement and/or market acceptance of its products;

- third-party organizations may not perform data collection and analysis in a timely or accurate manner;
- Conavi’s co-sponsors may not perform their obligations in relation to the clinical study or may terminate the study;
- regulatory inspections of the clinical studies or manufacturing facilities may require Conavi or a co-sponsor to undertake corrective action or suspend or terminate the clinical studies;
- changes may occur in applicable governmental regulations or administrative actions;
- interim results of the clinical study may be inconclusive or negative;
- the study design may be inadequate to demonstrate safety and efficacy or to support desired labeling claims; and
- the study may not meet clinical endpoints.

Clinical studies may require the enrollment of large numbers of patients, and suitable patients may be difficult to identify and recruit. Patient enrollment in clinical studies and completion of patient follow-up depend on many factors, including the size of the patient population, the study protocol, the proximity of patients to clinical sites, eligibility criteria for the study and patient compliance. For example, patients may be discouraged from enrolling in our or our co-sponsor’s clinical studies if the applicable protocol requires them to undergo extensive post-treatment procedures or if they are persuaded to participate in different contemporaneous studies conducted by other parties. Delays in patient enrollment or failure of patients to continue to participate in a study may result in an increase in costs, delays or the failure of the study. Such events may have a negative impact on Conavi’s business by making it difficult to penetrate or expand certain identified markets or qualify for third-party payor reimbursement. Conavi may decide to abandon development of a product candidate, including further advancement of the Novasight Hybrid System, at any time due to unfavorable clinical results or other reasons, or Conavi may have to spend considerable resources repeating clinical trials or conducting additional trials, either of which would increase costs and delay growth in any revenue from the Novasight Hybrid System. Further, if Conavi is forced to contribute greater financial and clinical resources to a study, valuable resources will be diverted from other areas of its business.

Conavi has approximately C\$14.7 million in debt facilities maturing in April 2027 and, to secure the facilities, the lenders have a security interest in substantially all of Conavi’s assets, including its intellectual property.

Conavi has outstanding approximately C\$14.7 million senior secured loan facilities with Japan Lifeline Company Limited (the “**Japan Lifeline Debt Facility**”). The Japan Lifeline Debt Facility is secured by substantially all of Conavi’s assets with a first priority security interest, including, but not limited to, its owned intellectual property. The agreements relating to the debt facility contain various affirmative and negative covenants, including restrictions on: liens, indebtedness and dispositions; changes in name, location, executive office, fiscal year or business; mergers or acquisitions; restricted payments; and investments and transactions with affiliates. In addition, the Japan Lifeline Debt Facility matures on April 30, 2027, and Conavi must apply 50% of its positive cash flow from operations in each fiscal year to the

repayment of the Japan Lifeline Debt Facility. The Company was required to, in good faith, use commercially reasonable efforts to refinance the indebtedness by December 1, 2025. While the Company continues to use commercially reasonable efforts to pursue non-dilutive sources of capital for the Company that could assist in refinancing the indebtedness, the refinancing has not been completed, and based on the Company's current assessment of market conditions and available refinancing terms, the Company does not currently expect to complete a refinancing of the indebtedness in the near-term. If Conavi breaches any of the covenants or is unable to make payments when due under the Japan Lifeline Debt Facility, its debt obligations under the debt facilities may be accelerated in full and the lender could foreclose on the collateral securing the debt facilities.

Conavi's substantial indebtedness could have important consequences by adversely affecting Conavi's financial position.

Conavi's substantial indebtedness could:

- require Conavi to dedicate significant portions of its cash flow from operations (after the payment of operating expenses) to payments with respect to its indebtedness, thereby reducing the availability of its cash flow for working capital, capital expenditures and other general corporate expenditures;
- restrict Conavi's ability to take advantage of strategic opportunities;
- limit Conavi's flexibility in planning for, or reacting to, competition or changes in its business or industry;
- increase Conavi's vulnerability to adverse general economic or industry conditions;
- restrict Conavi from expanding its current facilities, building new facilities or exploring business opportunities; and
- place Conavi at a competitive disadvantage relative to competitors that have less debt or greater financial resources.

Conavi's ability to make payments on time and if necessary, refinance the debt facilities will depend on Conavi's ability to generate cash from its operations, among other things. Conavi's ability to generate cash from operations is subject, in large part, to the success of the Novasight Hybrid System, as well as general economic, competitive, legislative and regulatory factors and other factors that are beyond Conavi's control. To date, Conavi has been unable to generate positive cash flow from operations. If this continues, Conavi may not be able to generate enough cash flow from operations or obtain enough capital to service the debt facilities, remain in compliance with the covenants contained herein, finance Conavi's business operations or fund Conavi's planned capital expenditures. Furthermore, if Conavi does not have sufficient cash flow to service its debt, Conavi would need to refinance all or part of its existing debt, sell assets, borrow more money or sell securities, any or all of which Conavi may not be able to do on commercially reasonable terms or at all.

Because the debt under the debt facilities subjects substantially all of Conavi's assets to liens, there may be no assets left for shareholders in the event of a liquidation. In the event of a foreclosure on all or substantially all of Conavi's assets, it may not be able to continue to operate as a going concern.

Despite Conavi's current level of indebtedness, Conavi may incur more debt and undertake additional obligations. Incurring such debt or undertaking such additional obligations could further exacerbate the risks to Conavi's financial condition.

Conavi may elect to incur substantial additional indebtedness in the future. Although covenants under the existing debt facilities limit Conavi's ability to incur certain additional indebtedness, these restrictions are subject to qualifications and exceptions, and may be waived by the lenders. To the extent Conavi incurs additional indebtedness, the risks associated with Conavi's indebtedness described above, including the possible inability to service its debt obligations, would increase.

Conavi expects that it will require significant additional capital to pursue its growth strategy, and its failure to raise capital when needed could prevent Conavi from executing its growth strategy or maintaining its TSXV listing.

Conavi believes that its available cash and cash equivalents will be sufficient to satisfy Conavi's liquidity requirements until August 31, 2026. Conavi intends to continue to spend substantial amounts on research and development activities, including product development and regulatory compliance. Conavi may need to obtain additional financing to pursue its business strategy, respond to new competitive pressures or acquire complementary businesses, products or technologies. The timing and amount of Conavi's working capital and capital expenditure requirements may vary significantly depending on numerous factors, including:

- the level of market acceptance of the Novasight Hybrid System;
- the amount of revenue generated by sales of the Novasight Hybrid System;
- Conavi's need to adapt to changing technologies and technical requirements, and the costs related thereto;
- the costs associated with expanding Conavi's manufacturing, marketing, sales and distribution efforts; and
- the existence and timing of opportunities for expansion, including acquisitions and strategic transactions.

If Conavi's capital resources are insufficient to satisfy its liquidity requirements, Conavi may seek to sell additional equity or debt securities or to obtain additional debt financing. The sale of additional equity securities, or the use of Conavi's shares in an acquisition or strategic transaction, would result in additional dilution to Conavi's shareholders. Additional debt would result in interest expense and debt service requirements, and could subject Conavi to covenants that would restrict Conavi's operations. In addition, Conavi may be required to secure any additional debt with all or a portion of its assets. Conavi's significant losses to date may prevent Conavi from obtaining additional funds. Conavi cannot assure that any required financing will be available in amounts or on terms acceptable to Conavi, if at all. A sustained failure to raise capital, whether due to market conditions or development setbacks or other factors, may further cause Conavi to fall below the minimum listing standards, such as share price and financial ratios, set by the TSXV. In such an event, its ability to maintain its listing may be compromised and Conavi could be delisted. Delisting could have serious consequences for investor liquidity.

Conavi derives a significant portion of its revenues from a limited number of customers, and the loss of one or more of these customers could adversely impact Conavi's revenues and profitability.

Conavi's customer base is highly concentrated, with EOM accounting for approximately 96% and 98% of its total revenues in 2024 and 2025, respectively (excluding licensing income). If Conavi were to lose one or more significant customers, its revenue may significantly decline. In addition, revenues from significant customers may vary from period-to-period depending on the timing or volume of procedures performed by such customers with the Novasight Hybrid System. The loss of one or more of these significant customers could adversely affect Conavi's results of operations and cash flows.

Declines in the number of angioplasty and stenting procedures performed for any reason will adversely impact Conavi's business.

The Novasight Hybrid System is currently used in connection with coronary angioplasty and stenting procedures, and physicians may choose to perform fewer of such procedures. Because angioplasty and stenting procedures are currently the primary procedures during which the Novasight Hybrid System is used, any decline in the number of such procedures performed would adversely impact Conavi's operating results and its business prospects.

Competition, particularly from companies with longer operating histories and greater resources than Conavi, may harm its business.

The medical device industry, including the market for intravascular imaging products, is highly competitive, subject to rapid technological change and significantly affected by new product introductions and the market activities of other participants. As a result, even if the size of the intravascular imaging market increases, Conavi can make no assurance that its revenues or market share will increase. In addition, as the market for intravascular imaging technologies increases, additional competitors could enter the market. To compete effectively, Conavi will need to continue to demonstrate that the Novasight Hybrid System is attractive relative to alternative devices and treatments. Accordingly, Conavi's success depends on its ability to:

- innovate and maintain scientifically advanced technology, including enhancements to the Novasight Hybrid System;
- successfully market the Novasight Hybrid System;
- continue to build and expand its sales and marketing infrastructure;
- successfully conduct clinical studies that expand market acceptance of its products and/or third-party payor reimbursement therefor;
- obtain and maintain patent protection for the core functionality of the Novasight Hybrid System and any functionality that it develops;
- secure and preserve regulatory approvals;
- achieve manufacturing efficiencies;

- attract and retain skilled personnel; and
- successfully add complementary offerings and technology through acquisitions, licensing agreements and strategic partnerships.

With respect to the Novasight Hybrid System, its primary competitors are the IVUS systems from Philips and Boston Scientific and the OCT system from Abbot Laboratories, whose manufacturers are or may be substantially larger than Conavi and may enjoy competitive advantages, including:

- more established distribution networks;
- entrenched relationships with physicians;
- products and procedures that are less expensive and better integrated into catheterization labs;
- broader ranges of products and services that may be sold in bundled arrangements;
- greater experience in launching, marketing, distributing and selling products;
- greater experience in obtaining and maintaining US FDA and other regulatory clearances and approvals;
- established relationships with healthcare providers and payors; and
- greater financial and other resources for product development, sales and marketing, acquisitions of products and companies, and intellectual property protection.

Conavi expects to encounter potential physician customers who, due to existing relationships with Conavi's competitors, are committed to or prefer the products offered by these competitors. Further, consolidation within the market for intravascular imaging technologies in particular, may limit the number of hospitals that may consider purchasing the product.

For these and other reasons, Conavi may not be able to compete successfully against its current or potential future competitors, and sales of its products may decline.

Failure to innovate may adversely impact Conavi's competitive position and may adversely impact its ability to drive price increases for its products and its product revenue.

The future success of Conavi will depend upon its ability to innovate new products and introduce enhancements to the existing Novasight Hybrid System, such as Novasight 3.0, in order to address the changing needs of the marketplace. Conavi also relies on product enhancements and new products to attempt to drive price increases for its products in the markets. Frequently, product development programs require assessments to be made of future clinical need and commercial feasibility, which are difficult to predict. Customers may forego purchases of Conavi's product and purchase its competitors' products as a result of delays in introduction of enhancements to its product and new products, failure to choose correctly among technical alternatives or failure to offer innovative products or enhancements at competitive prices and in a timely manner. In addition, announcements of new products may result in a delay in or cancellation of purchasing decisions in anticipation of such new products. Conavi may not have adequate resources to

introduce new products in time to effectively compete in the marketplace. Any delays in product releases may negatively affect Conavi's business.

Conavi may also compete with new or alternative technologies that penetrate the worldwide intravascular imaging market without using IVUS/OCT hybrid technology. These products, procedures or solutions could prove to be more effective, faster, safer or less costly than Conavi's products. At this point, there is not a substitute for intravascular imaging. Drugs such as GLP-1 and PCSK9 inhibitors may result in a long-term reduction in the prevalence of coronary artery disease.

The introduction of new products, procedures or clinical solutions by competitors may result in price reductions, reduced margins, loss of market share and may render our product obsolete. Conavi cannot guarantee that these alternative technologies will not be commercialized and become viable alternatives to its product in the future, and Conavi cannot guarantee that it will be able to compete successfully against them if they are commercialized.

The successful continuing development of the existing Novasight Hybrid System and any new products depends on Conavi maintaining strong relationships with physicians.

The research, development, marketing and sales of the Novasight Hybrid System depends upon Conavi maintaining strong working relationships with physicians. Conavi relies on these professionals to provide it with considerable knowledge and experience regarding the development, marketing and sale of its product. If Conavi is unable to maintain strong relationships with these professionals and continue to receive their advice and input, its existing product and any enhancements thereto and any new products may not be developed and marketed in line with the needs and expectations of the professionals who use or would use and support our product and the development and marketing of its product could suffer, which could have a material adverse effect on its business and results of operations.

If Conavi is unable to drive physician adoption of the Novasight Hybrid System, it may be unable to achieve its expected growth.

An important part of Conavi's sales process includes the education of physicians on the clinical benefits and ease of use of the Novasight Hybrid System. If a physician experiences difficulties during an initial procedure or otherwise, that physician may be less likely to continue to use Conavi's product, or to recommend its use to other physicians. This may also result in unsatisfactory patient outcomes, patient injuries, negative publicity or lawsuits against Conavi, any of which could have an adverse effect on its business and impair its future revenue growth.

It is critical to the success of Conavi's commercialization efforts to educate physicians on the clinical benefits of the Novasight Hybrid System, and to provide them with adequate product support during clinical procedures. It is important for Conavi's growth that it continue to drive physician adoption of the Novasight Hybrid System and that these physicians appropriately advocate for the benefits of the product.

If Conavi is unable to obtain sufficient reimbursement for procedures performed with the Novasight Hybrid System, it is unlikely that the Novasight Hybrid System will be widely used.

Successful sales of the Novasight Hybrid System depend on the availability of coverage and adequate reimbursement from third-party payors. Healthcare providers that purchase medical devices for treatment of their patients generally rely on third-party payors to reimburse all or part of the costs and fees associated with the procedures performed with these devices. Customers are unlikely to use the product if they do not

receive reimbursement adequate to cover the cost of the product and related procedures. Both public and private insurance coverage and reimbursement plans are central to new product acceptance.

Currently, hospitals that perform coronary angioplasty and stenting procedures in the United States do not receive separate payment for the use of intravascular imaging. This is also the case in Canada, except for the Province of Ontario where hospitals receive reimbursement for the use of imaging.

To the extent Conavi sells the products internationally, market acceptance may depend, in part, upon the availability of coverage and adequate reimbursement within prevailing healthcare payment systems. Coverage, reimbursement, and healthcare payment systems in international markets vary significantly by country, and by region in some countries, and include both government-sponsored healthcare and private insurance. It is possible that Conavi may not obtain international reimbursement approvals in a timely manner, if at all. The failure to receive international coverage or reimbursement approvals would negatively impact market acceptance of the products in the international markets in which those approvals are sought.

Further, even within a single country, coverage of and reimbursement for medical technology can differ significantly from payor to payor. Payors continually review new technologies for possible coverage and can, without notice, deny coverage for these new products and procedures. Thus, payors who currently cover and reimburse customers for procedures using Conavi's products may in the future choose to decrease or eliminate current levels of reimbursement, which would cause Conavi's business to suffer.

All third-party coverage and reimbursement programs, whether government funded or insured commercially, whether inside the United States or outside, are developing increasingly sophisticated methods of controlling healthcare costs. Such cost-containment programs adopted by third-party payors, including legislative and regulatory changes to coverage and reimbursement policies, could potentially limit the amount which healthcare providers are willing to pay for medical devices, or related testing, which could adversely impact our business.

It is believed that future coverage of and reimbursement for Conavi's products may be subject to increased restrictions both in the United States and in international markets. Third-party reimbursement and coverage for Conavi's products may not be available or adequate in either the United States or international markets. Future legislation, regulations, coverage or reimbursement policies adopted by third-party payors may adversely affect the growth of the markets for our products, reduce the demand for Conavi's existing products or its products currently under development and limit Conavi's ability to sell its products on a profitable basis.

Conavi faces prolonged sales cycles, substantial upfront sales costs and less predictability in completing some of its sales. If the sales cycle lengthens, or if upfront sales investments do not result in sufficient revenue, Conavi's operating results may be harmed.

In light of the potential substantial time investment required to allow physicians to become familiar with the benefits of using the Novasight Hybrid System and influence hospital purchasing decisions, Conavi faces longer sales cycles, complex customer requirements, substantial upfront sales costs, and less predictability in completing sales with these customers. The sales cycle can often last several months, with physicians often undertaking an extended evaluation process, but it is variable and difficult to predict and can be longer or shorter. If Conavi continues to expand globally, it may experience even longer sales cycles, higher upfront sales costs and less predictability in completing sales with its larger hospital systems. If the

sales cycle lengthens or upfront sales investments do not generate sufficient revenue to justify the investments in Conavi's sales efforts, its operating results may be harmed.

Conavi's operating results may vary significantly from quarter to quarter, which may negatively affect its share price in the future.

Conavi's quarterly revenues and results of operations may fluctuate due to, among others, the following reasons:

- physician and hospital acceptance of the Novasight Hybrid System;
- the productivity of Conavi's sales representatives, including their ability to establish new accounts;
- the amount of sales generated by Conavi's distributors;
- Conavi's ability to recruit, train and build out its sales force;
- delays in planned product introductions;
- the timing, expense and results of research and development activities, preclinical studies and clinical trials, and obtaining future regulatory approvals;
- fluctuations in Conavi's expenses associated with expanding its operations and operating as a public company;
- the introduction of new products and technologies by Conavi's competitors;
- supplier, manufacturing or quality problems with the Novasight Hybrid System;
- the timing of stocking orders from Conavi's distributors;
- changes in Conavi's pricing policies or in the pricing policies of its competitors or suppliers; and
- changes in third-party payors' reimbursement policies.

Because of these and possibly other factors, it is likely that in some future periods Conavi's operating results will not meet investor expectations or those of public market analysts.

Any unanticipated change in revenues or operating results is likely to cause Conavi's share price to fluctuate since such changes reflect new information available to investors and analysts. New information may cause investors and analysts to revalue Conavi's business, which could cause a decline in the trading price of the shares.

Delays in planned product introductions may adversely affect Conavi's business and negatively affect future revenue.

Conavi is currently developing product enhancements and new products. It may experience delays in any phase of product development and commercial launch, including during research and development, manufacturing, limited release testing, marketing and customer education efforts. Any delays in the product

launches may significantly impede Conavi's ability to successfully compete in the intravascular coronary imaging market and may reduce its revenue.

Manufacturing risks may adversely affect Conavi's ability to manufacture products and could reduce Conavi's gross margins and negatively affect its operating results.

Conavi's business strategy depends on its ability or those of third-party manufacturers to produce its current and proposed products in sufficient quantities and on a timely basis so as to meet consumer demand, while adhering to product quality standards, complying with regulatory requirements and managing manufacturing costs. Conavi is subject to numerous risks relating to its manufacturing capabilities, including with respect to:

- quality or reliability defects in product components that Conavi sources from third party suppliers;
- Conavi's ability to secure product components in a timely manner, in sufficient quantities and on commercially reasonable terms;
- Conavi's ability to increase production of products to meet demand;
- challenges posed by implementation and maintenance of acceptable quality systems;
- Conavi's ability to modify production lines to enable it to efficiently produce future products and implement changes in current products in response to regulatory requirements;
- Conavi's ability to identify and qualify alternative suppliers for components in a timely manner; and
- potential damage to or destruction of Conavi's manufacturing equipment or manufacturing facility.

These risks are likely to be exacerbated by Conavi's limited experience with its current products and manufacturing processes. As demand for Conavi's products increases, Conavi may have to invest additional resources to purchase components, hire and train employees, and enhance its manufacturing processes and quality systems. If Conavi fails to increase its production capacity efficiently, while also maintaining quality requirements, Conavi's sales may not increase in line with its forecasts and its operating margins could fluctuate or decline. Further, to the extent that Conavi's direct manufacturing volume declines (due to the fact that the volume of its products manufactured and sold by its distributors increases, or otherwise), Conavi's gross margins may be adversely affected because of reduced economies of scale in its manufacturing facilities.

Conavi depends on third-party suppliers for certain key components, and the loss of any of these key suppliers, or their inability to provide Conavi with an adequate supply of materials, could harm Conavi's business.

Conavi relies on third-party suppliers to supply components for its product. For Conavi's business strategy to be successful, its suppliers must be able to provide Conavi with components in sufficient quantities, in compliance with regulatory requirements and quality control standards, in accordance with agreed upon specifications, at acceptable costs and on a timely basis. Increases in Conavi's product sales, whether forecasted or unanticipated, could strain the ability of Conavi's suppliers to deliver an increasingly large

supply of components in a manner that meets these various requirements. Additionally, Conavi's suppliers may encounter problems that limit their ability to manufacture products for Conavi, including financial difficulties or damage to their manufacturing equipment or facilities. If Conavi fails to obtain sufficient quantities of high quality components to meet demand on a timely basis, Conavi could lose customer orders, its reputation may be harmed and its business could suffer.

Conavi has a large number of suppliers, some of which supply certain key components of its product, many of which are custom designed and fabricated. While Conavi maintains inventory of such components and believes that it would be able to effectively secure relationships with new suppliers for such components if necessary, depending on a limited number of suppliers exposes Conavi to risks, including limited control over pricing, availability, quality and delivery schedules. Further, because of the proprietary nature of the product, Conavi's quality control standards and regulatory requirements, it may prove more difficult for Conavi to locate alternative suppliers than the Company expects, should such alternative suppliers become necessary. Any disruption in supply of components necessary to build the Novasight Hybrid System or any increased expenses associated with procuring such components could harm Conavi's commercialization efforts and adversely affect its operating results.

Conavi is dependent on its collaborations, and events involving these collaborations or any future collaborations could delay or prevent Conavi from developing or commercializing products.

The success of Conavi's current business strategy and Conavi's near- and long-term viability will depend on its ability to execute successfully on existing strategic collaborations and to establish new strategic collaborations. Collaborations allow Conavi to leverage our resources and technologies and to access markets that are compatible with its own core areas of expertise. To penetrate Conavi's target markets, the company may need to enter into additional collaborative agreements to assist in the development and commercialization of future products. Establishing strategic collaborations is difficult and time-consuming. Potential collaborators may reject collaborations based upon their assessment of our financial, regulatory or intellectual property position or Conavi's internal capabilities. Conavi's discussions with potential collaborators may not lead to the establishment of new collaborations on favorable terms or at all.

Conavi has collaborations with a number of entities or their affiliates, including EOM. In each collaboration, Conavi combines its technology or core capabilities with those of the third party to permit either greater penetration into markets or to enhance the functionality of Conavi's current and planned products. Conavi has limited control over the amount and timing of resources that Conavi's current collaborators or any future collaborators devote to the collaborations or potential products. These collaborators may breach or terminate their agreements with Conavi or otherwise fail to conduct their collaborative activities successfully and in a timely manner. Further, the collaborators may not develop or commercialize products that arise out of the collaborative arrangements or devote sufficient resources to the development, manufacture, marketing or sale of these products. Moreover, in the event of termination of a collaboration agreement, Conavi may not realize the intended benefits or it may not be able to replace the arrangement on comparable terms or at all.

Any defects or malfunctions in the computer hardware or software Conavi utilizes in the Novasight Hybrid System could cause severe performance failures, which would harm Conavi's reputation and adversely affect its results of operations and financial condition.

The existing product and new products depend and will depend on the continuous, effective and reliable operation of computer hardware and software. For example, the Novasight Hybrid System utilizes sophisticated software that is predominantly internally developed. Although Conavi updates the computer software utilized in its product on a regular basis, there can be no guarantee that defects do not currently, or will not in the future, exist in the computer software or that unforeseen malfunctions, whether within Conavi's control or otherwise, will not occur. In addition, Conavi's devices and information technology systems may be targeted and/or adversely affected by cybersecurity attacks, including malware, which could compromise protected patient information and subject Conavi to a variety of adverse legal and regulatory consequences. Although Conavi has implemented various safeguards to prevent unauthorized access or modification to its product and information technology systems, Conavi cannot assure that these safeguards are or will continue to be effective. Any defect, malfunction or other failing in the computer hardware or software utilized by the Novasight Hybrid System, including products Conavi develops in the future, could result in inaccurate readings, misinterpretations of data, or other performance failures that could render the Novasight Hybrid System unreliable or ineffective and could lead to decreased confidence in the Novasight Hybrid System, damage to Conavi's reputation, reduction in Conavi's sales and product liability claims, the occurrence of any of which could have a material adverse effect on Conavi's results of operations and financial condition.

If Conavi's facility becomes inoperable, it will be unable to continue to research, develop, manufacture and commercialize its products and, as a result, Conavi's business will be harmed.

Conavi does not have redundant facilities. Conavi currently performs substantially all of its research and development, manufacturing and commercialization activity and maintains substantially all raw material and finished goods inventory in a single location in Toronto, Ontario. Conavi's facility and equipment was costly and could take substantial lead time to rebuild or replace. The facility may be harmed or rendered inoperable by natural or man-made disasters, including, but not limited to, flooding, fire, power outages, storms and earthquakes, which may render it difficult or impossible for Conavi to perform its research, development, manufacturing and commercialization activities for some period of time. The inability to perform those activities may result in the inability to continue manufacturing Conavi's products during such periods and the loss of customers or harm to Conavi's reputation. Although Conavi currently possess insurance for damage to its property and the disruption of its business, this insurance may not be sufficient to cover all of Conavi's potential losses and may not continue to be available to Conavi on acceptable terms, or at all.

Conavi may face product liability claims that could result in costly litigation and significant liabilities and adversely affect its sales and business prospects.

Manufacturing and marketing of Conavi's commercial products, and clinical testing of its product enhancements under development, may expose Conavi to product liability and other tort claims. Although Conavi has, and Conavi intends to maintain, liability insurance, the coverage limits of the insurance policies may not be adequate and one or more successful claims brought against Conavi may have a material adverse effect on Conavi's business and results of operations. Additionally, product liability claims could negatively

affect Conavi's reputation, continued product sales, and Conavi's ability to obtain and maintain regulatory approval for its products.

If Conavi is unable to recruit, hire and retain skilled and experienced personnel, its ability to effectively manage and expand its business will be harmed.

The success of Conavi largely depends on the skills, experience and efforts of its officers and other key employees. The loss of the services of any of these individuals could impede, delay or prevent the successful development of Conavi's products, completion of the planned clinical studies, commercialization of the products or in-licensing or acquisition of new assets and could negatively impact Conavi's ability to successfully implement its business plan. If Conavi loses the services of any of these individuals, it might not be able to find suitable replacements on a timely basis or at all, and the business could be harmed as a result. At this time, Conavi does not intend to maintain "key man" insurance policies on the lives of these individuals or the lives of any of the other employees. Conavi employs all of its officers and key personnel on an at-will basis and their employment can be terminated by Conavi or them at any time, for any reason and without notice. The announcement of the loss of one of Conavi's key employees could negatively affect its share price. The ability of Conavi to retain skilled workforce and success in attracting and hiring new skilled employees will be a critical factor in determining whether Conavi will be successful in the future. Conavi faces challenges in hiring, training, managing and retaining employees in certain areas including clinical, technical and sales and marketing. This could delay new product development and commercialization, and hinder Conavi's marketing and sales efforts, which would adversely impact its competitiveness and results of operations.

If Conavi fails to grow and retain its direct sales force, its business could suffer.

Conavi currently has a direct sales force in the United States and Canada, which it will need to grow and geographically expand as Conavi increases the marketing efforts with respect to the Novasight Hybrid System. Conavi intends to continue to make a significant investment in recruiting and training sales representatives. There is significant competition for sales personnel experienced in relevant medical device sales. Once hired, the training process is lengthy, as it requires significant education for new sales representatives to achieve the level of clinical competency with Conavi's product expected by physician customers. Upon completion of the training, Conavi's sales representatives typically require lead time in the field to grow their network of accounts and achieve the productivity levels Conavi expects them to reach in any individual territory. If Conavi is unable to attract, motivate, develop and retain a sufficient number of qualified sales personnel, and if Conavi's sales representatives do not achieve the productivity levels the company expects them to reach, the revenue of Conavi will not grow at the rate it expects and its financial performance will suffer. Also, to the extent Conavi hires personnel from its competitors, Conavi may have to wait until applicable non-competition provisions have expired before deploying such personnel in restricted territories or incur costs to relocate personnel outside of such territories.

If Conavi fails to properly manage its anticipated growth, its business could suffer.

Rapid growth of Conavi's business is likely to place a significant strain on its managerial, operational and financial resources and systems. To execute Conavi's anticipated growth successfully, it must attract and retain qualified personnel and manage and train them effectively. In addition, Conavi anticipates hiring additional personnel to assist in the commercialization of its current products and in the development of future products. Conavi depends on its personnel and third parties to effectively market and sell its product

to an increasing number of customers. Conavi also depends on its personnel to develop and manufacture new products and product enhancements. Further, Conavi's anticipated growth will place additional strain on its suppliers resulting in increased need for Conavi to carefully monitor for quality assurance. Any failure by Conavi to manage its growth effectively could have an adverse effect on its ability to achieve its development and commercialization goals.

Conavi may be subject to risks associated with currency fluctuations, and changes in foreign currency exchange rates could adversely affect its results of operations.

The Japan Lifeline Debt Facility is denominated in Japanese Yen, and Conavi may generate a significant portion of its revenue and incur expenses denominated in currencies other than the U.S. dollar. Changes in the exchange rates between such foreign currencies and the U.S. dollar could adversely affect its reported results of operations and distort period to period comparisons. Fluctuations in foreign currency exchange rates may also adversely affect the reporting of Conavi's receivables and payables in foreign currencies. As a result of such foreign currency fluctuations, it could be more difficult to detect underlying trends in Conavi's business and results of operations. In addition, to the extent that fluctuations in currency exchange rates cause Conavi's results of operations to differ from its expectations or the expectations of its investors, the trading price of the Common Shares could be adversely affected.

In the future, Conavi may engage in exchange rate hedging activities in an effort to mitigate the impact of exchange rate fluctuations. If Conavi's hedging activities are not effective, changes in currency exchange rates may have a more significant impact on its results of operations.

If Conavi chooses to acquire new businesses, products or technologies, it may experience difficulty in the identification or integration of any such acquisition, and its business may suffer.

Conavi's success depends on its ability to continually enhance and broaden its product offerings in response to changing customer demands, competitive pressures and technologies. Accordingly, Conavi may in the future pursue the acquisition of complementary businesses, products or technologies instead of developing them itself. Conavi has no current commitments with respect to any acquisition or investment. Conavi does not know if it will be able to identify or complete any acquisitions, or whether it will be able to successfully integrate any acquired business, product or technology or retain key employees. Integrating any business, product or technology it acquires could be expensive and time consuming, disrupt its ongoing business and distract its management. If Conavi is unable to integrate any acquired businesses, products or technologies effectively, its business will suffer. In addition, any amortization or charges resulting from acquisitions could harm Conavi's operating results.

Conavi is likely a "passive foreign investment company", which may have adverse U.S. federal income tax consequences for U.S. investors.

Conavi believes it was classified as a "passive foreign investment company" or "PFIC" during the tax year ended September 30, 2025, and based on its business plans and financial expectations, Conavi expects that it may be a PFIC for the current tax year and future tax years. If Conavi is a PFIC for any year during a U.S. taxpayer's holding period of Common Shares, then such U.S. taxpayer generally will be required to treat any gain realized upon a disposition of Common Shares or any so-called "excess distribution" received on its Common Shares as ordinary income, and to pay an interest charge on a portion of such gain or distribution. In certain circumstances, the sum of the tax and the interest charge may exceed the total amount

of proceeds realized on the disposition, or the amount of excess distribution received, by the U.S. taxpayer. Subject to certain limitations, these tax consequences may be mitigated if a U.S. taxpayer makes a timely and effective QEF Election or a MTM Election. Subject to certain limitations, such elections may be made with respect to Common Shares. A U.S. taxpayer who makes a timely and effective QEF Election generally must report on a current basis its share of its net capital gain and ordinary earnings for any year in which Conavi is a PFIC, whether or not Conavi distributes any amounts to its shareholders. However, U.S. taxpayers should be aware that there can be no assurance that Conavi will satisfy the record keeping requirements that apply to a qualified electing fund, or that Conavi will supply U.S. taxpayers with information that such U.S. taxpayers require to report under the QEF Election rules, in the event that Conavi is a PFIC and a U.S. taxpayer wishes to make a QEF Election. Thus, U.S. taxpayers may not be able to make a QEF Election with respect to their Common Shares. A U.S. taxpayer who makes the MTM Election generally must include as ordinary income each year the excess of the fair market value of Common Shares over the taxpayer's basis therein. Each potential investor who is a U.S. taxpayer should consult its own tax advisor regarding the tax consequences of the PFIC rules and the acquisition, ownership, and disposition of Common Shares.

The expense and potential unavailability of insurance coverage for Conavi's company, customers or products may have an adverse effect on its financial position and results of operations.

While Conavi currently have insurance for its business, property, directors and officers, and product liability, insurance is increasingly costly and the scope of coverage is narrower, and Conavi may be required to assume more risk in the future. If Conavi is subject to claims or suffers a loss or damage not covered by or in excess of its insurance coverage, it will be required to cover the amounts outside of or in excess of its insurance limits. If Conavi is subject to claims or suffers a loss or damage that is outside of its insurance coverage, it may incur significant costs associated with loss or damage, which could have an adverse effect on its financial position and results of operations. Furthermore, any claims made on Conavi's insurance policies may impact its ability to obtain or maintain insurance coverage at reasonable costs or at all. Conavi does not have the financial resources to self-insure, and it is unlikely that Conavi will have these financial resources in the foreseeable future, if at all.

Conavi's product liability insurance covers its product and business operations, but Conavi may need to increase and expand this coverage commensurate with Conavi's expanding business. Any product liability claims brought against Conavi, with or without merit, could result in:

- substantial costs of related litigation or regulatory action;
- substantial monetary penalties or awards;
- decreased demand for Conavi's product;
- reduced revenue or market penetration;
- injury to Conavi's reputation;
- withdrawal of regulatory clearances or approvals;
- withdrawal of clinical study participants;

- an inability to establish new strategic relationships;
- increased product liability insurance rates; and
- an inability to secure continuing coverage.

Some of Conavi's customers and prospective customers may have difficulty in procuring or maintaining liability insurance to cover their operation and use of Conavi's products. Medical malpractice carriers are withdrawing coverage in certain regions or substantially increasing premiums. If this trend continues or worsens, Conavi's customers may discontinue using its products and potential customers may opt against purchasing Conavi's products due to the cost or inability to procure insurance coverage.

Natural disasters such as continuing or new epidemic or pandemic outbreaks.

Conavi and its employees could be affected by an epidemic or pandemic outbreak, either within a facility or within the communities in which Conavi operates. Conavi will develop and adopt policies and procedures in order to deal with any potential epidemic or pandemic outbreaks impacting its facilities. There can be no assurance that such policies and procedures will ensure that Conavi's operations would not be adversely affected.

Anticipated changes to economic conditions may impact the Company.

The Company, its operations, plans and its ability to raise financing may be adversely affected in subsequent fiscal periods as a result of current and future geopolitical events, including as a result of risks and uncertainties surrounding potential regulatory changes or the establishment of protectionist measures, such as the imposition of tariffs or modifications to free trade agreements.

In 2025, the U.S. imposed significant tariffs on Canada, and in response, Canada imposed retaliatory tariffs. There remains significant uncertainty regarding the breadth, scope and timing of any additional tariffs between the two countries. In particular, there is uncertainty regarding U.S. tariffs and support for existing treaty and trade relationships, including with Canada. The Company intends to continue manufacturing in the U.S., while sourcing components globally from jurisdictions that may be subject to U.S. tariffs resulting in additional production costs on the Company. Implementation by the U.S. government of new legislative or regulatory policies could impose additional production costs on the Company, decrease U.S. demand for the Company's products, or otherwise negatively impact the Company, which may have a material adverse effect on the Company's business, financial condition, and operations.

In addition, this uncertainty associated with potential tariffs may adversely impact: (i) the ability of U.S. companies to transact business with Canadian companies; (ii) the Company's profitability; (iii) regulation affecting the Canadian medical device industry; (iv) global stock markets (including the TSXV); and (v) general global economic conditions.

All of these factors are outside of the Company's control but may nonetheless lead the Company to adjust its strategy in order to compete effectively in global markets.

Unstable market and economic conditions may have serious adverse consequences on Conavi's business and financial condition.

Global credit and financial markets experienced extreme disruptions at various points over the last decade, characterized by diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, increases in unemployment rates, and uncertainty about economic stability. If another such disruption in credit and financial markets and deterioration of confidence in economic conditions occurs, Conavi's business may be adversely affected. If the equity and credit markets were to deteriorate significantly in the future, it might make any necessary equity or debt financing more difficult to complete, more costly, and more dilutive. Failure to secure any necessary financing in a timely manner and on favorable terms could have a material adverse effect on Conavi's growth strategy, financial performance and the market price of the Common Shares and could require Conavi to delay or abandon development or commercialization plans. In addition, there is a risk that one or more of Conavi's current collaborators, service providers, manufacturers, and other partners would not survive or be able to meet their commitments to Conavi under such circumstances, which could directly affect Conavi's ability to attain its operating goals on schedule and on budget.

Additionally, restricted credit and capital availability restrains Conavi's customers' ability or willingness to purchase Conavi's products, resulting in lower revenues. Depending on their severity and duration, the effects and consequences of a global economic downturn could have a material adverse effect on Conavi's liquidity and capital resources, including Conavi's ability to raise capital, if needed, and otherwise negatively impact Conavi's business and financial results.

In addition, financial uncertainties and other events in Conavi's major international markets, including inflation and other market factors, may negatively impact the global economy and consequently, Conavi's results of operations.

Under applicable employment laws, Conavi may not be able to enforce covenants not to compete.

Conavi will generally enter into non-competition agreements with its employees. These agreements prohibit Conavi's employees, if they cease working for Conavi, from competing directly with it or working for its competitors or clients for a limited period. Conavi may be unable to enforce these agreements under the laws of the jurisdictions in which its employees work and it may be difficult for it to restrict competitors from benefitting from the expertise its former employees or consultants developed while working for Conavi. For example, Canadian labour courts have required employers seeking to enforce non-compete undertakings of a former employee to demonstrate that the competitive activities of the former employee will harm one of a limited number of material interests of the employer which have been recognized by the courts, such as the protection of a company's trade secrets or other intellectual property. Conavi may be unable to enforce these agreements under the laws of the jurisdictions in which employees work and it may be difficult to restrict Conavi's competitors from benefitting from the expertise Conavi's former employees or consultants developed while working for Conavi.

If Conavi is not able to develop a strong brand for its Novasight Hybrid System and increase market awareness of Conavi and its products, then Conavi's business, results of operations and financial condition may be adversely affected.

The success of Conavi's Novasight Hybrid System will depend in part on Conavi's ability to develop a strong brand identity for itself as a company and its products, and to increase the market awareness of its products. The successful promotion of Conavi's brand will depend largely on its marketing efforts and its ability to offer high quality products and ensure that its products provide the expected benefits to its customers. It is important for Conavi to be perceived as a leader in its market. Conavi's brand promotion and thought leadership activities may not be successful or produce increased revenue. In addition, independent industry analysts may provide reviews of Conavi's products and of competing products, which may significantly influence the perception of Conavi's products in the marketplace. If these reviews are negative or not as positive as reviews of competitors' products, then Conavi's brand may be harmed.

The promotion of Conavi's brand also requires substantial expenditures, and Conavi anticipates that these expenditures will increase as its industry becomes more competitive and as it seeks to expand into new markets. These higher expenditures may not result in any increased revenue or in revenue that is sufficient to offset the higher expense levels. If Conavi does not successfully maintain and enhance its brand, then its business may not grow, Conavi may see its pricing power reduced relative to competitors and may lose customers, all of which would adversely affect Conavi's business, results of operations and financial condition.

Risks Related to Government Regulation

If Conavi fails to obtain or maintain, or experience significant delays in obtaining, regulatory clearances or approvals for its products or product enhancements, Conavi's ability to commercially distribute and market its products could suffer.

Conavi's products are subject to extensive regulation by the US FDA, Health Canada and numerous other federal, state and foreign governmental authorities. Conavi's failure to comply with such regulations or to take adequate, timely corrective actions, could lead to the imposition of sanctions, such as fines, injunctions, civil penalties, suspensions or termination of product manufacturing or distribution, withdrawal of marketing clearances or approvals, refusal to grant clearance or approval to market new products, product recalls or seizures, criminal prosecution, or some combination of such actions.

The process of obtaining regulatory clearances or approvals to market a medical device can be costly and time consuming, and there can be no assurance that such clearances or approvals will be granted on a timely basis, if at all. Unless an exemption applies, FDA clearance of a 510(k) or approval of a PMA application is required for each medical device Conavi wishes to distribute commercially in the United States. Conavi cannot assure that any new or modified medical devices it develops will be eligible for the shorter FDA 510(k) clearance process as opposed to the PMA process. The US FDA has also issued, and may in the future issue, draft guidance documents that, if implemented, will likely lead to additional regulatory burdens. These additional regulatory burdens could delay Conavi's ability to obtain new clearances, increase the costs of compliance or restrict its ability to maintain its current clearances. Such changes could adversely affect Conavi's business. If regulatory clearance or approvals are received, additional delays may occur related to manufacturing, distribution or product labeling.

Foreign governmental authorities outside the United States and Canada that regulate the manufacture and sale of medical devices have become increasingly stringent, and to the extent Conavi continues to market and sell its products in foreign countries, Conavi will be subject to rigorous regulation in the future. In such circumstances, where Conavi utilizes distributors in foreign countries to market and sell its products, Conavi would rely significantly on its distributors to comply with the varying regulations, and any failures on their part could result in restrictions on the sale of our products in foreign countries.

Regulatory delays or failures to obtain and maintain marketing authorizations, including 510(k) clearances and PMA approvals, could disrupt Conavi's business, harm its reputation, and adversely affect its sales.

Modifications to Conavi's products may require new regulatory clearances or approvals and/or require Conavi to recall or cease marketing Conavi's products until clearances or approvals are obtained.

Modifications to Conavi's cleared products may require the submission of new 510(k) notifications or PMA applications. After a device receives 510(k) clearance, any modification that could significantly affect its safety or effectiveness, or that would constitute a major change in its intended use, requires either a new 510(k) clearance or possibly a PMA approval before the change is implemented. A manufacturer must determine whether the modification requires submission of a 510(k) premarket notification, but the US FDA can review that decision. If the US FDA disagrees with a manufacturer's decision not to seek a new 510(k) clearance, the agency may require the manufacturer to seek 510(k) clearance or PMA approval. The US FDA also can require the manufacturer to cease marketing and/or recall the modified device until 510(k) clearance or PMA approval is obtained. Conavi has made modifications to the Novasight Hybrid System in the past and Conavi may make additional modifications in the future that it believes do not or will not require clearance of a new 510(k) or approval of a new PMA. However, if the US FDA later disagrees with Conavi's determination and requires the submission of a new 510(k) or PMA for a modified device after it has been manufactured and distributed, Conavi may be required to recall the modified devices and cease their distribution, which could have an adverse effect on Conavi's business. If the US FDA refuses to clear or approve the modified devices, Conavi may need to redesign the devices, which would require additional time and resources and could also harm its business. When a device is marketed without a required clearance or approval, the US FDA has the authority to bring an enforcement action against the manufacturer, including injunction, seizure and criminal prosecution. The US FDA considers such additional actions generally when there is a serious risk to public health or safety and the company's corrective and preventive actions are inadequate to address the US FDA's concerns.

Where Conavi determines that modifications to its products require clearance of a new 510(k) or approval of a new PMA or PMA supplement, Conavi may not be able to obtain those additional clearances or approvals for the modifications or additional indications in a timely manner, or at all. Delays in obtaining required future clearances or approvals would adversely affect our ability to introduce new or enhanced products in a timely manner, which in turn would harm our future growth.

If Conavi or its suppliers fail to comply with the US FDA's Quality System Regulation or ISO Quality Management Systems, manufacturing of Conavi's products could be negatively impacted and sales of its products could suffer.

Conavi manufacturing practices must be in compliance with the QSR, which governs the facilities, methods, controls, procedures, and records of the design, manufacture, packaging, labeling, storage, shipping, installation, and servicing of products intended for human use. Conavi is also subject to similar Canadian,

state and foreign requirements and licenses, including the ISO Quality Management Systems (“QMS”), standard applicable to medical devices. In addition, Conavi must engage in regulatory reporting in the case of potential patient safety risks and are subject to market surveillance activities and periodic unannounced inspections and/or audits of our facilities, procedures, and records by governmental agencies, including Health Canada, the US FDA, state authorities and comparable foreign agencies. If Conavi fails to comply with the QSR, QMS, or other applicable regulations and standards, its operations could be disrupted and its manufacturing interrupted, and Conavi may be subject to enforcement actions if its corrective and preventive actions are not adequate to ensure compliance.

Failure to take adequate corrective action in response to inspectional observations or any notice of deficiencies from a regulatory inspection or audit could result in partial or total shut-down of Conavi’s manufacturing operations unless and until adequate corrections are implemented, voluntary or Health Canada or US FDA-ordered recall, US FDA seizure of affected devices, court-ordered injunction or consent decree that could impose additional regulatory oversight and significant requirements and limitations on Conavi’s manufacturing operations, significant fines, suspension or withdrawal of marketing clearances and approvals, and criminal prosecutions, any of which would cause Conavi’s business to suffer. Furthermore, Conavi’s key component suppliers may not currently be or may not continue to be in compliance with applicable regulatory requirements, which may result in manufacturing delays for Conavi’s products and cause its revenue to decline.

Conavi’s products may be subject to product recalls or voluntary market withdrawals that could harm its reputation, business and results of operations.

Health Canada, the US FDA and similar foreign governmental authorities have the authority to require the recall of commercialized products in the event of material deficiencies or defects in design or manufacture that could affect patient safety. In the case of the US FDA, the authority to require a recall must be based on a US FDA finding that there is a reasonable probability that the device would cause serious adverse health consequences or death. Manufacturers may, under their own initiative, recall a product if any material deficiency in a device is found or suspected. A government-mandated recall or voluntary recall by Conavi or one of its distributors could occur as a result of component failures, manufacturing errors, design or labeling defects or other issues. Recalls, which include corrections as well as removals, of any of Conavi’s products would divert managerial and financial resources and could have an adverse effect on its financial condition, harm its reputation with customers, and reduce its ability to achieve expected revenues.

Conavi is subject to medical device reporting, or MDR, requirements and must report certain malfunctions, deaths, and serious injuries associated with its products, which can result in voluntary corrective actions or agency enforcement actions.

Under the US FDA MDR regulations, medical device manufacturers are required to submit information to the US FDA within 30 days, or within 5 days under certain circumstances, when they receive a report or become aware that a device has or may have caused or contributed to a death or serious injury or has or may have a malfunction that would likely cause or contribute to death or serious injury if the malfunction were to recur. Failure to comply with the applicable portions of the MDR regulation could result in enforcement action being taken against us, including seizure, injunction, civil penalties, and criminal prosecution.

Malfunction of Conavi's products could result in future voluntary corrective actions, such as recalls, including corrections, or customer notifications, or agency action, such as inspection or enforcement actions. If malfunctions do occur, Conavi cannot guarantee that it will be able to correct the malfunctions adequately or prevent further malfunctions, in which case it may need to cease manufacture and distribution of the affected devices, initiate voluntary recalls, and redesign the devices; nor can Conavi ensure that regulatory authorities will not take actions against it, such as ordering recalls, imposing fines, or seizing the affected devices. If someone is harmed by a malfunction or by product mishandling, Conavi may be subject to product liability claims. Any corrective action, whether voluntary or involuntary, as well as defending the company in a lawsuit, will require the dedication of Conavi's time and capital, distract management from operating its business, and may harm its reputation and results of operations.

Conavi's direct and indirect relationships with healthcare customers, government, payors, and reimbursement/contract decision makers, will be subject to applicable anti-bribery anti-corruption and other healthcare laws and regulations, which could expose Conavi to criminal sanctions, civil penalties, program exclusion, debarment, contractual damages, reputational harm and diminished profits and future earnings.

Healthcare providers, physicians and third-party payors play a primary role in the recommendation and prescription of any product candidates for which Conavi obtains marketing approval. Conavi's future arrangements with third party payors and customers may expose Conavi to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which it markets, sells and distributes its products for which it obtains marketing approval. Restrictions under applicable United States federal and state healthcare laws and regulations that may impact Conavi's activities, include the following:

- the federal healthcare anti-kickback statute prohibits, among other things, persons from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward either the referral of an individual for, or the purchase, order or recommendation of, any good or service, for which payment may be made under federal and state healthcare programs;
- civil penalties could be imposed against individuals or entities for knowingly presenting, or causing to be presented, to the federal government, claims for payment that are false or fraudulent or making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government;
- criminal and civil liability could be imposed for executing a scheme to defraud any healthcare benefit program and also imposes obligations, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information;
- manufacturers of drugs, devices, biologics and medical supplies are generally required to report information related to physician payments and other transfers of value and physician ownership and investment interests; and
- analogous laws and regulations, such as state anti-kickback and false claims laws, may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by

non-governmental third party payers, including private insurers, and some laws require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government in addition to requiring drug manufacturers to report information related to payments to physicians and other health care providers or marketing expenditures.

Costs will be substantial to ensure that Conavi's business arrangements with third parties will comply with applicable healthcare laws and regulations in each jurisdiction when Conavi products will eventually be offered. It is possible that governmental authorities will conclude that Conavi's business practices may not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If Conavi's operations are found to be in violation of any of these laws or any other governmental regulations that may apply to it, it may be subject to significant civil, criminal and administrative penalties, damages, fines, exclusion from government funded healthcare programs, such as Medicare and Medicaid in the United States, and the curtailment or restructuring of Conavi's operations. If any of the physicians or other providers or entities with whom Conavi expects to do business are found to be not in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs.

Conavi may be subject to health information privacy and security standards that include penalties for noncompliance.

The Health Insurance Portability and Accountability Act ("HIPAA") and its implementing regulations safeguard the privacy and security of individually-identifiable health information. Certain of Conavi's operations may be subject to these requirements, and penalties for noncompliance can be both civil and criminal. In addition, the Health Information Technology for Economic and Clinical Health Act, or HITECH Act, enhanced federal health information privacy and security requirements. Among other things, HITECH makes certain of HIPAA's privacy and security standards directly applicable to "business associates," which are persons or entities that create, receive, maintain or transmit protected health information in connection with providing a service for or on behalf of a covered entity. HITECH also set forth new notification requirements for health data security breaches, increased the civil and criminal penalties that may be imposed against covered entities, business associates and possibly other persons, and gave state attorneys general new authority to enforce HIPAA and seek attorney's fees and costs associated with pursuing federal civil actions. Under HIPAA, business associates are directly liable for, among other things, impermissible use and disclosure of protected health information and failure to provide breach notification to a covered entity. While Conavi does not believe it is covered entity or a business associate under HIPAA, another government authority could disagree with our analysis, exposing us to penalties for HIPAA noncompliance. In addition, Conavi could be subject to additional state laws, as well as foreign laws, that govern the privacy and security of health information. Such state laws may not be pre-empted by HIPAA, and state and foreign privacy laws may differ from HIPAA in significant ways, thus complicating Conavi's compliance efforts.

Compliance with environmental laws and regulations could be expensive, and failure to comply with these laws and regulations could subject Conavi to significant liability.

Conavi uses hazardous materials in its research and development and manufacturing processes, and is subject to foreign, federal, provincial, state and local regulations governing use, storage, handling and disposal of these materials and associated waste products. Conavi is currently licensed to handle such

materials, but Conavi cannot assure that it will be able to retain these licenses in the future or obtain licenses under new regulations if and when they are required by governing authorities. Conavi cannot completely eliminate the risk of contamination, injury, or even death resulting from such hazardous materials, and Conavi may incur liability as a result of any such contamination, injury or death. In the event of an accident, Conavi could be held liable for damages or penalized with fines, and the liability could exceed Conavi's resources and any applicable insurance. Conavi may incur expenses related to compliance with environmental laws. Such future expenses or liability could have a significant negative impact on Conavi's business, financial condition and results of operations. Further, Conavi cannot assure that the cost of compliance with these laws and regulations will not materially increase in the future. Conavi may also incur expenses related to ensuring that its operations comply with environmental laws related to its operations, and those of prior owners or operators of its properties, at current or former manufacturing sites where operations have previously resulted in spills, discharges or other releases of hazardous substances into the environment. Conavi could be held strictly liable under Canadian and

U.S. environmental laws for contamination of property that Conavi currently or formerly owned or operated without regard to fault or whether Conavi or Conavi's actions were in compliance with law at the time. Conavi's liability could also increase if other responsible parties, including prior owners or operators of its facilities, fail to complete their clean-up obligations or satisfy indemnification obligations to Conavi. Similarly, if Conavi fails to ensure compliance with applicable environmental laws in foreign jurisdictions in which it operates, it may not be able to offer the products and may be subject to civil or criminal liabilities.

The use, misuse or off-label use of Conavi's products may result in injuries that could lead to product liability suits, which could be costly to its business.

Conavi's currently marketed products have been cleared by the relevant regulatory authority in each jurisdiction where it markets them. There may be increased risk of injury if physicians attempt to use Conavi's products in procedures outside of those indications cleared or approved for use, known as off-label use. Conavi's sales force is trained according to company policy not to promote Conavi's products for off-label uses, and in the instructions for use in all markets Conavi specifies that its products are not intended for use outside of those indications cleared for use. However, Conavi cannot prevent a physician from using the products for off-label applications. Physicians may also misuse the product if they are not adequately trained, potentially leading to injury and an increased risk of product liability. If the products are defectively designed, manufactured or labeled, contain defective components or are misused, Conavi may become subject to costly litigation by its customers or their patients. Product liability claims could divert management's attention from Conavi's core business, be expensive to defend and result in sizable damage awards against Conavi.

Compliance with accounting regulations and tax rules across multiple jurisdictions is resource intensive and expensive and any non-compliance could expose us to penalties and fines.

Conavi is subject to numerous tax and accounting requirements, and changes in existing accounting or taxation rules or practices, or varying interpretations of current rules or practices, could have a significant adverse effect on its financial results or the manner in which Conavi conducts business.

Complying with the tax laws of these jurisdictions can be time consuming and expensive and could potentially subject us to penalties and fees in the future if we were to inadvertently fail to comply. In the

event Conavi was to inadvertently fail to comply with applicable tax laws, this could have a material adverse effect on its business, results of operations, and financial condition.

Risk Relating to Intellectual Property and Litigation

Conavi's ability to protect its intellectual property and proprietary technology through patents and other means is uncertain.

Conavi's success depends significantly on its ability to protect its intellectual property and proprietary technologies. Conavi's policy is to obtain and protect its intellectual property rights. Conavi rely on patent protection, as well as a combination of copyright, trade secret and trademark laws, and nondisclosure, confidentiality and other contractual restrictions to protect its proprietary technology. However, these legal means afford only limited protection and may not adequately protect its rights or permit it to gain or keep any competitive advantage.

Conavi's pending Canadian, United States and foreign patent applications may not issue as patents or may not issue in a form that will be advantageous to Conavi. The patents that Conavi has obtained, which expire at various times between 2028 and 2038, or will obtain, may be challenged by re-examination, inter partes or other post-grant review, opposition or other administrative proceeding, or in litigation. Such challenges could result in a determination that a patent is invalid. In addition, competitors may be able to design alternative methods or devices that avoid infringement of Conavi's patents. To the extent Conavi's intellectual property protection is inadequate, or is found to be invalid, Conavi is exposed to a greater risk of direct competition. Both the patent application process and the process of managing patent disputes can be time consuming and expensive. Furthermore, the laws of some foreign countries may not protect Conavi's intellectual property rights to the same extent as do the laws of Canada and the United States.

In addition to pursuing patents on Conavi's technology, Conavi has taken steps to protect its intellectual property and proprietary technology by entering into confidentiality agreements and intellectual property assignment agreements with its employees, consultants, corporate partners, licensees and, when needed, these agreements may not be enforceable or may not provide meaningful protection for Conavi's trade secrets or other proprietary information in the event of unauthorized use or disclosure or other breaches of the agreements, and Conavi may not be able to prevent such unauthorized disclosure. Monitoring unauthorized disclosure is difficult, and Conavi do not know whether the steps Conavi, its corporate partners and licensees have taken to prevent such disclosure are, or will be, adequate.

In the event that a competitor infringes upon Conavi's patent or otherwise violates Conavi's intellectual property rights, litigation to enforce Conavi's intellectual property rights or to defend our patents against challenge, even if successful, could be expensive and time consuming and could require significant attention from Conavi's management. Conavi may not have sufficient resources to enforce its intellectual property rights or to defend its patents against challenges from others.

The medical device industry is characterized by patent and other intellectual property litigation, and Conavi could become subject to litigation that may be costly, result in the diversion of its management's time and efforts, require it to pay damages or prevent it from selling the products.

The medical device industry is characterized by extensive litigation and interference and other administrative proceedings over patent and other intellectual property rights. Whether or not a product

infringes a patent involves complex legal and factual issues, the determination of which is often uncertain. Conavi's competitors may assert that they own United States, Canadian or foreign patents containing claims that cover Conavi's products, their components or the methods Conavi's employs in the manufacture or use of Conavi's products. Because it can take many years for a patent to issue on a patent application and patent applications are not published for at least 18 months after filing, there may be applications now pending of which Conavi is unaware, which may later result in issued patents that contain claims that cover Conavi's products. There could also be existing patents, of which Conavi is unaware, that contain claims that cover one or more components of its products. As the number of participants in Conavi's industry increases, the possibility of patent infringement claims against Conavi also increases.

Any interference or derivation proceeding, litigation or other assertion of claims against Conavi may cause Conavi to incur substantial costs, could place a significant strain on Conavi's financial resources, divert the attention of its management from the core business and harm Conavi's reputation. If the relevant patents asserted against Conavi are upheld as valid and enforceable and are found to be infringed, Conavi could be required to pay substantial damages and/or royalties and could be prevented from selling its products in the countries in which the asserted patents have issued unless Conavi obtains a license or is able to redesign its products to avoid infringement. Any such license may not be available on commercially reasonable terms, if at all. If Conavi fails to obtain any required licenses or make any necessary changes to its products or technologies, Conavi may be unable to make, use, sell or otherwise commercialize one or more of its products in the countries in which the asserted patents have issued. In addition, if Conavi is found to infringe willfully, Conavi could be required to pay treble damages and attorney fees, among other penalties.

Conavi may be unable to obtain or maintain its trademarks and may incur substantial costs attempting to defend and enforce its rights in this regard.

Although Conavi has registrations and/or pending applications for certain trademarks, Conavi may not own or license trademark registrations for the marks and names that Conavi is currently using or Conavi is contemplating using, or for its name, in any jurisdiction. Conavi may be unable to obtain or maintain trademark registrations for the marks and names Conavi uses in one or more countries. It is possible that the use of certain trademarks, even for which registration may be pending, may infringe or contravene the rights, including trademark rights, of other parties in one or more countries. In the event of actual or alleged infringement or contravention of rights, Conavi may be forced to cease using these marks and names. There may be a substantial risk of litigation or other legal proceedings in one or more countries relating to the alleged infringement or contravention of another party's trademark rights. These proceedings may occur even if Conavi ceases using these marks and names. Conavi may incur substantial costs to defend and/or enforce its rights, if any, in these marks and names in such legal proceedings. Conavi may not be successful in such legal proceedings and may be required or agree to cease using these marks and names and pay other parties significant amounts of money. Conavi may incur substantial costs to change the names and marks used by us, including the names and marks used in association with its products. In any such events, Conavi's business and operations could be materially adversely affected.

Conavi may be subject to damages resulting from claims that its employees have wrongfully used or disclosed alleged trade secrets of its competitors or are in breach of non-competition or non-solicitation agreements with Conavi's competitors.

Conavi makes efforts to ensure that its employees do not use the proprietary information or know-how of others in their work for Conavi; however, Conavi may nonetheless be subject to claims that it or these

employees have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such employee's former employer. This would most likely result in Conavi having to enter litigation to defend against these claims. If Conavi fails in defending any such claims, in addition to paying monetary damages, it may lose valuable intellectual property rights and/or personnel. Even if Conavi is successful in defending against such claims, litigation could result in substantial costs and be a distraction to management.

Conavi may be subject to future litigation.

Conavi may become subject to litigation arising in the normal course of business and may be involved in legal disputes or matters with other parties. The causes of potential litigation cannot be known and may arise from, among other things, business activities, employment matters, including compensation issues, health and safety laws and regulations, tax matters, volatility in Conavi's stock price, failure to comply with disclosure obligations or labour disruptions. Regulatory and government agencies may initiate investigations relating to the enforcement of applicable laws or regulations and Conavi may incur expenses in defending them and be subject to fines or penalties in case of any violation and could face damage to its reputation. The results and costs of litigation and investigations cannot be predicted with certainty and if Conavi is unable to resolve these disputes or matters favorably, this may have a material adverse impact on Conavi's financial performance, cash flows and results of operations. Moreover, even if resolved in Conavi's favor, litigation or other legal proceedings may cause Conavi to incur significant expenses and could distract Conavi's management personnel from their normal responsibilities.

Risk Relating to Conavi's Common Shares

Conavi's share price has been and may continue to be volatile and may fluctuate significantly.

The market price of securities of many companies, particularly development and early commercial stage medical device companies, experience wide fluctuations in price that are not necessarily related to the operating performance, underlying asset values or prospects of such companies.

The market price of the Common Shares could be subject to wide fluctuations in response to many risk factors listed in this section, and others beyond Conavi's control, including:

- delays in respect of Conavi's commercialization of the Novasight 3.0 in the United States;
- adverse results or delays in any future clinical trials that Conavi may conduct;
- regulatory actions with respect to Conavi's products and/or product candidates;
- changes in laws or regulations applicable to Conavi's products or any future product candidates, including but not limited to clinical trial requirements for approvals;
- actual or anticipated fluctuations in Conavi's financial condition and operating results;
- actual or anticipated changes in Conavi's growth rate relative to Conavi's competitors;
- competition from existing products or new products that may emerge;

- announcements by Conavi, its collaborators or its competitors of significant acquisitions, strategic partnerships, joint ventures, collaborations or capital commitments;
- failure to meet or exceed financial estimates and projections of the investment community or that Conavi provides to the public;
- issuance of new or updated research or reports by securities analysts;
- fluctuations in the valuation of companies perceived by investors to be comparable to Conavi;
- share price and volume fluctuations attributable to inconsistent trading volume levels of the Common Shares;
- additions or departures of key management or scientific personnel;
- disputes or other developments related to proprietary rights, including patents, litigation matters and Conavi's ability to obtain patent protection for its products;
- announcement or expectation of additional debt or equity financing efforts;
- sales or issuances of the Common Shares by Conavi, Conavi's insiders or Conavi's other shareholders, including by exercise of outstanding options or warrants;
- its financial performance and any doubt as to whether the Company will be able to continue as a going concern;
- its ability to raise additional capital;
- announcements of technological innovations or new product candidates by the Company or its competitors;
- developments in patent or other intellectual property rights;
- the cash held by the Company and its ability to secure future financing;
- the level of shareholder interest in the Common Shares; and
- general economic and market conditions.

These and other market and industry factors may cause the market price and demand for the Common Shares to fluctuate substantially, regardless of Conavi's actual operating performance, which may limit or prevent investors from readily selling their Common Shares and may otherwise negatively affect the liquidity of the Common Shares. In addition, stock markets in general, the TSXV and the share prices of medical device companies in particular, have experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of these companies.

Insiders have substantial control over the Company.

Conavi's directors and executive officers, and principal shareholders holding more than 10% of the Common Shares, together hold more than 32% of the Common Shares. As a result, if these shareholders were to choose to act together, they would be able to exercise influence over all matters requiring shareholder approval, including the election of directors and approval of significant corporate transactions, such as a merger or other sale of Conavi's company or its assets. This concentration of ownership could limit your ability to influence corporate matters and may have the effect of delaying or preventing a third party from acquiring control over the Company.

Future sales of Common Shares by the Company or by its existing shareholders could cause its share price to fall.

As described above, if additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Common Shares. Additionally, sales by existing shareholders of a large number of its Common Shares in the public market, or the perception that such additional sales could occur, could cause the market price of its Common Shares to decline and have an undesirable impact on its ability to raise capital.

Conavi does not currently intend to pay dividends on the Common Shares.

Conavi does not currently intend to declare or pay any cash dividend on the Common Shares in the foreseeable future. Conavi currently anticipates that it will retain future earnings, if any, for the development, operation and expansion of Conavi's business and does not anticipate declaring or paying any cash dividends for the foreseeable future. Therefore, the success of an investment in the Common Shares will depend upon any future appreciation of their value. There is no guarantee that the Common Shares will appreciate in value or even maintain the price at which Conavi's shareholders have purchased their Common Shares.

If equity research analysts research or reports about Conavi's business or if they issue unfavorable commentary or downgrade the Common Shares, the price of the Common Shares could decline.

The trading market for the Common Shares will rely in part on the research and reports that equity research analysts publish about Conavi and its business, over which Conavi has no control. The price of the Common Shares could decline if one or more equity analysts downgrade the Common Shares or if analysts issue other unfavorable commentary or cease publishing reports about Conavi or its business action. In addition, unsubstantiated claims also present a risk of consumer class action or consumer protection litigation and competitor challenges.

As Conavi is a Canadian company, it may be difficult for U.S. shareholders to effect service on us or to realize on judgments obtained in the U.S.

Conavi is organized under the laws of the Province of Ontario, Canada, a number of its directors and officers are residents of Canada, and most or all of its assets and the assets of such persons are located outside the U.S. Consequently, it may be difficult for U.S. investors to effect service of process within the U.S. upon us or upon such persons who are not residents of the U.S., or to realize in the U.S. upon judgments of U.S. courts predicated upon civil liabilities under U.S. securities laws. A judgment of a U.S. court predicated

solely upon such civil liabilities may be enforceable in Canada by a Canadian court if the U.S. court in which the judgment was obtained had jurisdiction, as determined by the Canadian court, in the matter. There is substantial doubt whether an original action could be brought successfully in Canada against any of such persons or us predicated solely upon such civil liabilities.

DIVIDENDS AND DISTRIBUTIONS

The Company has not paid dividends in any of the three most recently completed financial years. There is no restriction that would prevent the Company from paying dividends in the future, however, the Company currently intends to reinvest all future earnings to finance the development and growth of its business. As a result, it is not contemplated that dividends will be paid on the Common Shares in the foreseeable future. Any future determination to pay dividends will be at the discretion of the Board and will depend on the financial condition, business environment, operating results, capital requirements, any contractual restrictions on the payment of dividends, and any other factors that the Board deems relevant.

DESCRIPTION OF CAPITAL STRUCTURE

The authorized share capital of the Company consists of an unlimited number of Common Shares. The following is a summary of the rights, privileges, restrictions and conditions attached to the Common Shares.

Common Shares

Holders of the Common Shares are entitled to notice of and to attend at any meeting of the shareholders of the Company, except a meeting of which only holders of another particular class or series of shares of the Company have the right to vote. At each such meeting holders of the Common Shares are entitled to one vote in respect of each Common Share held. Holders of Common Shares are entitled to receive, as and when declared by the Board, dividends in cash or property of the Company. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or in the event of any other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, the holders of Common Shares are, subject to the prior rights of the holders of any shares of the Company ranking in priority to the Common Shares, entitled to participate rateably along with all other holders of Common Shares.

MARKET FOR SECURITIES

Trading Prices and Volume

The outstanding Common Shares are traded on the TSXV under the trading symbol “CNVI”. The following table sets forth the reported trading prices and monthly trading volumes of the Common Shares for the Company’s financial year ended September 30, 2025 on the TSXV:

Period	High Trading Price	Low Trading Price	Volume
October 2024	\$1.52	\$1.10	1,256,750
November 2024	\$1.39	\$0.50	258,890
December 2024	\$0.83	\$0.54	179,660

Period	High Trading Price	Low Trading Price	Volume
January 2025	\$0.83	\$0.62	111,828
February 2025	\$0.79	\$0.61	133,409
March 2025	\$0.72	\$0.49	151,225
April 2025	\$0.60	\$0.37	1,027,948
May 2025	\$0.44	\$0.36	1,677,909
June 2025	\$0.40	\$0.35	1,196,087
July 2025	\$0.54	\$0.375	1,279,450
August 2025	\$0.52	\$0.42	506,453
September 2025	\$0.69	\$0.45	694,124

Prior Sales

The following table summarizes the securities of the Company that are not listed or quoted for trading on a market place that have been issued during the financial year ended September 30, 2025.

Date of Issuance	Type of Security	Number of Securities Issued	Issuance/Exercise Price Per Security
October 11, 2024	Common Shares	23,315,786 ⁽¹⁾	\$1.47 ⁽⁸⁾
October 11, 2024	Common Shares	8,140,592 ⁽²⁾	\$1.176 ⁽⁸⁾
October 11, 2024	Common Shares	933,280 ⁽³⁾	\$1.47 ⁽⁸⁾
October 11, 2024	Common Shares	7,152,841 ⁽⁴⁾	\$1.47 ⁽⁸⁾
October 11, 2024	Warrants	16,226,713 ^{(2) (3) (4)}	Each warrant is exercisable into one Common Share at an exercise price of US\$1.35073749
October 11, 2024	Warrants	32,693 ⁽⁵⁾	Each warrant is exercisable into one Common Share at an exercise price of US\$1.08059
October 11, 2024	Options	181,069 ⁽⁶⁾	In connection with the RTO, Pre-RTO Conavi optionholders received options to purchase Common Shares based on an exchange ratio of 0.925420380977936 option to purchase a Common Share for each option to purchase a Pre- RTO Conavi share
October 11, 2024	Common Shares	145,995	Exercise of restricted share units with no exercise price

Date of Issuance	Type of Security	Number of Securities Issued	Issuance/Exercise Price Per Security
January 6, 2025	Options	1,073,696 ⁽⁷⁾	Each stock option is exercisable for one Common Share at an exercise price of \$0.70 ⁽⁸⁾
April 23, 2025	Common Shares	32,500,000 ⁽⁹⁾	Each Common Share was issued at a price of \$0.40
April 23, 2025	Pre-Funded Warrants	17,500,000 ⁽⁹⁾	Each Pre-Funded Warrant was issued at a price of \$0.39999 and is exercisable for one Common Share at an exercise price of \$0.00001
April 23, 2025	Compensation options	2,521,050 ⁽⁹⁾	Each compensation option is exercisable for one Common Share at an exercise price of \$0.40
April 25, 2025	Options	2,401	Each stock option is exercisable for one Common Share at an exercise price of \$0.39
June 2, 2025	Options	5,729,749 ⁽⁷⁾	Each stock option is exercisable for one Common Share at an exercise price of \$0.39
August 18, 2025	Options	327,500 ⁽⁷⁾	Each stock option is exercisable for one Common Share at an exercise price of \$0.45

Notes:

- (1) Issued to former shareholders of Pre-RTO Conavi in connection with the RTO. No Pre-RTO Conavi shares were issued within the last twelve months except for Pre-RTO Conavi preferred shares issued pursuant to Pre-RTO Conavi preferred share warrants that were exercised for nominal consideration (in accordance with their terms) immediately prior to the closing of the RTO and Pre-RTO Conavi common shares and warrants issued immediately prior to the closing of the RTO that immediately converted into Common Shares and Warrants as set forth in footnotes 2, 3, 4 and 5 below.
- (2) Issued to former holders of secured convertible promissory notes with 18% annual interest and that converted at a 40% discount to the RTO Financing price that were issued by Pre-RTO Conavi between May 13, 2024 and August 9, 2024.
- (3) Issued to former holders of secured convertible promissory notes with 10% annual interest that were issued by Pre-RTO Conavi on August 30, 2024.
- (4) Issued to former holders of subscription receipts issued on October 8, 2024 pursuant to the subscription receipt offering of Pre-RTO Conavi.
- (5) Issued as broker warrants in connection with the RTO.
- (6) Issued to former holders of options to purchase common shares of Pre-RTO Conavi in connection with the RTO.
- (7) Awarded to directors, officers, employees and consultants of the Company pursuant to the terms of the Company's Omnibus Equity Incentive Plan.
- (8) Implied price based on the RTO Financing price, as adjusted for the exchange ratio in connection with the RTO.
- (9) Issued in connection with the 2025 Offering.

Escrowed Securities and Securities subject to Contractual Restriction or Transfer

The following table shows the escrowed securities of the Company and securities of the Company subject to contractual restrictions on transfer as at the date of this AIF:

Type of Security	Number of securities held in escrow or that are subject to a contractual restriction on transfer ⁽¹⁾	Percentage
Common Share	22,772,185 ⁽²⁾	22% ⁽³⁾
Share Purchase Warrant	7,078,693 ⁽⁴⁾	34.8% ⁽⁵⁾
Stock Option	142,660 ⁽⁶⁾	1.83% ⁽⁷⁾

Notes:

- (1) There are three escrow or contractual restrictions on transfer applicable to certain securities of the Company: (i) Securities lock-up pursuant to the agency agreement between Pre-RTO Conavi and Bloom Burton Securities Inc. dated October 8, 2024 (the “**Agency Agreement Lock-up**”). The shareholders of Pre-RTO Conavi holding more than 0.5% of the issued and outstanding shares of Pre-RTO Conavi as of October 8, 2024 are subject to the Agency Agreement Lock-up. The release schedule is: 1/3 of the Company’s securities subject to the Agency Agreement Lock-up were released at 6 months following the closing date of the RTO, 1/3 were released at 12 months following the closing date of the RTO, and 1/3 are to be released at 18 months following the closing date of the RTO; (ii) Securities escrow pursuant to TSXV Policy 5.4 – *Escrow, Vendor Consideration and Resale Restrictions* (the “**Surplus Escrow**”). Certain securities held by the principals of Pre-RTO Conavi (being the directors, officers, holders of 10% or more of the outstanding common shares and their spouses) are subject to the Surplus Escrow. The release schedule is: 5% were released at the time of the TSXV Bulletin in connection with the RTO, 5% were released at 6 months from the TSXV Bulletin, 10% were released at 12 months from the TSXV Bulletin, 10% are to be released at 18 months from the TSXV Bulletin, 15% are to be released at 24 months from the TSXV Bulletin, 15% are to be released at 30 months from the TSXV Bulletin, and 40% are to be released at 36 months from the TSXV Bulletin; and (iii) Securities escrow pursuant to applicable Seed Share Resale Restrictions (the “**SSRR**”). The securities purchased by non-principals in certain circumstances at price which was below 75% of the price at which securities in the RTO Financing were issued are subject to the SSRR. The release schedule for shares of Pre-RTO Conavi that were acquired for less than \$0.05 per share and have been held by the respective holder for more than a year by the date of TSXV issuing condition acceptance of the RTO is: 10% of the applicable securities were released on October 11, 2024, 15% of the applicable securities were released on April 11, 2025, 15% of the applicable securities were released on October 11, 2025, 15% of the applicable securities are to be released on April 11, 2026, 15% of the applicable securities are to be released on October 11, 2026, 15% of the applicable securities are to be released on April 11, 2027, and 15% of the applicable securities are to be released on October 11, 2027; The release schedule for shares of Pre-RTO Conavi that were acquired at between 25% to 50% of the RTO price and have been held by the respective holder for less than a year by the date of TSXV issuing condition acceptance of the RTO is: 4 month hold with 20% released each month with the first release being on the closing of the RTO. Computershare Investor Services Inc. is the escrow agent for escrowed securities pursuant to the Surplus Escrow and the SSRR. Certain securities are subject to more than one escrow arrangement or contractual restriction listed above.
- (2) 10,251,719 Common Shares are subject to an Agency Agreement Lock-up, 20,705,591 Common Shares are subject to the Surplus Escrow, and 795,730 Common Shares are subject to escrow under SSRR requirements. Certain Common Shares are subject to more than one escrow or contractual restriction.
- (3) The total outstanding Common Shares of the Company as of the date of this AIF is 103,491,756.
- (4) 2,960,732 Warrants are subject to an Agency Agreement Lock-up and 7,020,584 Warrants are subject to the Surplus Escrow. Certain Warrants are subject to more than one escrow or contractual restriction.
- (5) The total outstanding Warrants as of the date of this AIF is 20,339,299, not including the 17,500,000 Pre-Funded Warrants issued in connection with the 2025 Offering.
- (6) 142,660 stock options of the Company are subject to the Surplus Escrow.
- (7) The total outstanding stock options of the Company as of the date of this AIF is 7,813,609.

DIRECTORS AND OFFICERS

Directors and Executive Officers

The following table sets out, for each of the Company's directors and executive officers, the person's name, state and country of residence, position with the Company, principal occupation(s) during the last five years. The Company's directors are expected to hold office until its next annual general meeting of shareholders unless they resign prior thereto or are removed by the shareholders of the Company. The Company's directors will be elected annually and, unless re-elected, will retire from office at the end of the next annual general meeting of shareholders.

Under National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), an independent director is one who is free from any direct or indirect relationship that could, in the view of the Board, be reasonably expected to interfere with a director's exercise of independent judgment. One director of the Company is not considered independent and six are considered independent.

Name, Residence and Current Position	Director / Officer Since	Principal Occupation(s) ⁽¹⁾	Securities Beneficially Owned or Controlled ⁽²⁾
Craig Podolsky ⁽³⁾⁽⁴⁾ Director <i>California, USA</i>	December 30, 2015	Partner at CPOINT Capital and President of Juno Pharmaceuticals	Nil
Thomas Looby Chief Executive Officer and Director <i>Georgia, USA</i>	July 15, 2021	Chief Executive Officer at Conavi since April 2021, Chief Executive Officer at Ekso Bionics from February 2016 to March 2018	8,130 Common Shares 8,130 Warrants 2,763,488 Options
Aaron Davidson ⁽⁴⁾ Director <i>Ontario, Canada</i>	February 26, 2021	Director of Perimeter Medical Imaging AI, Inc.; Former Chief Financial Officer and Senior Vice President of Corporate Development at Profound Medical Inc.	106,561 Common Shares 64,033 Warrants 671,045 Options
Robert D. Mitchell ⁽⁴⁾⁽⁵⁾ Director <i>Utah, USA</i>	March 1, 2018	Founder and Chief Executive of RDM Enterprises LLC since January 2013	16,359 Common Shares 16,359 Warrants 414,828 Options
Susan Allen ⁽⁵⁾ Director <i>Ontario, Canada</i>	February 26, 2021	Director and Audit Committee Chair on the boards of Richards Group Inc. and EcoSynthetix, Inc. and Audit & Risk Committee Chair at Triple Flag Precious Metals Corp.	9,254 Common Shares 9,254 Warrants 414,828 Options
Anthony J. Giovinazzo ⁽⁴⁾ Director <i>Ontario, Canada</i>	September 30, 2020	Chair of Xortx Therapeutics Inc. from June 2022 to present; Director and Chair of the Audit Committee at Cosciens Biopharma Inc.; Director and executive chairman at Kalgene Inc. from July 2021 to present;	8,473 Common Shares 341,624 Options

Name, Residence and Current Position	Director / Officer Since	Principal Occupation(s) ⁽¹⁾	Securities Beneficially Owned or Controlled ⁽²⁾
		Director of Microbix Biosystems from December 2020 to March 2022	
Cathy Steiner ⁽⁵⁾ Director <i>Ontario, Canada</i>	June 9, 2021	Principal of Origin Merchant Partners from January 2018 to present; Director of Cipher Pharmaceuticals from October 2020 to June 2023; and Director of Conavi (formerly Titan Medical Inc.) from June 2021 to present	6,284 Common Shares 341,624 Options
Mark Quick Chief Financial Officer <i>Texas, USA</i>	November 3, 2025	VP of Business Development; Sr. Director of Business Development; Director of Finance; and Director of Investor Relations and Business Development of Orthofix Medical Inc. (September 2011 to April 2022) and Chief Financial Officer of Catalyst OrthoScience Inc. (June 2022 to October 2025)	1,000,000 Options
Amandeep Thind Chief Technology Officer <i>Ontario, Canada</i>	July 28, 2010	Chief Technology Officer at Conavi since July 2010	238,270 Common Shares 341,624 Options
Sumeet Dham Vice President of Research and Development <i>Minnesota, USA</i>	October 17, 2022	Vice President of Research and Development at Cardialen Inc. from March 2019 to September 2021; Vice President of Research and Development at Conavi from October 2021 to present	499,603 Options
Travis More Vice President of Human Resources <i>Ontario, Canada</i>	April 16, 2018	Vice President of Human Resources at Conavi from April 2018 to present	2,725 Common Shares 231,816 Options 2,473 Warrants
John Lefavour Vice President of Operations <i>Massachusetts, USA</i>	July 28, 2025	Vice President of Operations at Conavi from July 2025 to present; Director, Global New Product Introduction and Lifecycle Engineering from June 2019 to July 2025	325,000 Options

Notes:

- (1) The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective directors and officers.
- (2) The number of Common Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been obtained from public filings made on the System for Electronic Disclosure by Insiders (SEDI) at www.sedi.ca.
- (3) Craig Podolsky is a director and principal securityholder of CPOINT Capital Corp, which is a principal securityholder of Conavi.
- (4) Current member of Human Resources and Corporate Governance Committee.
- (5) Current member of Audit Committee.

As at the date of this AIF, the directors or executive officers of the Company, as a group, beneficially own, directly or indirectly, or exercise control or direction over, 396,056 Common Shares, representing approximately 0.38% of the total number of Common Shares outstanding before giving effect to the exercise of convertible securities held by such directors and executive officers. The statements as to the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by the directors and executive officers of the Company as a group are based upon information furnished by the directors and executive officers.

Board Committees

The Board has a Human Resources and Corporate Governance Committee (the “**HRGC Committee**”) currently consisting of Robert D. Mitchell (Chair), Craig Podolsky, Aaron Davidson and Anthony J. Giovinazzo. The HRGC Committee is responsible for overseeing and assessing the functioning of the Board and the committees of the Board and for the development, recommendation to the Board, implementation, and assessment of effective corporate governance principles. The committee’s responsibilities also include identifying candidates for directorship and recommending that the Board select qualified director candidates for election at the next annual meeting of shareholders.

Director and Officer Biographies

Thomas Looby – Chief Executive Officer

Mr. Thomas (Tom) Looby joined Pre-RTO Conavi as Chief Executive Officer in April 2021. He completed a Chemical Engineering degree from the University of Notre Dame and started his career at Bayer, Chemineer and Thyssenkrup in roles related to process improvement and project management. He subsequently completed an MBA at the University of Dayton. Tom joined Scitex Digital as the Director of Business Development and helped to complete an acquisition to Eastman Kodak in 2004. In 2006, he took on a role as Corporate Director of Strategy and Planning for an US-Israeli firm called Given Imaging. Given Imaging was developing the “camera pill” (aka capsule endoscopy) which revolutionized gastrointestinal imaging. Given was acquired by Covidien (later Medtronic) in 2014 while Tom was the Chief Marketing Officer. He gained international experience building a new market, reimbursement, evidence, awareness and clinical workflows for this important technology. He then moved on to become the Chief Marketing Officer for Ekso Bionics, which develops robotic exoskeletons. Eventually, Tom became their CEO and led the company’s up-listing onto the Nasdaq while achieving an important FDA clearance.

Craig Podolsky – Director

Mr. Podolsky is a Partner with CPOINT Capital and President of Juno Pharmaceuticals. Founded in 2009, CPOINT Capital is a team of entrepreneurs that invest in small-to-mid sized healthcare & pharmaceutical companies and looks to catalyze the growth of high-potential niche companies by leveraging our team’s extensive network of industry contacts & assisting with both financial & operational planning. Mr. Podolsky has 15 years of healthcare & pharmaceutical industry experience. Prior to co-founding CPOINT, he served as the Director of Commercial Business Development at Cobalt Pharmaceuticals, where he was responsible for negotiating product license and supply agreements for Cobalt’s OTC and generic Rx divisions, as well as, all of its Canadian financing activities (including domestic M&A transactions). Mr.

Podolsky holds an HBA degree from the Richard Ivey School of Business and has served on the board of Conavi (and Pre-RTO Conavi prior to the RTO) since 2015.

Aaron Davidson – Director

Mr. Aaron Davidson is former CFO and Senior Vice President of Corporate Development of Profound Medical Inc., a medical technology company that is developing real-time MRI-guided thermal ultrasound systems for incision-free ablation of abnormal or cancerous tissue. Before joining Profound, Mr. Davidson served as Co-Head and Managing Director of H.I.G. BioHealth Partners, where he focused on investment opportunities with emerging life sciences companies. Mr. Davidson began his career with Eli Lilly and Company, where he spent a decade in various operating management roles in the United States and Canada, including financial management, business development, strategic planning, market research and general management. While at H.I.G., he led investments in, worked with the management teams of, and represented H.I.G. as a board member of several successful companies, including Alder Biopharmaceuticals (public), Forsight Vision5 (acquired), Gemin X Pharmaceuticals (acquired), HyperBranch Medical Technology (acquired), Intact Vascular (acquired), OnTarget Laboratories, Novadaq Technologies (public/acquired), and Salmedix (acquired). Mr. Davidson earned his MBA from Harvard Business School and a bachelor's degree in finance from McGill University.

Robert D. Mitchell – Director

For more than 30-years, Mr. Mitchell served in multiple senior leadership capacities leading high-technology medical device companies. In 2008, he was the President and Chief Executive Officer for Nellix Inc. in Palo Alto California, a privately held medical device company specializing in the endovascular treatment of abdominal aortic aneurysms. In January 2011, Nellix was sold to NASDAQ-listed Endologix Inc. where he was President for several years. In January 2018, Mr. Mitchell assumed President Emeritus status for Endologix to dedicate more time to a few specific boards and investments he has made over the years.

In 2005, Mr. Mitchell served as Chief Operating Officer & Executive Vice President of New York based AngioDynamics, a NASDAQ-listed public company and leading provider of innovative medical devices to treat cancer and peripheral vascular disease. During his tenure, he oversaw the acquisition of RITA Medical. Prior to this, Mr. Mitchell served as Chairman, President and Chief Executive Officer of Millimed Holdings, Inc., a privately held company in Roskilde, Denmark, developing next-generation drug eluting products for vascular disease. Much of Mr. Mitchell's professional experience (1986 –2002) was at Cook Medical Inc., the world's largest privately held medical device company, where he was accountable for revenues in excess of a billion dollars. As Senior Vice President, living in Bloomington Indiana, he led Cook's largest revenue generating business units including: interventional radiology, cardiology, endovascular, critical care and surgical. Following his time at Cook, he served as Vice President of Worldwide Sales for NASDAQ-listed Align Technology (Invisalign), Inc. of Santa Clara, California.

Mr. Mitchell received his Bachelor of Science degree in Economics from the University of Utah and his MBA from Wesleyan University.

Susan Allen – Director

Ms. Allen has been a member of the Board of Directors of Conavi (and Pre-RTO Conavi prior to the RTO) and Chair of the audit committee of the Company since February 2021. She also served as Director and

Audit Committee Chair on the boards of Richards Group Inc. and EcoSynthetix, TSX listed companies, and Triple Flag Precious Metals Corporation, a TSX and NYSE listed company. Ms. Allen has over 10 years' experience with executive board roles held in various not for profit entities, and previously served on global and Canadian boards of PwC. As a former PwC assurance partner with 34 years' experience, she has extensive international business, audit, board and governance experience and has advised companies on valuations, acquisitions, carve-outs, going public and internal control systems. She was named one of the Women's Executive Network ('WXN') "Top 100 Most Powerful Women in Canada," is the recipient of Catalyst Canada's "Business Champion" award, and in 2023, earned the Canadian Equity and Diversity Champion ('CEDI') award for her leadership role and impact on diversity initiatives. Ms. Allen is author of "Count Me In – A Trailblazer's Triumph in a World not Built for Her" to help professional women in business. Ms. Allen is a graduate of the University of Toronto, with a Bachelor of Arts degree, holds an ICD.D designation for completing the Directors' education program, and holds both her U.S. CPA, and Canadian FCPA (FCA) designations.

Anthony J. Giovinazzo – Director

Mr. Giovinazzo serves as Chairman on the Board of Xortx Therapeutics Inc. Mr. Giovinazzo is a co-inventor of the US FDA approved drug KYNMOBI™ (apomorphine HCl) sublingual film, developed by Cynapsus Therapeutics Inc. (a TSX and Nasdaq listed company), where from November 2009 to March 2017 he served as CEO and director when the company was acquired in an all-cash transaction with Sunovion Pharmaceuticals Inc. for CAD \$841 million. In 2017, Mr. Giovinazzo was chosen as the inaugural recipient of the Bloom Burton Award as judged by a panel of leading industry experts. Mr. Giovinazzo has a Chartered Director (C.Dir.) and Audit Committee Certification (ACC) from The Directors College and the DeGroot School of Business at McMaster University. Mr. Giovinazzo received a Bachelor of Arts degree in Economics from McMaster University and an MBA from IMD Geneva, Switzerland, along with a completing the Harvard Business School Executive Program in Leadership and Strategy in Pharmaceuticals and Biotech, and obtaining a Graduate Certificate Studies in Canadian Law (Taxation) from Osgoode Hall Law School at York University. He was also a business advisory board member of the National Research Council of Canada's Genomics funding program, for two terms from 2007 to 2012.

Cathy Steiner – Director

Ms. Steiner is a Principal of Origin Merchant Partners having over 20 years of experience as an investment banker, capital markets advisor, and CFO, working closely with healthcare and growth companies on successful financings and strategic transactions. Ms. Steiner was previously CFO for technology companies through capital raising and M&A transactions. For over a decade prior to that, Ms. Steiner was Managing Director for Nucleus GC, a boutique healthcare advisory firm working with numerous clients on financings and strategic transactions, as well as product development, commercialization, positioning, and launch. For nearly ten years prior to that, Ms. Steiner led Healthcare Investment Banking for CIBC World Markets and Yorkton Securities. Ms. Steiner has significant experience in dealings with public and private healthcare companies at all stages of development, and across all subsectors including pharmaceutical, medical device, healthcare information technology, drug development and healthcare services. Ms. Steiner holds an MBA from the Schulich School of Business at York University, MSc in Immunology from McMaster University, and CPA, CA designation.

Mark Quick – Chief Financial Officer

Mr. Quick is a seasoned finance executive with more than 20 years of experience in the medical technology and life sciences sectors. Prior to joining Conavi, he held senior financial leadership roles with publicly traded companies on Nasdaq, where he led capital markets strategy, budgeting and forecasting, financial reporting, and corporate development initiatives. Earlier in his career, Mr. Quick served as a sell-side equity research analyst at Canaccord Genuity, where he covered the medical device industry. Mr. Quick holds a Bachelor of Science in Mechanical Engineering from the University of Massachusetts, Amherst, and an International Master of Business Administration from the University of South Carolina.

Amandeep Thind – Chief Technology Officer

Dr. Amandeep Thind leads the research and development of Conavi's technologies and innovations as a full-time employee. He holds a Bachelor of Applied Sciences in Computer Engineering from the University of Waterloo as well as a Ph.D. in Medical Biophysics from the University of Toronto, with a specialization in Ultrasound as an imaging and therapeutic tool for cardiovascular applications. Mr. Thind co-founded Conavi over 17 years ago in 2007. He holds numerous publications and utility patents related to imaging and cardiology and received the University of Waterloo Team Alumni Achievement award for the development of imaging devices to improve cardiac healthcare.

Sumeet Dham – Vice President of Research and Development

Mr. Sumeet Dham leads the operational and strategic direction of Conavi's product development including imaging as well as hardware, and software engineering. He joined Conavi in October 2022 as a full-time employee with over 21 years of research and development leadership experience in the medical device industry. Prior to joining Conavi, Mr. Dham served in senior product development and management roles with Cardialen Inc., and Boston Scientific where he received multiple CEO Awards of Excellence. He holds a Bachelor of Science in Electrical Engineering from the National Institute of Technology (India), a Masters of Science from the Rose-Hulman Institute of Technology (Indiana), and a Masters of Business Administration from the Carlson School of Management at the University of Minnesota.

Travis More – Vice President of Human Resources

Mr. Travis More leads the operational and strategic direction of Conavi's human resources. He joined Conavi in April 2018 as a full-time employee with over 25 years of human resources leadership experience primarily healthcare focused in the medical device and pharmaceutical industries in the US and Canada as well as the Research Institute at the Hospital for Sick Children in Toronto. He holds a Bachelor of Arts from the University of Western Ontario as well as Human Resources Management Post-Graduate Diploma from Seneca College. He is a Certified Human Resources Leader with the Human Resources Professionals Association and a member of the Society for Human Resources Management.

John Lefavour – Vice President of Operations

Mr. John Lefavour joined Conavi Medical as the Vice-President of Operations in late July 2025. He completed a Bachelor of Science-Plastics Engineering from the University of Massachusetts and started his career in the medical device industry at a contract manufacturer, SMC Limited, where he managed New Product Introductions (NPI). He then joined Insulet Corporation continuing to provide engineering

leadership in the launch and significant scale up of a medical device. John later joined AbioMed Corporation which developed innovative heart health technology and was eventually acquired by Johnson & Johnson. His last position there was Director, Global New Product Introduction and Lifecycle Engineering. During his professional career, he has further developed his leadership skills and knowledge with a Masters of Business Administration from Boston University.

Corporate Cease Trade Orders

Other than as set forth below, none of the Company's directors or executive officers is, as at the date of this AIF, or was within 10 years prior to the date of this AIF, a director, chief executive officer or chief financial officer of any company that, while such person was acting in that capacity (or after such person ceased to act in that capacity but resulting from an event that occurred while that person was acting in such capacity) was the subject of a cease trade order, an order similar to a cease trade order, or an order that denied the Company access to any exemption under securities legislation, in each case for a period of more than 30 consecutive days.

Notwithstanding the foregoing, (i) Anthony J. Giovinazzo, a director of Conavi, served as Executive Chairman of private company, Sublimity Therapeutics Limited and Sublimity Therapeutics Holdco Limited (together, "**Sublimity Therapeutics**") from May 2018 to April 2021, and during his service in that capacity, on April 19, 2021, Sublimity Therapeutics was placed into creditors' voluntary liquidation under the Companies Act 2014 of Ireland; and (ii) Susan Allen, a director of Conavi, served as a director of A Brand Company, Inc. ("**BrandAlliance**"), a privately-held U.S. promotions and marketing firm, from March 2016 to June 2020, at which time it completed a sale of its U.S. assets, and she also served as a director of Brand Alliance, Inc., a Canadian subsidiary of BrandAlliance, whose assets were not included in the sale, from February 2018 until June 1, 2020. On June 1, 2020, BrandAlliance, Inc. filed an assignment in bankruptcy under the *Bankruptcy and Insolvency Act* (Canada) and a receiver was appointed.

Corporate Bankruptcies

None of the Company's directors, executive officers, or shareholders holding a sufficient number of securities of the Company to affect materially the control of the Company is, as at the date of this AIF, or has been within the 10 years prior to the date of this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to acting that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

None of the Company's directors, executive officers, or shareholders holding a sufficient number of securities of the Company to affect materially the control of the Company has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties or Sanctions

No director or executive officer of the Company has:

- been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

To the best of the Company's knowledge, there are no known existing or potential material conflicts of interest among the Company or a subsidiary of the Company and any director or officer of the Company or a subsidiary of the Company as a result of their outside business interests except that certain of the Company's or its subsidiaries' directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to Company and their duties as a director or officer of such other companies.

PROMOTER

No person or company has been, within the two most recently completed financial years, or during the current financial year, of the Company, a promoter of the Company or any of its subsidiaries.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

From time to time, we may become involved in legal or regulatory proceedings arising in the ordinary course of business. During the most recently completed fiscal year: (a) there were no legal proceedings to which we were a party, or by which any of our property was subject, which would be material to us and we are not aware of any such proceedings being contemplated, (b) there were no penalties or sanctions imposed by a court relating to securities legislation, or other penalties or sanctions imposed by a court or regulatory body against us that would likely be considered important to a reasonable investor making an investment decision and (c) we have not entered into any settlement agreements before a court relating to securities legislation or with a securities regulatory authority.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed below and elsewhere in this AIF, no director, executive officer or shareholder that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the issued and outstanding Common Shares, or any of their respective associates or affiliates, has any material interest, direct or indirect, in any transaction within the three years before the date of this AIF which has materially affected or is reasonably expected to materially affect the Company or a subsidiary of the Company.

TRANSFER AGENT AND REGISTRAR

The Company's transfer agent and registrar for the Common Shares is Computershare Investor Service Inc. ("Computershare") at its principal offices in Toronto, Ontario.

MATERIAL CONTRACTS

Except for material contracts entered into in the ordinary course of business, set out below are material contracts in respect of which the Company or any of its subsidiaries is a party:

- the Sunnybrook Technology Licensing Agreement.
- The INOVAIT Agreement.
- The credit agreements and loan agreement in connection with the Japan Lifeline Debt Facility.
- The EOM Licensing Agreement.
- An exclusive distribution agreement to enable EOM to supply the Novasight Hybrid System in China, Hong Kong, Taiwan, and Macau (the “**EOM Distribution Agreement**”). In August 2023, East Ocean Medical received approval for the Novasight Hybrid System from the NMPA in China. First shipments to China to support clinical use started in October 2023. The EOM Distribution Agreement has a term of twenty years following the receipt of NMPA approval. Pricing is subject to discussion and revision in each year of the contract; provided that Conavi agrees to automatically reduce pricing by at least 1.5% per year (compared to the prior year). If the EOM Distribution Agreement is terminated by EOM based on certain Conavi breaches or defaults, or if the EOM Distribution Agreement is unilaterally terminated by Conavi without cause, then Conavi is required to repurchase all unsold Conavi product held by EOM, and in certain cases must pay EOM its out-of-pocket costs of obtaining regulatory approvals. In order for Conavi to terminate the agreement unilaterally without cause, it must also pay EOM the greater of (i) US\$30M and (ii) five times annual gross profit anticipated to be earned by EOM under the agreement in the year of termination.

Copies of the foregoing documents are available on SEDAR+ at www.sedarplus.ca.

AUDIT COMMITTEE INFORMATION

Set out below is the information with respect to the audit committee of the Board (the “**Audit Committee**”), including the composition of the Audit Committee, the text of the Audit Committee charter (attached hereto as Schedule “A”), and the fees paid to the external auditor.

Audit Committee Charter

The Audit Committee reviews and reassesses the adequacy of its charter periodically as it deems appropriate and recommend changes to the Board. The performance of the Audit Committee is evaluated with reference to its charter annually or otherwise periodically as deemed appropriate by the Board.

Composition of the Audit Committee

The following are the current members of the Audit Committee:

Name	Independence	Financial Literacy
Susan Allen (Chair)	Independent	Financially Literate

Name	Independence	Financial Literacy
Cathy Steiner	Independent	Financially Literate
Robert D. Mitchell	Independent	Financially Literate

Relevant Education and Experience

The relevant education and experience of each member of the Audit Committee is provided above, under the heading “*Directors and Officers*”.

All members of the Audit Committee have:

- gained through their experience as directors and officers of publicly listed companies, an understanding of the accounting principles used by the Company to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity in accounting issues comparable to issues that the Company can reasonably expect to arise in the Company’s financial statements; or experience actively supervising individuals engaged in such activities; and
- an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

At no *time* since the commencement of the Company’s most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Company’s most recently completely financial year has the Company relied on the exemption in section 6.1.1 (4) of NI 52-110 (Circumstances Affecting the Business or *Operations* of the Venture Issuer); the exemption in section 6.1.1 (5) of NI 52-110 (Events Outside the Control of Members); the exemption in section 6.1.1 (6) of NI 52-110 (Death, Incapacity or Resignation); or an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services to the extent set forth in the Company’s Audit Committee Charter attached to this AIF as Schedule “A”.

External Auditor Service Fees

The *aggregate* fees billed to the Company by the external auditors of the Company in each of the last two fiscal years are as follows:

<u>Financial Year Ending</u>	<u>Audit Fees⁽¹⁾</u>	<u>Audit Related Fees⁽²⁾</u>	<u>Tax Fees⁽³⁾</u>	<u>All Other Fees⁽⁴⁾</u>
September 30, 2025 (the Company)	\$450,399	--	\$65,822	--
September 30, 2024 (Pre-RTO Conavi)	\$661,008	\$47,717	\$132,092	--
January 1 to September 30, 2024 (Pre-RTO Titan)	--	US\$99,153.44	--	--
December 31, 2023 (Pre-RTO Titan)	US\$141,324	--	--	US\$18,693

Notes:

- (1) “**Audit Fees**” include fees necessary to perform the annual audit of the Company’s consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) “**Audit-Related Fees**” include fees for services that are traditionally performed by the auditor including employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) “**Tax Fees**” include fees for all tax services other than those included in “**Audit Fees**” and “**Audit-Related Fees**”. This category includes fees for tax compliance, tax planning, tax advice, and the Company’s Canadian and US corporate tax returns. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) “**All Other Fees**” include all other non-audit services.

Reliance on Exemption in Section 6.1 of NI 52-110

Conavi is a venture issuer as defined in NI 52-110 and relies on the exemption in section 6.1 of NI 52-110.

INTEREST OF EXPERTS

The Company’s independent auditors are PricewaterhouseCoopers LLP, Chartered Professional Accountants, who have prepared an independent auditor’s report dated December 29, 2025 in respect of the Company’s consolidated financial statements as at September 30, 2025 and September 30, 2024 and for the years then ended. PricewaterhouseCoopers LLP has advised that they are independent with respect to the Corporation within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada, including the CPA Code of Professional Conduct (Ontario), and any applicable legislation or regulations

ADDITIONAL INFORMATION

Additional information regarding the Company may be found under the Company’s profile on SEDAR+ at www.sedarplus.ca and on the Company’s website at <https://www.conavi.com/novasight/>.

Additional information, including the remuneration and indebtedness of the directors and executive officers of the Company, principal holders of the Company’s securities and the securities authorized for issuance

under equity compensation plans, is contained in the management information circular of the Company dated February 17, 2026.

Additional financial information relating to the Company is provided in the Company's financial statements and management's discussion and analysis for the financial year ended September 30, 2025, as well as the Company's financial statements and management's discussion and analysis for the interim three-month period ended December 31, 2025.

SCHEDULE "A"
AUDIT COMMITTEE CHARTER

CONAVI MEDICAL CORP.

AUDIT COMMITTEE CHARTER

A. Purpose

The Audit Committee shall be directly responsible for the appointment, compensation and oversight of the work of the Company's public accountants. The Audit Committee shall monitor: (1) the integrity of the consolidated financial statements of the Company; (2) the Company's compliance with legal and regulatory requirements; (3) the public accountants' qualifications and independence; and (4) the performance of the Company's public accountants.

B. Audit Committee Membership

The Committee and its membership shall meet all applicable legal, regulatory and listing requirements, including, without limitation, those of the Ontario Securities Commission, the TSX Venture Exchange, the *Business Corporations Act* (Ontario) and all applicable securities regulatory authorities.

The Audit Committee shall consist of no fewer than three members. Each member of the Audit Committee shall be unrelated and independent, and the composition of the Audit Committee shall be expected to satisfy the independence, experience and financial expertise requirements of the standards set for a public company. The Board shall appoint the members of the Audit Committee annually, considering the recommendation of the Human Resources and Corporate Governance Committee, and further considering the views of the Chair of the Board and the Chief Executive Officer, as appropriate. The members of the Audit Committee shall serve until their successors are appointed.

The Board shall have the power at any time to change the membership of the Audit Committee and to fill vacancies in it, subject to such new member(s) satisfying the independence, experience and financial expertise requirements referred to above. Except as expressly provided in this Charter or the by-laws of the Company, or as otherwise provided by law, the Audit Committee shall fix its own rules of procedure.

C. Meetings

The Audit Committee shall meet as frequently as circumstances dictate. This is expected to be at least four times annually. The Chair of the Audit Committee or a majority of the members of the Audit Committee may call a special meeting of the Audit Committee.

All non-management directors who are not members of the Audit Committee may attend meetings of the Audit Committee but may not vote. Additionally, the Audit Committee may invite to its meetings any director, member(s) of management of the Company and such other persons as it deems appropriate in order to carry out its responsibilities. The Audit Committee may also exclude from its meetings any person it deems appropriate in order to carry out its responsibilities.

A majority of the Audit Committee members, but not less than two, will constitute a quorum. A majority of the Audit Committee members present at any Audit Committee meeting at which a quorum is present may act on behalf of the Audit Committee. The Audit Committee may meet by telephone or videoconference and may take action by unanimous written consent.

The Audit Committee shall appoint a person, who need not be a member, to act as secretary, and minutes of the Audit Committee's proceedings shall be kept in minute books provided for that

purpose. The agenda of each Audit Committee meeting will be prepared by the secretary and, whenever reasonably practicable, circulated to each Audit Committee member prior to each meeting.

The Committee shall keep minutes of its meetings which shall be submitted to the Board.

D. Committee Authority and Responsibilities

The Audit Committee shall have the sole authority to appoint or replace the public accountants (subject, if applicable, to shareholder ratification), and shall approve all audit engagement fees and terms and non-audit engagements with the public accountants with anticipated billings in excess of \$10,000 CAD. The Audit Committee shall consult with management but shall not delegate these responsibilities. In its capacity as a committee of the Board, the Audit Committee shall be directly responsible for the oversight of the work of the public accounting firm (including resolution of disagreements between management and the public accounting firm regarding financial reporting) for the purpose of preparing or issuing an audit report or related work, and the public accounting firm shall report directly to the Audit Committee. The Audit Committee shall have the authority, to the extent it deems necessary or appropriate, to retain and set and pay the compensation for special legal, accounting or other consultants to advise the committee and carry out its duties, and to conduct or authorize investigations into any matters within its scope of responsibilities.

The Audit Committee may request any officer or employee of the Company or the Company's outside counsel or public accountants to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee.

The Audit Committee shall have the ability to communicate directly with the public accountants.

The Audit Committee shall review all related party transactions on an ongoing basis.

The Audit Committee shall make regular reports to the Board. The Audit Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Audit Committee shall annually review the Audit Committee's own performance as part of the overall Board performance process.

In performing its functions, the Audit Committee shall undertake those tasks and responsibilities that, in its judgment, would most effectively contribute and implement the purposes of the Audit Committee. The following functions are some of the common recurring activities of the Audit Committee in carrying out its oversight responsibility:

- Review and discuss with management and the public accountants the Company's annual audited consolidated financial statements along with management's discussion and analysis of the Company's financial position and operating results.
- Review and discuss with management the Company's quarterly financial statements along with management's discussion and analysis of the Company's financial position and operating results.
- Review and discuss with management the policies with respect to earnings press releases, as well as the financial information and earnings guidance to be provided to analysts and rating agencies.
- Review and discuss with management and the public accountants, as applicable: (a) major issues regarding accounting principles and consolidated financial statement presentations,

including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies; (b) analyses prepared by management or the public accountants setting forth significant financial reporting issues and judgments made in connection with the preparation of the consolidated financial statements, including analyses of the effects of alternative accounting methods on the consolidated financial statements; (c) any management letter provided by the public accountants and the Company's response to that letter; (d) any problems, difficulties or differences encountered in the course of the audit work, including any disagreements with management or restrictions on the scope of the public accountants' activities or on access to requested information and management's response thereto; and (e) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the consolidated financial statements of the Company.

- Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
- Review with management the Company's insurance policies and coverage at least annually.
- Discuss with management the Company's major data and cyber security risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
- Obtain and review a report from the public accountants at least annually regarding: (a) the public accountants' internal quality control procedures; (b) any material issues raised by the most recent quality control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm; (c) any steps taken to deal with any such issues; and (d) all relationships between the public accountants and the Company.
- Evaluate the qualifications, performance and independence of the public accountants, including a review and evaluation of the lead partner of the public accountants and taking into account the opinions of management.
- If the lead engagement partner responsible for reviewing the audit has been on the account for more than seven years, consider his or her rotation from the audit for perceived or real independence purposes.
- Discuss with management and the public accountants any accounting adjustments that were noted or proposed by the public accountants but were passed (as immaterial or otherwise).
- Establish procedures for: (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, auditing or any other ethical or human resource matters; and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting, auditing or any other ethical and human resource matters.
- Review disclosures made by the Company's principal executive officer or officers and principal financial officer or officers regarding compliance with any certification obligations whether required by applicable laws and the rules promulgated thereunder or

deemed necessary by the Audit Committee, including the Company's disclosure controls and procedures and internal controls for financial reporting and evaluations thereof.

- If applicable, review with management and approve the Company's investment policies for its securities portfolio and review the portfolio management performance.
- Review with management and approve the Company's foreign exchange policies, gains/losses on transactions in foreign currencies, including hedging strategies and any financial instruments used or contemplated for use by the Company.
- On a quarterly basis, the Audit Committee Chair shall review the CEO's expenses for reimbursement and the appropriateness of the Board Chair expenses annually, for consistency with Senior Officers' and Company expense policies. Notwithstanding the foregoing, the Audit Committee Chair shall pre-approve any of the aforementioned expenses that are individually in excess of \$2,000 CAD or are unusual or non-recurring in nature.
- Review the performances of the senior executives involved in the financial reporting process, review financial and accounting personnel succession planning within the Company and, where possible, consult on the appointment of, or departure of, individuals occupying these positions.

E. Limitations of Audit Committee's Roles

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to prepare consolidated financial statements, plan or conduct audits or to determine that the Company's consolidated financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the public accountants.

Approved by Board of Directors of the Company