MANAGEMENT'S DISCUSSION AND ANALYSIS

For the six months ended June 30, 2025
As of August 29, 2025

This management discussion and analysis ("MD&A") of FendX Technologies Inc. (the "Company" or "FendX") is for the six months ended June 30, 2025. We have prepared this MD&A with reference to National Instrument 51-102 – Continuous Disclosure Obligations of the Canadian Securities Administrators and this MD&A provides a review of activities, results of operations and financial condition of the Company. This MD&A should be read in conjunction with the Company's unaudited condensed interim financial statements for the six-month period ended June 30, 2025, and the related notes thereto (the "Financial Statements"). The Company's Financial Statements are prepared by management in accordance with International Accounting Standards ("IAS") 34 – Interim Financial Reporting. The Financial Statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's audited financial statements as at December 31, 2024 and for the fiscal year then ended, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board, and interpretations issued by the International Financial Reporting Interpretation Committee. All amounts are expressed in Canadian dollars unless otherwise indicated.

In August 2025, the Company consolidated its share capital based on one post-consolidation common share for every ten pre-consolidation common shares. All common share and per-share amounts have been restated to reflect the share consolidation.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain "forward looking information" within the meaning of applicable securities laws in Canada. Forward looking information may relate to our future financial outlook and anticipated events or results and may include information regarding our financial position, business strategy, growth strategies, budgets, operations, financial results, taxes, dividend policy, plans and objectives. Particularly, information regarding our expectations of future results, performance, achievements, prospects or opportunities or the markets in which we operate is forward looking information. In some cases, forward looking information can be identified by the use of forward looking terminology such as "plans", "targets", "expects" or "does not expect", "is expected", "an opportunity exists", "budget", "scheduled", "estimates", "outlook", "forecasts", "projection", "prospects", "strategy", "intends", "anticipates", "does not anticipate", "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "will", "will be taken", "occur" or "be achieved". In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward looking information. Statements containing forward looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events or circumstances. Forward-looking statements in this MD&A include but are not limited to statements relating to:

- our expectations regarding industry trends, overall market growth rates and our growth rates and growth strategies;
- our ability to obtain funding for our operations;
- the use of available funds;
- the performance of the Company's business and operations;
- our expectations regarding revenues, expenses and anticipated cash needs;
- the intention to grow our business and operations;
- the expected timing and completion of our near-term objectives;

- our expectations regarding commercialization initiatives and objectives;
- laws and regulations and any amendments thereto applicable to us;
- our competitive advantages and business strategies;
- our future product offerings, including acquisition and licensing of future products;
- our research and development, real-world testing and scale-up initiatives and expected results thereof;
- our ability to enter into and maintain supply chain, distribution, manufacturing and other business relationships;
- our plans with respect to the payment of dividends; and
- the market price for the common shares.

The forward-looking information in this MD&A is based on our opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct.

In providing forward-looking information, we have made certain assumptions in respect of our ability to build our market share; the performance of the Company's business and operations; our ability to retain key personnel; our ability to maintain and expand geographic scope; our ability to execute on our research and development plans; our ability to execute our real-world testing, scale-up and commercialization plans; our ability to execute on our expansion plans, including new technology and/or product opportunities; our ability to continue investing in our product candidates to support our growth; our ability to obtain financing on acceptable terms; currency exchange and interest rates; the impact of competition; our ability to enter into and maintain licensing, manufacturing, and distribution agreements; the changes and trends in our industry or the global economy; the size of the target markets for our product candidates; our ability to maintain, expand and protect our intellectual property; and the changes in laws, rules, regulations, and global standards.

The forward-looking information in this MD&A is subject to known and unknown risks and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied, including but not limited to the risks described below and the additional risks factors described under the heading "Risk Factors".

In evaluating forward-looking statements, current and prospective shareholders should specifically consider various factors, including the risks outlined below under the headings "Financial Instruments and Risk Management" and "Risk Factors".

The forward-looking statements contained in this MD&A reflect our views and assumptions only as of the date of this MD&A. The Company undertakes no obligation to update or revise any forward-looking statements after the date on which the statement is made, except as required by applicable laws, including the securities laws of Canada.

Actual results could differ materially from those anticipated in forward-looking statements stated within the MD&A.

OVERVIEW

The Company was incorporated under the Business Corporations Act (British Columbia) on July 28, 2020 under the name "1259192 B.C. LTD". It changed its name to "FendX Technologies Inc." on September 18, 2020. The Company does not have any subsidiaries. The Company's common shares are listed for trading on the Canadian Securities Exchange ("CSE") under the symbol "FNDX", the OTCQB Venture Market ("OTCQB") under the symbol "FDXTD" and the Frankfurt Stock Exchange ("FSE") and the Tradegate Exchange under the symbol "E8D0".

FendX is an early-stage technology company focused on developing advanced surface protection and cleaning solutions for everyday environments. The Company is currently developing its nano-surface technologies including REPELWRAP™ film and a spray (nanoparticles in suspension) formulation. These products are designed to protect high-contact surfaces from contamination and reduce the transmission of harmful pathogens. The Company's business strategy is to complete additional research and development work on its film and spray technologies. In addition, the

Company is developing a coating for Foley catheters aimed at reducing catheter-associated infections. The Company has also expanded its surface protection development portfolio to include an eco-friendly Open-Cell foam sponge which the Company is evaluating the potential commercialization opportunity for consumer and other commercial cleaning markets. The Company intends to continue to pursue other business development opportunities in the surface protection area to control the transmission of bacteria and viruses.

The Company's future performance depends on, among other things, its ability to: (i) fund the Company's operations including research and development requirements; (ii) complete the evaluation of the commercialization opportunity of eco-friendly sponge products; (iii) complete the development, real-world testing, scale-up and testing of REPELWRAP™ film; (iv) complete the research, development, scale-up, and testing of its nanoparticle suspension and catheter coating formulations; (v) enter into formal engagements with distribution, licensing and manufacturing and supply chain partners; and (vi) continue to expand the Company's portfolio through licensing or acquiring additional new products or technologies.

NATURE OF OPERATIONS

The Company is a technology company focused on the development and advancement of surface protection coatings and cleaning solutions for everyday environments. To-date, the Company has licensed technologies related to both film and nanoparticle suspension coating formulations from McMaster University, Hamilton, Ontario, Canada ("McMaster"). The Company entered into a License Agreement (as defined below) with McMaster dated February 5, 2021, as amended July 14, 2021, July 15, 2022 and March 4, 2024, which provides the Company with an exclusive world-wide license to several patent applications, granted patents and certain technology to develop and commercialize surface coatings (the "Licensed Technology"). The Company is conducting research and development ("R&D") activities using the Licensed Technology in collaboration with McMaster and Drs. Leyla Soleymani and Tohid Didar, both at McMaster (together, the "Lead Researchers"). R&D activities associated with REPELWRAP™ film and the catheter nano-coating both fall under Licensed Technology. A first collaborative research agreement entered into with McMaster with an effective date of August 1, 2021, as amended on April 11, 2023 with an effective date of January 1, 2023 and amended July 8, 2024 with an effective date of July 31, 2024 (the "Collaborative Research Agreement" or "CRA") set out the R&D activities for REPELWRAP™ film, which term expired December 31, 2024, however, McMaster has conducted work on real-world testing subsequent to the expiry of this CRA at no charge to the Company. The Company also entered into a collaborative research agreement with McMaster dated December 12, 2023 with an effective date of December 1, 2023 (the "Catheter Coating CRA") with a two-year term, which sets out the R&D activities for the catheter nano-coating.

The Company also entered into a license agreement for an original nanoparticle suspension surface coating formulation with McMaster dated May 16, 2023, as amended July 20, 2023 (the "Spray License Agreement"), which provides the Company with an exclusive world-wide license to certain technology including a U.S provisional patent application, to develop and commercialize a bifunctional nanoparticle suspension coating formulation (the "Spray Licensed Technology"). The Company also entered into a collaborative research agreement dated July 20, 2023 with McMaster with an effective date of July 1, 2023, as amended effective August 7, 2024 (the "Spray Collaborative Research Agreement" or "Spray CRA") which details the conduct of R&D related to the Spray Licensed Technology. The term of Spray CRA was to July 1, 2025, however R&D work continues under the Spray CRA at no additional charge to the Company, and the Company intends to extend the term of the Spray CRA. The nanoparticle suspension surface coating formulation is in the development stage at McMaster, which has been shown to effectively repel certain pathogens that come into contact with its surface, as well as effectively inactivate residual pathogens on the surface. The Lead Researchers at McMaster also created the Spray Licensed Technology.

The Company believes both the film and the nanoparticle suspension coating prototypes are unique and differentiated from current protective coatings in the marketplace. McMaster's R&D efforts and results, as published in several journals to-date, have shown the original lab prototype film and the early-stage nanoparticle suspension coating formulation to be effective in repelling and preventing biofilm formation of World Health Organization-designated priority pathogens such as Gram-positive methicillin-resistant Staphylococcus aureus, Pseudomonas aeruginosa, Bacillus subtilis and Enterococci strains, as well as being effective in repelling SARS-CoV-2 related viruses. In addition, the nanoparticle suspension coating formulation has shown to provide additional killing of residual pathogens on its surface. (See "*R&D Project Update*").

In collaboration with consultants to optimize the scalability of the original lab prototype film with McMaster, the Company and its consultants recommended reformulating the original lab prototype film to streamline the scale-up process. As a result, McMaster, as part of its work under the CRA, developed a reformulated lab prototype film that shows the same repelling properties as compared to the original lab prototype film based on laboratory testing at McMaster. The Company, with McMaster, has successfully completed the assessment and testing of the scalability of this reformulated film, referred to herein as the reformulated lab prototype film.

In April 2023, the Company engaged Dunmore International Corp. ("Dunmore"), a US manufacturing company, to provide their R&D and engineering expertise to assess and scale-up the Company's reformulated lab prototype of REPELWRAP™ film to create intermediate-sized prototype films for further testing, which was successful. The Company and Dunmore then advanced to the next phase of development which entailed conducting small pilot runs on their commercial manufacturing line to create intermediate sized films for further testing, which lead to successful intermediate scale-up of the reformulated lab prototype. The Company is now in the real-world environmental conditions testing phase to confirm the film maintains its repelling properties in real-world conditions. The Company has identified six real-world testing locations that it may conduct testing of REPELWRAP™ film and has recently received positive results from lab testing at McMaster from its first two real-world performance tests. The Company is evaluating potential next steps in development including conducting additional testing in the second half of 2025. (See "*R&D Project Update - Description of Product Under Development - REPELWRAP™ Surface Coating Film*").

The nanoparticles in suspension formulation is currently in development at McMaster on behalf of the Company. McMaster's original work on the Spray Licensed Technology, as published in two journals, have demonstrated that application to a surface of the original nanoparticles suspension coating not only has repelling properties similar to REPELWRAP™ film, but also has demonstrated it kills residual pathogen contamination on its surface. In McMaster's lab, when the original nanoparticle suspension coating formulation is applied to a surface, it creates a protective surface the same as REPELWRAP™ film and the Company believes a nanoparticle suspension coating has the potential to be easier to apply to many surface form factors compared to the film. The Company and McMaster are in the formulation stage and are evaluating various reformulations that would be amenable to scale-up and provide optimal durability. On October 25, 2023 the Company signed a master services agreement ("MSA") and a first work order with the third-party manufacturer, nanoComposix, LLC ("nanoComposix"), a Fortis Life Sciences company, who would provide their nanoparticle engineering expertise to assess intermediate scale-up of the reformulated nanoparticle suspension coating and conduct pilot runs in their facility to create larger batch sizes for testing and ultimate commercial manufacturing scale-up, should FendX decide to engage them. To-date, the Company has not yet finalized the formulation work with McMaster, commenced work under the first work order, commercially developed the spray formulation nor established a supply chain including entering into a commercial manufacturing agreement. (See "*R&D Project Update – Description of Spray Licensed Technology Under Development*").

No manufacturer engagements have been entered into for either the film or spray, nor has the Company completed supply chains, or entered into distribution and/or licensing agreements. In Q4 2024, the Company announced the signing of a letter of intent with Sinelabs LLC to pursue a definitive agreement for Sinelabs to act as a non-exclusive sales distributor for the Company's future products in the surface protection area in the United States, however as at the date of this MD&A, no definitive agreement has been entered into.

In addition, FendX is working with McMaster on developing a coating for medical catheters to reduce bacterial growth. McMaster has published initial work demonstrating that using the Licensed Technology to coat plastics similar to those used in medical catheters which significantly reduces adhesion of bacteria and blood on the nano-coated surface, which could potentially translate to reduced bacterial infections or blood clot formation. The Company signed the Catheter Coating CRA with McMaster to conduct further R&D of a catheter nano-coating formulation, which work commenced in December 2023 to focus on coating Foley catheters initially. As at the date of this MD&A, coated catheter lab prototypes are in development at McMaster under the direction of the Company. (See "*R&D Project Update - Description of Catheter Nano-Coating Formulation Under Development*"). After successful development of lab prototypes, the Company intends to conduct proof-of-concept studies to assess the ability of the lab prototypes to reduce biofilm and blood clot formation compared to control Foley catheters.

The Company also entered into an exclusive supply agreement (the "Supply Agreement") dated April 23, 2025 with US BioSolutions LLC ("US BioSolutions") for US BioSolutions to use its proprietary trade-secrets to have manufactured and supply FendX with bulk rolls of Open-Cell foam which FendX will evaluate the commercial potential to create a line of sponge products for sale and distribution in consumer and other commercial cleaning

markets. The Company also entered into an exclusive IP license agreement (the "IP License Agreement") dated April 23, 2025 with Scott Smith and US BioSolutions to license three patent applications from Mr. Smith related to the use of the sponge in cleaning surfaces and for use of the sponge as a future wound care drug delivery device. The IP License also included a license from US BioSolutions for the trademark BioFoam®. The Company is evaluating the eco-sponge quality and commercialization opportunity. Key features of the the synthetic sponge is that it does not promote bacterial growth and is biodegradable.

The Company has not generated any revenues to-date from any product sales. Its nano-coating technologies are all in the research and/or development stage, neither final intermediate or commercial scale-up work has been completed, and the Company has not entered into any formal manufacturing, distribution, sales or licensing agreements. The Company has not yet finalized its evaluation of the commercial potential of the eco-friendly sponge, engaged a manufacturer to process the rolls of Open-Cell foam into finished sponge product, nor established its supply chain, nor entered into certain distribution and sales agreements. There is no certainty that any of the above will be completed or achieved for any technology under development or for the sponge. (See "*Risk Factors*").

HIGHLIGHTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

Highlights during and subsequent to the period ended June 30, 2025 include:

- On August 26, 2025, the Company announced the filing of a provisional patent application number US63/835,648 with the United States Patent and Trademark Office ("USPTO") titled "Lubricated Dilated Medical Catheters and Cannula and Uses Thereof" with the Company as assignee.

- On August 20, 2025, the Company announced the filing of a provisional patent application number US63/835,582 by the Company's CEO with the USPTO titled "AI Adaptive App Pathogen Detection Platform", which will be assigned to FendX, related to an invention being designed to combine mobile-based imaging, biosensor technology and artificial intelligence ("AI") to enable real-time detection of pathogens on surfaces using a mobile device such as a smart phone.

- On August 18, 2025, the Company completed a consolidation of its share capital based on one post-consolidation common share for every ten pre-consolidation common shares.

- On July 18, 2025, the Company completed debt settlements to improve its financial position and reduce existing liabilities. The Company issued 124,903 common shares to a creditor to settle $102,420 (US$75,000) of consulting fees payable in shares and issued an aggregate of 878,198 units to creditors to settle an aggregate of $526,918.20 of loans and payables, of which $435,043.20 was due to related parties. Each unit is comprised of one common share and one transferable warrant, with each warrant exercisable into one common share at $1.00 per share for 36 months from the date of issuance, subject to an acceleration right.

- On July 8, 2025, the Company announced positive results from its second real-world testing of REPELWRAP™ film.

- On June 11, 2025, the Company announced it entered into a consulting agreement with a third-party branding expert to provide strategic branding and marketing support to the Company as it evaluates the sponge product commercialization opportunity.

- On April 24, 2025, the Company announced it entered into a Supply Agreement with US BioSolutions dated April 23, 2025, for the supply of bulk rolls of Open-Cell foam which FendX will use to have processed into a line of eco-friendly sponge products. The Company also announced it entered into an IP License Agreement with Scott Smith and US BioSolutions dated April 23, 2025 to license three patent applications and a trademark in consideration for the issuance of 100,000 common shares of FendX. The common shares were subsequently issued to Mr. Smith on May 2, 2025.

- On April 21, 2025, the Company issued 28,750 common shares pursuant to the vesting of 28,750 RSUs.

- On April 16, 2025, the Company issued 40,000 common shares with a fair value of $40,000 to a creditor to settle $68,000 of advisory fees, resulting a gain on debt settlement of $28,000.

- On March 21, 2025, the Company announced the grant of an aggregate of 292,500 stock options and 50,000 restricted share units ("RSUs") to certain directors, officers, consultants and employees. On March 24, 2025, the Company issued 50,000 common shares pursuant to the vesting of the 50,000 RSUs.

- On March 13, 2025, the Company announced it completed a closing of a non-brokered private placement raising gross proceeds of $710,005 through the issuance of 417,650 units at a price of $1.70 per unit. Each unit is comprised of one common share and one transferable share purchase warrant. Each warrant is exercisable for one common share at a price of $4.00 per share for a period of three years after the closing date, subject to an acceleration right. In addition, the Company paid cash finder's fees of $11,927.20, issued 15,796 finder units in lieu of cash, and issued 22,812 finder warrants to eligible finders.

- On March 12, 2025, the Company announced positive results from real-world testing of REPELWRAP™ film at one of its previously announced test sites.

- On March 12, 2025, the Company also announced it entered into an investor relations agreement with Outside the Box Capital Inc. (which term was extended as announced on July 7, 2025) and entered into a consulting agreement with a third-party marketing firm.

SELECTED FINANCIAL INFORMATION

The following table sets forth selected financial information for the three and six month periods ended June 30, 2025 and June 30, 2024. The selected financial information set out below has been derived from the Financial Statements and accompanying notes. The selected financial information set out below may not be indicative of the Company's future performance. The following discussion should be read in conjunction with the Financial Statements.

	Three months ended June 30, 2025 (unaudited)	Three months ended June 30, 2024 (unaudited)	Six months ended June 30, 2025 (unaudited)	Six months ended June 30, 2024 (unaudited)
Net loss for the period	$ (780,426)	$ (1,508,771)	$ (1,807,476)	$ (2,618,646)
Loss per share, basic and fully diluted	$ (0.10)	$ (0.21)	$ (0.24)	$ (0.40)

	As at June 30, 2025	As at December 31, 2024
Total assets	$ 377,736	$ 288,783
Total non-current liabilities	$ -	$ -
Working capital (deficit)	$ (1,113,315)	$ (592,252)

DISCUSSION OF OPERATIONS

Overall Operations

The Company is focused on developing its technologies, including REPELWRAP™ film, its nanoparticle suspension coating and catheter coating formulation. In 2025, the Company expanded its product pipeline to include a proposed eco-friendly line of sponge products currently under evaluation. The Company is also engaged in expanding its pipeline and intellectual property through the identification and assessment of acquisition and/or licensing opportunities. The Company has not commercialized any products nor earned any revenues since incorporation.

As at June 30, 2025, the Company held $13,159 in cash and had current liabilities of $1,491,051 and no long-term debt. As at June 30, 2025, the Company had a working capital deficit of $1,113,315 (December 31, 2024 –$592,252).

R&D Project Update

Description of Product Under Development - *REPELWRAP™ Film*

REPELWRAP™ film is a proprietary film technology designed to repel bacteria and viruses on high-touch surfaces, thereby reducing the risk of pathogen transmission. Unlike conventional antimicrobial coatings that require pathogens to adhere before inactivation, which can take hours, REPELWRAP™ film prevents adhesion of pathogens, offering immediate protection.

The original lab prototype of REPELWRAP™ film has been shown to be broadly repellent to contamination and reduces the adhesion and proliferation of infective pathogens including drug-resistant bacteria and viruses, as well as repel both high (e.g., water) and low surface tension (e.g., oil) liquids (Imani S et al, ACS NANO, 2020, 14, 1, 454–465, ACS Appl. Mater. Interfaces 2022, 14, 11068-11077). This technology is founded on hierarchically structured materials, that combine a range of structural features from the nanoscale to the macroscale, that are integrated into commercial plastics using solution-based surface coating and shrinking for the purpose of repelling pathogens from high touch surfaces. Its hierarchical structure results in a high surface tension which causes droplets to assume a spherical shape. This enables the contact area and the adhesion force between the surface and droplet to be significantly reduced.

Key results of the repelling properties of the original lab prototype REPELWRAP™ film compared to control surfaces include:

- Over 99.99% reduction in viral titer of SARS-CoV-2 related strains (ACS Appl. Mater. Interfaces 2022, 14, 11068-11077);
- methicillin-resistant Staphylococcus aureus and Pseudomonas aeruginosa Approximately 85%reduction in biofilm formation of methicillin-resistant Staphylococcus aureus and Pseudomonas aeruginosa (ACS Nano. 2020 Jan 28, 14 (1) 454-465):
- Reduced transfer of Escherichia coli to human skin (ACS Nano. 2020 Jan 28, 14 (1) 454-465;
- Repellency of blood (ACS Nano. 2020 Jan 28, 14 (1) 454-465);
- Durable performance under physical/mechanical stress (i.e., vacuum & sonication) and chemical exposure (i.e., ethanol, bleach) (ACS Nano. 2020 Jan 28, 14 (1) 454-465).

In early 2022, after commencing research pursuant to the CRA, the Company's work on assessing scalability led to the recommendation to reformulate the original lab prototype film to facilitate the potential for a more streamlined scale-up process. Under the direction of the Company, McMaster developed a reformulated lab prototype that demonstrated the same repelling properties to the original lab prototype film. April 11, 2023, the Company engaged Dunmore to provide their R&D and engineering expertise to assess and scale-up the reformulated lab prototype film to create intermediate-sized prototype films for further testing. The Company transferred the reformulated lab prototype formulation to Dunmore in early May 2023 for them to confirm in their lab that they could scale-up the reformulated lab prototype. Once confirmed, Dunmore then began scale-up efforts on their commercial manufacturing equipment. After several iterations, the Company announced on September 4, 2024 the successful completion of the pilot scale-up phase of intermediate scale-up development to create intermediate-sized film with the same repelling properties as the reformulated lab prototype. This allowed the Company to begin preparations for real-world testing to confirm the film maintains its repelling properties in real-world settings. McMaster has completed their work on the reformulated lab prototype and the CRA expired at the end of 2024. As of the date of this MD&A, the Company has received positive results from McMaster lab tests of two real-world performance tests conducted at one of its test sites. The Company is evaluating potential next steps in development and including conducting additional real-world testing in the remainder of 2025. (See "*Risk Factors*").

Description of Spray Licensed Technology Under Development

The original spray coating formulation licensed from McMaster (the "Original Spray Coating") demonstrated not only repelling properties the same as REPELWRAP™ film, but has also demonstrated it can kill residual pathogen contamination. This Original Spray Coating formulation relies on wrinkled polydimethylsiloxane microparticles, decorated with biocidal gold nanoparticles to induce the repel and kill properties against pathogens. McMaster lab testing of this Original Spray Coating showed a reduction in adhesion of 99.99% for methylene-resistant Staphylococcus aureus ("MRSA") and 99.96% for covid-19 related virus, Phi6, compared with controls. Killing activity was measured by the reduction in colony forming units on coated surfaces compared with noncoated surfaces and results showed a 99.98% reduction in the number of MRSA and Pseudomonas aeruginosa colony forming units on nano-coated surfaces. These results were published in two peer-reviewed journals: Jarad, N. A. et al, Small, "An Omniphobic Spray Coating Created from Hierarchical Structures Prevents the Contamination of High-Touch Surfaces with Pathogens", 2022, 2205761 (1-11) and Jarad, N.A. et al, ACS Applied Materials and Interfaces, "A Bifunctional Spray Coating Reduces Contamination on Surfaces by Repelling and Killing Pathogens", 2023, 15, 16253-16265.

The Company, with McMaster, is currently evaluating formulations with only repelling properties with the intent of creating a nanoparticle suspension formulation that will have similar repelling properties as REPELWRAP™ film. A reformulation (the "Reformulated Spray Coating") has been identified that incorporates certain chemistries that are different from chemistries that were used in the Original Spray Coating. This Reformulated Spray Coating is undergoing reformulation evaluation, and as a result, the Company has decided not to pursue the original licensed spray patent as the Company believes this reformulation will be more amenable to scale-up and provide optimal durability. To-date, the Company has not yet completed the optimization work with McMaster, entered the scale-up phase, nor engaged nanoComposix to perform work under the first work order if such work is required on the Reformulated Spray Coating. (See "*Risk Factors*").

Description of Catheter Nano-Coating Under Development

Effective December 1, 2023, the Company and McMaster entered into the Catheter Coating CRA which sets out R&D work to assess various coating formulations for the protection of medical catheters from occlusion due to blood clot or bacterial biofilm formation. McMaster had conducted early-stage research that involved using the Licensed Technology to coat plastics similar to those used in medical grade catheters and tested them with bacteria and blood to assess their ability to suppress bacterial biofilm formation and blood clotting. These lab tests showed that after 24-28 hours of flow exposure, a 96.5% reduction in E. coli adhesion and 95.8% reduction in fibrin networks, a precursor of blood clots. These results were published in a peer-reviewed journal: Khan, S. et al, Small, "Transparent and Highly Flexible Hierarchically Structured Polydimethylsiloxane Surfaces Suppress Bacterial Attachment and Thrombosis Under Static and Dynamic Conditions", 2022, 18, 2108112 (1-12). McMaster is currently in the lab prototype development stage under the direction of the Company to evaluate reformulating of the lab prototype with a focus on developing a coating for Foley catheters as these catheters are known to cause a significant number of infections, some of which can cause severe illness. The Company may evaluate coatings of other types of catheters in the future. After successful development of a Foley catheter coating, the Company intends to conduct an *in vivo* proof-of-concept study to assess the ability of the coated catheter prototype to reduce bacteria biofilm formation compared to a control Foley catheter. (See "*Risk Factors*").

R&D Project Objectives

The Company's R&D project objectives are to develop surface protection products leading to commercialization, with research and development work spanning four main categories including:

a) formulation assessment, development and testing of lab prototypes;
b) scalability assessments and testing of lab prototypes;
c) intermediate scale-up with third-party manufacturer and testing; and
d) commercial scale-up with third-party manufacturer and testing with a third-party testing lab.

The chart below represents the Company's research and development status for its current R&D project pipeline as of the date of this MD&A:

R&D Project Objectives	Project Plan Status and Achievements	Estimated Timing and Cost to Complete
Development of REPELWRAP™ film	Lab prototype optimization, repelling and pathogen testing of various film iterations, and scalability assessments completed at McMaster.	Completed
	Complete optimization work on reformulated lab prototype at McMaster.	Completed
	Conduct pilot runs to manufacture intermediate-sized films using Dunmore's commercial manufacturing equipment.	Completed
	Commence real-world performance testing with real-world test sites.	In process. Estimated completion date Q4 2025 at an estimated cost of approximately $2,000.
	Commence preparation for commercialization scale-up stage.	Commencement dependent on successful completion of real-world testing. Costs and timing not yet determinable.
Development of nanoparticle suspension coating formulation	Formulation assessment, development of Reformulated Spray Coating, scalability assessment and testing at McMaster.	Ongoing with estimated completion in Q3 2025 at an estimated remaining cost of $84,000.
	Commence pilot scale-up to larger batch sizes for testing at McMaster. MSA entered into with nanoComposix for assessment and intermediate scale-up work if required.	Not yet commenced and is dependent on completion of formulation stage and evaluation. Estimated cost of $58,000.
Development of coating formulation for catheters	Development and testing of Foley catheter coating prototype.	Prototype formulation work ongoing with anticipated completion in Q4 2025 at an estimated cost of $75,000.
	Conduct in-vivo prototype testing.	Timing dependent on completion of formulation work. Costs not yet determinable.

The Company intends to advance development of its film, spray and catheter coating technologies, however, there can be no certainty that the Company's R&D initiatives will result in successful prototypes or scale-up activities will result in successful commercial products nor can the Company provide certainty as to the time and costs that will be involved to achieve such objectives. The Company is currently reliant on McMaster to conduct R&D to advance the catheter nano-coating and perform R&D related to the spray coating. The Company is also reliant on third parties to conduct intermediate scale-up development work on its technologies and on third-party manufacturers to conduct further scale-up activities should any of the technologies get to that stage. The Spray CRA term expiry date was July 1, 2025 and the Company intends to extend the Spray CRA with McMaster at not additional charge to FendX, however no extension has been entered into as of the date of this MD&A.

The Company cannot at this time accurately estimate the cost of bringing the Company's current pipeline of products to market as much of the associated costs depend on various factors such as: costs to complete R&D work on its products under development; if the funding pursuant to the Spray CRA and Catheter Coating CRA will be sufficient to fund development milestones; development initiatives that result from continuing R&D work, such as reformulation, testing and optimization work; the cost of scale-up and testing activities; commercial manufacturing partnership and other supply chain agreement financial terms and distributor and licensing agreement terms, among other factors. The Company will require additional funding to complete the R&D project objectives, fund any other acquisitions or new product opportunities, including the eco-friendly sponge, and fund operations and there is no certainty the Company will be able to obtain funding on terms acceptable to the Company or at all. Further, there is no assurance that the aforementioned timelines will be met or that its project or any objective will advance to a final intermediate prototype or commercial product at all. As of the date of this MD&A, the Company has not entered into

any commercial manufacturing or other supply chain agreements, or distribution, sales or licensing agreements nor entered into a supply agreement for bulk rolls of the eco-friendly sponge nor any IP acquisition agreements and there is no certainty the Company will be able to enter into any such agreements on terms acceptable to the Company or at all, for any of its product candidates under development. See "*Risk Factors*".

Analysis of Q2 2025 results compared to Q2 2024

For the six months ended June 30, 2025

The Company recorded a net loss of $1,807,476 for the six-month period ended June 30, 2025 compared to a net loss of $2,618,646 for the six-month period ended June 30, 2024. During the first six months of 2025, the Company continued its R&D activities related to its projects and completed its first real-world tests on its REPELWRAP™ film. In addition, the Company is evaluating the quality of the Open-Cell foam material and commercialization opportunities for the sponge product. The decrease in net loss for 2025 compared to 2024 was mainly due to decreased overall costs offset by higher stock-based compensation expenses related to the grant of stock options and RSUs in Q1 2025. The Company did not earn any revenues other than interest and other income in either 2025 or 2024.

Below is a review of expense categories and variances which contributed to the increase in net loss for the six-month period ended June 30, 2025 compared to the six month period ended June 30, 2024:

- The Company incurred consulting fees of $410,969 for the six month period ended June 30, 2025 (2024 – $521,766). Consulting fees include general corporate, business development, financial advisory and administrative support and decreased in the six month period ended June 30, 2025 due to the lower use of financial advisory and business development consultants in the six month period ended June 30, 2025 compared to the same period in 2024.

- The Company incurred directors' fees of $27,500 for the six month period ended June 30, 2025 (2024 – $27,500).

- General and administrative expenses decreased to $19,555 for the six month period ended June 30, 2025 (2024 – $62,779). G&A includes travel related expenses, meals and general office expenses which included accounting, insurance, bank fees, depreciation and other miscellaneous costs and were lower in the six month period ended June 30, 2025 as the Company incurred less travel compared to 2024.

- The Company incurred investor relations expenses of $69,929 for the six month period ended June 30, 2025 (2024 – $849,403) which was lower than the comparative period due to less use of investor services providers. Investor relations expense also includes market making services, news dissemination services and conference attendance.

- Management fees decreased to $226,750 for the six month period ended June 30, 2025 (2024 -$348,591) mainly as a result of the COO resignation in Q3 2024.

- Marketing expenses increased to $294,257 in the six month period ended June 30, 2025 (2024 – $82,124) and reflected higher marketing, brand development expenses and market research expenses incurred in the six month period ended June 30, 2025.

- The Company incurred professional fees of $70,088 in the six month period ended June 30, 2025 (2024 – $233,684). Professional fees consist of: $23,049 for audit and fees (2024 – $50,488); $35,969 for general and corporate related legal fees (2024 - $74,654); and intellectual property and other legal fees of $11,070 (2024 - $108,5424). General and corporate legal fees were lower in the six month period ended June 30, 2025 compared to the comparable period in 2024 due to less use of legal counsel. Intellectual property and other legal fees related to patent applications, operational contract reviews and reimbursements to McMaster for patent applications and filings.

- The Company incurred research and development ("R&D") expenses of $197,335 in the six month period ended June 30, 2025 (2024 – $271,294). R&D expenses in the six month period ended June 30, 2025 were

comprised of $102,335 (2024 - $261,294) for research and development and related costs incurred with McMaster pursuant to Spray CRA and Catheter Coating CRA, where in the comparable period in 2024 costs also included expenses related to intermediate scale-up work on REPELWRAP™ film completed by Dunmore in 2024 and for R&D expenses incurred pursuant to the CRA which was completed and expired as of December 31, 2024. R&D for the 2025 period also included $10,000 for the annual royalty fee paid pursuant to the License Agreement (2024 - $10,000) and $85,000 paid through the issuance of 100,000 common shares pursuant to the IP License Agreement.

- The Company incurred salary and benefits expenses of $57,972 in the six-month period ended June 30, 2025 (2024 – $60,715).

- The Company incurred higher share-based payment expenses of $444,079 in the six-month period ended June 30, 2025 (2024 – $35,011) which increase related to options and RSUs granted in Q1 2025.

- The Company incurred $27,522 in the six-month period ended June 30, 2025 (2024 – $26,386) for transfer agent, listing and filing fees.

- During the six-month period ended June 30, 2025, the Company recorded other income including interest income of $11 in (2024 – $9,193), recognized a foreign exchange gain of $10,469 in (2024 – loss of $11,086) and a gain on debt settlement of $28,000 related to the issuance of 40,000 common shares to settle $68,000 of debt in Q1 2025 (2024 – loss of $97,500). The 2024 loss related to the issuance of an aggregate of 100,000 shares to settle $212,500 of debt.

For the three months ended June 30, 2025

The Company recorded a net loss of $780,426 for the three-month period ended June 30, 2025 (“Q2 2025”) compared to a net loss of $1,508,771 for the three-month period ended June 30, 2024 (“Q2 2024”). During Q2 2025, the Company continued its R&D activities related to its projects and licensed IP and began work evaluating the quality of the Open-Cell foam material and commercialization opportunities for the sponge product. The decrease in net loss for Q2 2025 compared to Q2 2024 was mainly due to decreased overall costs offset by increased marketing costs. The Company did not earn any revenues other than interest and other income in either Q2 2025 or Q2 2024.

Below is a review of expense categories and variances which contributed to the increase in net loss for Q2 2025 compared to Q2 2024:

- The Company incurred consulting fees of $142,114 for Q2 2025 (Q2 2024 – $235,501). Consulting fees include general corporate, business development, financial advisory and administrative support and decreased in Q2 2025 due to the lower use of financial advisory and business development consultants.

- The Company incurred directors’ fees of $13,750 for Q2 2025 (Q2 2024 – $13,750).

- General and administrative expenses decreased to $10,212 for Q2 2025 (Q2 2024 – $30,738). G&A includes travel related expenses, meals and general office expenses which included accounting, insurance, bank fees, depreciation and other miscellaneous costs and were lower in Q2 2025 as the Company incurred less travel compared to Q2 2024.

- The Company incurred investor relations expenses of $25,455 for Q2 2025 (Q2 2024 – $642,349) which was lower than the comparative period due to less use of investor services providers. Investor relations expense also includes market making services, news dissemination services and conference attendance.

- Management fees decreased to $109,000 in Q2 2025 (Q2 2024 - $170,031) mainly as a result of the COO resignation in Q3 2024.

- Marketing expenses increased to $289,839 in Q2 2025 (Q2 2024 – $20,396) reflecting the engagement of a marketing firm in Q2 2025.

- The Company incurred professional fees of $30,655 in Q2 2025 (Q2 2024 – $152,315). Professional fees consist of: $11,799 for audit and fees (Q2 2024 – $38,488); $15,013 for general and corporate related legal fees (Q2 2024 - $32,942); and intellectual property and other legal fees of $3,843 (Q2 2024 - $80,885). General and corporate legal fees were primarily lower due to less corporate transactions. Intellectual property and other legal fees related to patent applications, operational contract reviews and reimbursements to McMaster for patent applications and filings.

- The Company incurred R&D expenses of $114,959 in Q2 2025 (Q2 2024 – $118,328). R&D expenses for Q2 2025 was comprised of $29,959 for R&D costs incurred at McMaster and $85,000 for the license fee paid pursuant to the IP License Agreement. Q2 2024 expenses related to research and development and related costs incurred with McMaster and for scale-up work related to REPELWRAP™ film.

- The Company incurred salary and benefits expenses of $28,725 in Q2 2025 (Q2 2024 – $30,571).

- The Company incurred higher share-based payment expenses of $39,293 in Q2 2025 (Q2 2024 – $15,357).

- The Company incurred $16,279 of transfer agent, listing and filing fees in Q2 2025 (Q2 2024 – $15,197).

- The Company recorded other income including interest income of $9 in Q2 2025 (Q2 2024 – $6,290), recognized a foreign exchange gain of $11,846 in in Q2 2025 (Q2 2024 – loss of $10,528) and a gain on debt settlement of $28,000 (Q2 2024 – loss of $60,000). The Q2 2024 loss related to the issuance of 50,000 shares to settle $100,000 of debt during Q2 2024.

QUARTERLY FINANCIAL INFORMATION

The following selected financial data has been prepared in accordance with IFRS and should be read in conjunction with the Company's financial statements. All dollar amounts are in Canadian dollars.

	Quarter Ended	Revenue	Net Loss (unaudited)	Net loss per share (Basic and diluted)	Weighted average number of shares
Q2/25	June 30, 2025	$ -	$ 780,426	$ (0.10)	7,951,890
Q1/25	March 31, 2025	$ -	$ 1,027,050	$ (0.14)	7,442,235
Q4/24	December 31, 2024	$ -	$ 575,262	$ (0.08)	7,340,852
Q3/24	September 30, 2024	$ -	$ 1,433,213	$ (0.19)	7,322,778
Q2/24	June 30, 2024	$ -	$ 1,508,771	$ (0.21)	7,158,188
Q1/24	March 31, 2024	$ -	$ 1,109,875	$ (0.19)	5,774,484
Q4/23	December 31, 2023	$ -	$ 1,213,420	$ (0.20)	5,304,534
Q3/23	September 30, 2023	$ -	$ 812,699	$ (0.16)	5,227,885

Variations in the Company's net losses and expenses as well as notable trends for the previous eight quarters were typical of an early-stage company. Overall expenses are expected to increase over the next year relative to historical spending due to the expected increased operations of the Company, subject to receipt of funding.

USE OF PROCEEDS

The following is a tabular comparison of the use of available funds disclosed for the private placement transactions completed during the six-month period ended June 30, 2025 and the estimated use of such funds by the Company.

The following table summarizes the amount of gross proceeds the Company raised from previous financings, the disclosure the Company previously made regarding its anticipated use of proceeds from each financing, how the Company actually used the proceeds of the respective financing, and the Company's explanation for any variances and impact on the Company's ability to achieve its objectives and milestones.

Previous Financing	Gross Proceeds Raised	Disclosure by the Company regarding Anticipated Use of Net Proceeds	How the Net Proceeds were Actually Used (Amounts approximate)	Any Variances and Impact on Company's Ability to Achieve its Objectives and Milestones
Private placement, closed March 13, 2025	Total: $710,005	Advance the Company's R&D projects, and for working capital and general corporate purposes, including marketing and investor relations.	To June 30, 2025, $710,005 of the proceeds was used towards advancing the Company's R&D projects, working capital and general corporate purposes, including marketing and investor relations.	No

LIQUIDITY AND CAPITAL RESOURCES

Since inception the Company has devoted its resources to securing intellectual property rights, furthering its research and development of its products under development, performing scale-up work, establishing personnel and processes required to execute its business plan and obtain a public listing and raise capital. This has resulted in an accumulated deficit of $13,329,960 as at June 30, 2025. With no income from operations, losses are expected to continue while the Company's R&D programs are advanced or it achieves revenue from product sales.

The Company does not earn any revenues from its operations and is considered to be in the development stage. As required, the Company will continue to finance its operations through the sale of equity or pursue non-dilutive funding sources available to the Company in the future. The continuation of its R&D activities, commercialization of its products under development and evaluation of commercial potential for its eco-friendly sponge line, is dependent upon the Company's ability to successfully finance and complete its research and development programs, successfully complete real-world testing, scale-up and commercialization of its products under development and successfully evaluate and create a finished eco-sponge product. As of the date of this MD&A the Company is not capable of sustaining its working capital requirements over the long term without additional capital, product commercialization or ultimately the sale of products.

As at June 30, 2025, the Company had a working capital deficit of $1,113,315 compared to $592,252 as of December 31, 2024. The Company has relied upon equity financings and loans to finance its operations and meet its capital requirements. The Company manages its capital structure and may make adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The issuance of additional common shares by the Company could result in significant dilution in the equity interest of existing shareholders. There can be no assurance that the Company will be able to obtain sufficient financing to meet future operational needs which may result in the delay, reduction or discontinuation of ongoing development programs.

The Company's objectives when managing its liquidity and capital resources is to maintain its ability to continue as a going concern and have a sufficient capital base to sustain and grow its overall operations such that it can provide returns for shareholders. The Company faces numerous risks and uncertainties, many of which are beyond its control, related to the successful development, scale-up and commercialization of its products, including the eco-friendly sponge, including but not limited to timing delays, costs overruns, lack of success with its development initiatives and inability to enter into relationships with manufacturing, other supply chain and distribution and/or licensing partners. (See "*Risk Factors*").

Summary of cash flows

	Six months ended June 30, 2025	Six months ended June 30, 2024	Change
Cash used in operating activities	$ (878,845)	$ (2,708,877)	$1,830,032
Cash provided by financing activities	$ 848,078	$ 2,776,680	$ (1,928,602)
Net increase/(decrease) in cash	$ (30,767)	$ 67,803	$ (98,570)

Cash used in operating activities is comprised of net loss, add-back of non-cash expenses, and net change in non-cash working capital items. Cash used in operating activities decreased to $878,845 for the six months ended June 30, 2025 from $2,708,877 for the comparable period in 2024. This decrease is primarily due to a decrease in its net loss and higher non-cash expenses during 2025 compared to the comparable 2024 period.

Cash provided by financing activities decreased to $848,078 for 2025 compared to $2,776,680 for the six months ended June 30, 2024. In Q1 2025, the Company completed a non-brokered private placement raising gross proceeds of $710,005 and incurred $11,927 for cash finders fees and received loan proceeds of $150,000. In the six-month period ended June 30, 2024, the Company completed three closings of its non-brokered private placement raising gross proceeds of $2,025,000, incurred $40,400 for cash finders fees and received $792,080 from warrant exercises.

The Company funded operations during the six months ended June 30, 2025 and June 30, 2024 through the net proceeds of securities issued and loans. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and its success with its research and development initiatives and the commercial potential for its proposed eco-friendly sponge product. Additional financing may not be available on terms favourable to the Company or at all. If the Company does not receive future financing, it may not be possible for the Company to advance its business plans. The Company does not expect to generate positive cash flow from operations for the foreseeable future due to operating expenses associated with supporting its activities. It is expected that negative cash flow from operations will continue until such time, if ever, that the Company commercializes any products and achieves sales from any such products should they exceed its expenses. (See "*Risk Factors*").

COMMITMENTS

McMaster University

The Company entered into the License Agreement with McMaster for the Licensed Technology. Pursuant to the License Agreement, the Company agreed to the following key terms:

- the issuance to McMaster of common shares equal to 5% of its fully diluted share capital on achievement of certain funding thresholds, whereby 143,500 common shares were issued at a deemed price of $0.50 per share for fair value of $71,750 in Fiscal 2021 to satisfy this term;
- payment of a 4% royalty on net sales to be paid quarterly within 60 days following the close of the calendar quarter (as defined in the License Agreement);
- a minimum annual royalty commencing in the first 12-month period ending on the anniversary of the date of the License Agreement as to $5,000 in the first and second years, $10,000 in the third and fourth years and $20,000 in the fifth and subsequent years; and
- contribute funding toward sponsored research projects. Pursuant to the License Agreement, an aggregate of $650,000 is to be paid toward sponsored research projects, of which: a) in year one, an aggregate of $350,000 was required for funding the sponsored research project; b) in year two and year three, the Company is to contribute a minimum of $150,000 each year to a sponsored research project to further develop the Licensed Technology, provided the research aims are approved by the Company. As at the date of this MD&A, the Company has paid all of the required research contributions. (see detailed payment terms detailed below).

The CRA with McMaster sets out the payment terms upon receipt of invoices from McMaster for the research project to satisfy the research funding obligations under the License Agreement as noted above. The Company completed its funding obligations with McMaster under the CRA which expired December 31, 2024. Pursuant to the CRA,

McMaster's proposed invoice dates and amounts were as follows: November 24, 2021 - $175,000, August 25, 2022 - $87,500, January 1, 2023 - $87,500, March 1, 2023 - $75,000, May 1, 2023 - $37,500, July 1, 2023 - $37,500, September 1, 2023 - $75,000, January 1, 2024 - $37,500 and May 1, 2024 - $37,500. The CRA term expired December 31, 2024 (all paid).

The Company entered into the Spray License Agreement with McMaster for the Spray Licensed Technology. Pursuant to the Spray License Agreement, the Company agreed to the following key terms:

- payment of a 4% royalty on net sales to be paid quarterly within 60 days following the close of the calendar quarter (as defined in the Spray License Agreement); and
- maximum funding to support the development and further research on the Spray Licensed Technology of $85,169 for 2023 and $168,468 for 2024. (see detailed Spray CRA payment terms detailed below)

The Spray CRA with McMaster sets out the maximum payment terms upon receipt of invoices from McMaster for the research project to satisfy the research funding obligations under the Spray License Agreement. The Spray CRA has a term to July 1, 2025, which the Company intends to extend in accordance with the provisions of the Spray CRA. McMaster will invoice the Company as follows:

Proposed Invoice Date	**Maximum Amount**
On signing (paid)	$28,389.67
October 15, 2023 (paid)	$28,389.67
December 31, 2023 (paid)	$28,389.67
March 31, 2024 (paid)	$42,116.90
June 30, 2024 (paid)	$42,116.90
September 30, 2024 (invoice received and due April 30, 2025)	$42,116.90
June 30, 2025 (invoice not yet received)	$42,116.90

The Company entered into the Catheter Coating CRA with McMaster which sets out the maximum payment terms upon receipt of invoices from McMaster for the research project to satisfy the research funding obligations related to research and development activities for the catheter coating project. The term of the Catheter Coating CRA is for two years from the effective date unless extended or terminated in accordance with the provisions of the Catheter Coating CRA. McMaster will invoice the Company as follows:

Proposed Invoice Date	**Maximum Amount**
On signing (paid)	$37,637.00
March 1, 2024 (paid)	$37,637.00
June 1, 2024 (paid)	$37,637.00
September 1, 2024 (partially paid)	$37,637.00
December 1, 2024 (invoice received)	$37,637.00
March 1, 2025 (invoice received)	$37,637.00
June 1, 2025 (invoice received)	$37,637.00
September 1, 2025	$37,637.00

NSERC Grant

On May 9, 2022, NSERC provided McMaster and Dr. Leyla Soleymani, one of the Lead Researchers, with notice of approval for an Alliance Grant of $361,520 over two years, for the Company's project entitled "Developing a pathogen repellant wrap-improving performance and manufacturing throughput and evaluating real-world potential" with the Company as the sponsor (the "NSERC Grant"). The NSERC Grant is payable to the Lead Researcher at McMaster as the applicant. The Company, as the sponsor, does not receive any funding from this NSERC Grant, however, as sponsor, is to make cash contributions of $93,500 for each of the two years and contribute in-kind contributions

totaling $206,400 over two years. The Company's cash contributions were satisfied by the Company's payments pursuant to the CRA (see above) and its in-kind contributions were satisfied by time spent by its senior management and employees related to the project. The Company is not responsible for any of the third-party contribution requirements.

IP License Agreement and Supply Agreement

The Company entered an IP License Agreement with Scott Smith and US BioSolutions dated April 23, 2025 to license three patent applications and a trademark in consideration for the issuance of 100,000 common shares of the Company, which common shares are to be issued within seven (7) days of the signing of the agreement, and in accordance with CSE policies. The common shares were issued to Scott smith on May 2, 2025. Pursuant to the Supply Agreement dated April 23, 2025 with US BioSolutions, FendX shall pay for each purchase order at a price per square foot for a period of twelve (12) months at a predetermined price. The parties have agreed to negotiate in good faith a lower price per square foot with a corresponding annual volume minimum, and from time to time, the parties will meet to review the annual price per square foot and corresponding volume minimum. The term of each of the IP License Agreement and Supply Agreement is perpetual and both agreements include termination provisions.

OUTSTANDING SHARE CAPITAL

Common Shares

As of the date of this MD&A, the Company had authorized an unlimited number of common shares without par value. Common Shares issued and outstanding, and other securities convertible into common shares are summarized in the following table. An August 18, 2025, the Company consolidated its share capital based on one post-consolidation common share for every ten pre-consolidation common shares. The following table shows figures on a post-consolidation basis:

	Number Outstanding as of August 29, 2025	Number Outstanding as of December 31, 2024
Common Shares issued and outstanding	9,001,969	7,344,838
Options	941,667	574,167
Restricted share units	28,750	59,334
Warrants	2,308,348	1,679,400
Broker and compensation warrants	158,448	216,032

Warrants

A summary of the Company's issued and outstanding warrants at the date of this MD&A is as follows:

Expiry Date	Exercise Price	Number Outstanding
February 2, 2027	$ 4.00	262,500
March 25, 2027	$ 4.00	487,500
May 8, 2027	$ 4.00	262,500
March 13, 2028	$ 4.00	417,650
July 18, 2028	$ 1.00	878,198
		2,308,348

A summary of the Company's issued and outstanding broker warrants and compensation warrants at the date of this MD&A is as follows:

Expiry Date	Exercise Price	Number Outstanding
February 2, 2027	$ 2.00	21,000
February 2, 2027	$ 4.00	17,000
March 25, 2027	$ 2.00	28,820
March 25, 2027	$ 4.00	12,620
May 8, 2027	$ 2.00	20,200
May 8, 2027	$ 4.00	20,200
March 13, 2028	$ 1.70	22,812
March 13, 2028	$ 4.00	15,796
		158,448

Options

A summary of the Company's options outstanding at the date of this MD&A is as follows:

Expiry Date	Exercise Price	Options Outstanding	Options Exercisable
April 22, 2027	$ 1.50	84,167	84,167
December 24, 2027	$ 3.00	30,000	30,000
January 24, 2028	$ 3.00	130,000	130,000
July 18, 2029	$ 2.90	330,000	247,500
March 21, 2030	$ 1.70	292,500	292,500
July 3, 2026	$ 1.70	75,000	75,000
		941,667	859,167

Restricted Share Units

As at the date of this MD&A, the Company has 28,750 restricted share units ("RSUs") outstanding (December 31, 2024 – 59,334). On July 18, 2024, the Company granted an aggregate of 115,000 RSUs to two officers and a consultant which vest as to 50% on the grant date and 25% on each of the dates that is 9 and 18 months from the date of grant. On July 23, 2024, the Company granted 5,500 RSUs to a consultant that vested as to 1/3 on each of August 19, 2024, September 19, 2024 and October 18, 2024. On December 17, 2024, the Company granted 5,500 RSUs to a consultant that vest as to 1,833 RSUs on December 17, 2024, 1,833 RSUs on December 20, 2024 and 1,834 RSUs on January 18, 2025. On March 21, 2025, the Company granted 50,000 RSUs to a consultant that vested on the grant date.

Bonus Shares

As at the date of this MD&A, the Company has reserved for issuance 415,000 common shares, issuable upon achievement of certain milestones related to the Licensed Technology for work conducted under the CRA, pursuant to bonus share agreements entered into with each of Dr. Didar and Dr. Soleymani (the "Bonus Share Agreements"). Pursuant to the Bonus Share Agreements, each of Dr. Didar and Dr. Soleymani may be entitled to receive up to 207,500 common shares (the "Bonus Shares") should certain milestones related to the development of the Licensed Technology be achieved related to work conducted pursuant to the CRA. As at the date of this MD&A, no milestones have been achieved, the CRA has expired, and no Bonus Shares have been issued.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no undisclosed off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of its operations, financial condition, revenue or expenses, liquidity, capital expenditures or capital resources that is material to investors.

RELATED PARTY DISCLOSURE

Related parties of the Company include key management personnel, companies controlled by key management personnel and close family members of key management personnel. Key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any directors (whether executive or otherwise) of the Company. Key management personnel are composed of the board of directors and executive leadership team.

The following fees and expenses were incurred with related parties including current and former key management personnel:

	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
	$	$	$	$
Directors' fees [1],[6]	13,750	13,750	27,500	27,500
Management fees [2],[3],[4],[6]	109,000	170,031	226,750	348,591
Share based payment [5]	30,814	12,719	302,510	27,954
Total	153,564	196,500	556,760	404,045

Notes:

(1) Both Mr. Randall and Mr. Soulard were appointed to the Company's board of directors on January 4, 2023 and entered director services agreements. During the three and six month periods ended June 30, 2025, Stephen Randall incurred director fees of $7,500 and $15,000 (2024 - $$7,500 and $15,000) and Pierre Soulard incurred directors fees of $6,250 and $12,500 (2024 - $6,250 and $12,500). An aggregate of $55,000 in outstanding directors' fees for Messrs. Randall and Soulard was included in accounts payable and accrued liabilities as at June 30, 2025 (December 31, 2024 - $27,500).

(2) BioEnsemble LLC ("BioEnsemble"), a company controlled by Dr. Carolyn Myers, the Company's Chief Executive Officer ("CEO") and President, charges management consulting fees at a monthly fee of $20,000 starting January 1, 2022 pursuant to an executive consulting agreement which also includes discretionary bonus, termination and 12 month change of control provisions. During the three and six month periods ended June 30, 2025, BioEnsemble earned $60,000 and $120,000 (2024- $60,000 and $120,000) in management consulting fees. As at June 30, 2025, fees of $280,000 were owing to BioEnsemble and $nil was owing to the CEO for expenses (December 31, 2024 $160,000 and $21,592 respectively). As at June 30, 2025, the Company also owed $227,015 to the CEO pursuant to non-interest bearing loans (December 31, 2024 - $78,656).

(3) The Company's former COO was engaged pursuant to an employment contract until her resignation effective August 30, 2024. During the three and six month periods ended June 30, 2024, the Company's former COO earned an aggregate of $50,453 and $85,763 respectively (2025 - $nil and $nil).

(4) Effective February 17, 2022, the Company entered into a consulting agreement, as amended, with RCF Advisors Ltd. ("RCF"), a company controlled by Rose Zanic, the Company's CFO and Corporate Secretary, and Rose Zanic to provide part-time CFO services to the Company at a rate of $250 per hour plus applicable taxes subject to a minimum monthly fee of $7,000. The agreement also includes discretionary bonus and termination provisions. During the three and six month periods ended June 30, 2025, RCF earned an aggregate of $49,000 and $106,750 in management consulting fees and bonuses (2024 - $59,578 and $142,828). As at June 30, 2025 $198,455 was owing to RCF (December 31, 2024 - $110,320).

(5) On March 21, 2025, the Company granted an aggregate of 230,000 share purchase options to directors and officers, with an exercise price of $1.70 per share with an expiry date of five (5) years from the date of grant. On July 18, 2024, the Company granted an aggregate of 345,000 share purchase options to directors and officers, with an exercise price of $2.90 per share with an expiry date of five (5) years from the date of grant and granted an aggregate of 75,000 RSUs to two officers. On January 24, 2023, the Company granted an aggregate of 115,000 share purchase options to directors and officers with an exercise price of $3.00 per share with an expiry date of

five (5) years from the date of grant. During the three and six month periods ended June 30, 2025, share based payments related to options and RSUs granted to the key management personnel amounted to $30,814 and $302,510 respectively (2024 - $12,719 and $27,954).

(6) All amounts incurred by key management personnel.

Loans payable as at June 30, 2025 is comprised of funds loaned from the CEO to the Company of US$22,000 and $197,000 (aggregate of Cdn$227,015) (December 31, 2024 – $78,656) pursuant to a loan agreement. The loans are non-interest bearing, are due on demand and have no formal terms of repayment. Included in accounts payable and accrued liabilities at June 30, 2025, were amounts totaling $533,455 (December 31, 2024 - $319,412) due to related parties. Subsequent to period end, an aggregate of $435,043.20 owed to related parties was converted into equity pursuant to debt settlement transactions, of which $160,000 related to amounts owed to a company controlled by the CEO, $227,043.20 related to loans payable to the CEO and $48,000 related to amounts owed to a company controlled by CFO (see "*Highlights for the six-month period ended June 30, 2025*"). Subsequent to June 30, 2025, the CEO advanced $75,000 in loans to the Company which loans are unsecured, non-interest bearing and have no fixed term of repayment,

SEGMENTED INFORMATION

The Company operates in one reportable segment, involving the research and development of its technologies and products under development. All the Company's assets are located in Canada.

TRENDS

The Company's business is not cyclical or seasonal.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value

The Company's financial instruments at June 30, 2025 include cash, accounts payable and loan payable. The fair values of these instruments approximate their carrying values due to their short-term nature.

IFRS 13 *Fair Value Measurement* establishes a fair value hierarchy for financial instruments measured at fair value that reflects the significance of inputs used in making fair value measurements as follows:

Level 1 - quoted prices in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., from derived prices); and

Level 3 - inputs for the asset or liability that are not based upon observable market data.

The fair value of cash is based on Level 1 inputs.

[a] Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises for the Company from its cash. The Company has adopted practices to mitigate the deterioration of principal, to enhance the Company's ability to meet its liquidity needs and to optimize yields within those parameters. The Company regularly reviews the collectability of its accounts receivable and would establish an allowance account for credit losses based on its best estimate of any potentially uncollectible accounts receivable. As of June 30, 2025, the balance of the allowance account for credit losses was $nil (December 31, 2024 - $nil). The Company's cash is deposited in bank accounts and any cash invested in cashable guaranteed investment certificates are held with Canadian Schedule 1 chartered banks in Canada. As most of the Company's cash are held in the banks there is a concentration of credit risk. This risk is managed by using major banks that are high quality financial institutions as determined by rating agencies.

[b] Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company's exposure to liquidity risk is dependent on its purchasing commitments and obligations and its ability to raise funds to meet commitments and sustain operations. The Company manages liquidity risk by continuously monitoring its actual and forecasted working capital requirements, and actively managing its financing activities. The Company's main source of funding has been the issuance of equity securities, primarily through private placements. Although the Company received gross proceeds of $710,005 from the closing of a private placement in Q1 2025, there can be no assurance of continued access to significant equity funding. As at June 30, 2025, the Company had a working capital deficit of $1,113,315 (December 31, 2024 –$592,252). As at June 30, 2025, the Company's financial liabilities were comprised of accounts payable, accrued liabilities and loans payable totaling $1,491,051.

[c] Market risk

a. Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in the market interest rates. The Company has cash balances and interest-bearing guaranteed investment certificates and has no debt. The Company's excess cash is invested based on the Company's policy to invest the excess cash in high interest savings accounts and/or guaranteed investment certificates issued by its banking institutions. As at June 30, 2025, the Company held GICs of $nil (December 31, 2024 - $nil).

b. Currency risk

The Company is exposed to financial risk related to the fluctuation of foreign exchange rates. The Company has a portion of its operating expenses in US dollars and Euros. The Company has not entered into foreign exchange derivative contracts.

The Company incurs liabilities and had assets denominated in US dollars. A 10% change in the currency exchange rate between the Canadian dollar relative to the US dollar could have a gain or loss of approximately $7,119 (December 31, 2024 - $528) on the Company's results of financial position based on the Company's net exposure as at June 30, 2025.

[d] Capital disclosure

The Company's objective when managing capital is to ensure its ability to continue as a going concern in order to pursue the development of its product candidates for ultimate sale or out-licensing. The Company attempts to maximize return to shareholders by minimizing shareholder dilution and, when possible, utilizing non-dilutive funding arrangements, such as collaborative partnership arrangements.

The Company defines its capital as share capital and reserves. The Company has financed its capital requirements primarily through equity share issuances since inception.

The Company manages its capital structure and may adjust it based on changes in economic conditions and risk characteristics of the underlying assets. The Company may issue new securities. The Company is not subject to any externally imposed capital requirements. There were no changes to the Company's capital management during the six-month period ended June 30, 2025 or year ended December 31, 2024.

CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND POLICIES

In applying the Company's accounting policies, management makes several judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. Actual results may differ from the judgments, estimates and assumptions made by management and will seldom equal the estimated results.

CRITICAL JUDGMENTS

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

i. Research costs and license costs are recognized as an expense when incurred, but development costs may be capitalized as intangible assets if certain conditions are met, as described in International Accounting Standard ("IAS") 38 *Intangible Assets*. Management has determined that development costs do not meet the conditions for capitalization under IAS 38, and all research and development costs and license costs have been expensed.

ii. Management is required to determine whether the going concern assumption is appropriate for the Company at the end of each reporting period. Considerations taken into account include available information about the future, including the availability of financing and revenue projection, as well as the current working capital balance and future commitments of the Company.

ESTIMATION UNCERTAINTY

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

i. Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxation authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

ii. The fair value of accrued liabilities at the time of initial recognition is made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors.

iii. The cost of equity-settled transactions, such as stock options or warrants, is determined by calculating the fair value at the date when the equity award is granted or issued using the Black-Scholes Option Pricing Model. The inputs to the Black-Scholes Option Pricing Model require significant estimation. Expected volatility is estimated based on historical stock price observations of the Company's common shares and comparable companies. The risk-free interest rate for the expected term of the award is based on the yields of government bond. The Company uses historic data to estimate the timing of option exercises and forfeiture rates, which may not be representative of future results. Changes in these assumptions, especially the volatility and he expected life determination, could have a material impact on the statement of loss and comprehensive loss.

CHANGES IN ACCOUNTING POLICIES

There were no new accounting policies adopted during the period ended June 30, 2025.

RISK FACTORS

An investment in the Company is speculative and involves a high degree of risk. Current and prospective shareholders should specifically consider various factors, including the risk factors outlined below. The Company considers the following risks and other factors to be the most significant for potential investors in the Company, but the risks listed do not necessarily comprise all those associated with an investment in the Company and are not set out in any particular order of priority. Additional risks and uncertainties not currently known to the Company and management may also have an adverse effect on the Company's business. Please see additional risk factors included in the Company's public filings found under the Company's profile on SEDAR+ at www.sedarplus.ca.

Should one or more of these risk factors or uncertainties, including the risks listed below, or a risk that is not currently known to the Company materialize, or should assumptions underlying those forward-looking statements prove incorrect, the Company's business, financial condition, capital resources, results or future operations could be materially adversely affected.

Risks Related to Our Business and the Development of Our Product Candidates

Performance depends primarily on the success of product candidates, which are in early formulation/reformulation and have not yet been field tested or received regulatory approval in any country.

We currently have no products approved or ready for sale or marketing in any country, and may never be able to commercialize our proposed products or obtain regulatory approval for any of our product candidates, including REPELWRAP™ film, the spray formulation and other products under development, including the eco-friendly sponge product, if required by any jurisdiction. Our product candidates are in the early stages of formulation and reformulation and have not yet been commercially scaled-up or tested. Completing final scale-up and testing and receiving any required regulatory approval for our product candidates will depend on many factors, including, but not limited to the following:

- Successfully completing stability and pathogen testing;
- Successfully scaling product candidates for high volume manufacturing;
- Successfully completing commercial product including finished product specifications and final packaging;
- Preparing and submitting applications for approvals to appropriate regulatory authorities, if required; and
- Launching commercial sales, marketing and distribution operations.

Many of these factors are wholly or partially beyond our control, including the regulatory submission process and changes in the competitive landscape. Although the Company believes REPELWRAP™ film would not require Health Canada or the Pest Control Board approvals for sales in Canada, or FDA or EPA approvals in the United States as it believes REPELWRAP™ film will be considered a coating which would not require such approvals, there is no certainty that such approvals may not be required or that it will be successful in obtaining any required approvals or licenses in Canada, the United States or any other jurisdiction the Company that the Company intends to sell its products. If we do not achieve one or more of these factors in a timely manner, we could experience significant delays or an inability to commercialize our products.

The Company is currently evaluating the commercialization opportunity of the eco-friendly sponge, and the Company will be reliant on US BioSolutions and other third-party manufacturers, for the supply of rolls of the foam for further processing into finished sponge product.

The Company is currently evaluating the eco-friendly sponge, including product quality, performance and economic factors, and there is no certainty that a finished product will be commercialized. The Company will be reliant on third-party manufacturers, including US BioSolutions to provide and produce the finished sponge product and any disruption in the supply chain, including delays, quality control issues or failure to meet regulatory standards could adversely impact commercialization and timelines. Commercialization efforts require significant investment in marketing, distribution, and operational infrastructure. If the Company is unable to secure adequate funding or manage operational scale-up effectively, it may not be able to meet its commercialization objectives.

The Company has a limited operating history and has not yet generated revenues. Availability of future financing is uncertain.

The Company has no history of earnings, has generated no revenues since commencing operations, and has no source of operating cash flow.

The Company will require significant additional capital to execute its business plan and fund its operations that will likely require the involvement of multiple capital sources and participants. Although the Company has been successful to date in financing its activities through the sale of equity securities, there can be no assurance that it will be able to obtain sufficient financing in the future to fund its operations and research and development objectives. The actual availability of financing, the involvement of any or all of the potential participant groups and their level of participation, and the details and terms of any eventual financing will be dependent on numerous conditions, including, but not limited to, general market conditions and other economic considerations at the time. While the Company anticipates that financing for development of its products can be arranged, such financing is highly dependent on factors outside of the Company's control and there can be no assurance that the Company will be successful in arranging financing at all, or if so, under acceptable terms and conditions. Even if the Company begins licensing or

selling its products, there is no certainty that the Company will produce revenue, operate profitably or provide a return on investment in the future. There can be no assurance that any future financing will be available on reasonable terms, if at all, and if available, may be dilutive to existing shareholders. Failure to obtain such additional financing could result in delay or indefinite postponement of further research and development activities with the possible loss of the Licensed Technology and, Spray Licensed Technology should the Company not be able to meet its commitments pursuant to the License Agreement, Spray License Agreement, the CRA, Catheter Coating CRA or the Spray CRA and delay in creating or inability to demonstrate commercial viability of a finished line of sponge products and for the sale and distribution of such sponge products. The Company's short operating history and limited historical financial statement information does not provide investors with as much data to evaluate the strengths and weaknesses of the Company as would a company with a longer history and financial track record.

Execution of Business Plan

The execution of the Company's business plan poses many challenges and is based on a number of assumptions. The Company may not be able to successfully execute its business plan. If the Company experiences significant cost overruns on its R&D programs, or if its business plan is more costly than it anticipates, certain research and development activities may be delayed or eliminated, resulting in changes or delays to its commercialization plans, or the Company may be compelled to secure additional funding (which may or may not be available) to execute its business plan. The Company cannot predict with certainty its future revenues or results from its operations. If the assumptions on which its revenues or expenditures forecasts are based change, the benefits of the Company's business plan may change as well. In addition, the Company may expand its business beyond its current operations and what is currently contemplated in its business plan. Depending on the financing requirements of a potential acquisition or new product opportunity, the Company may be required to raise additional capital through the issuance of equity or debt. If the Company is unable to raise additional capital on acceptable terms, it may be unable to pursue potential acquisitions or new product opportunities.

Currently, the Company has no history of profitable operations. As such, the Company is subject to many risks including under-capitalization, cash shortages, and limitations with respect to personnel, financial, and other resources.

Negative Cash Flow

The Company had negative operating cash flow as at June 30, 2025 and December 31, 2024, and the Company will continue to have negative operating cash flow for the foreseeable future. No assurance can be given that the Company will ever attain positive cash flow or profitability or that additional funding will be available for operations.

No production history and no assurances of future profitability.

To date, the Company has no commercial products available for sale and has recorded no revenue from product sales and there is no assurance that it will generate revenue in the future. There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future. The Company's business operations are at an early stage of development and its success will be largely dependent upon the outcome of its ultimate strategy of successfully developing, marketing and generating sales of its products or any future products, including a eco-friendly sponge product. The Company's operating expenses and capital expenditures may increase in subsequent years. The Company expects to continue to incur losses unless and until such time as it completes scale-up and commercialization of its products and enters into long term and large volume distribution and manufacturing agreements and generates sufficient revenues to fund its continuing operations. Even if the Company becomes profitable, there can be no assurances that such profitability can be sustained in either the short or long term.

Growth Management

The Company has a limited operating history and its business and prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stages of development. There can be no assurance that the Company will be successful in addressing these risks. In addition, future growth may require the Company to expand its human resources and to further develop and improve its operational, financial, management and compliance systems as well as its reporting controls and procedures.

If the Company cannot achieve any of these objectives to manage its growth effectively, its business, operations, operating results, financial condition and prospects will be adversely affected.

Investment in our research and development efforts, or evaluation of other new products, may not provide a sufficient, timely return on investment .

The development of new products is a costly, complex and time-consuming process, and the investment in product development and marketing often involves a prolonged time until a return is achieved on such an investment. We have made, and will continue to make, significant investments in R&D and related product opportunities. Investments in new products are inherently speculative and risky. Commercial success depends on many factors including the degree of innovation of the products developed, sufficient support from our strategic partners, and effective sales, distribution and marketing. Accelerated product introductions and short product life cycles require high levels of expenditures for new development. These expenditures may adversely affect our operating results if they are not sufficiently offset by revenue increases. We believe that we must continue to dedicate a significant amount of resources to our development efforts in order to maintain our competitive position. However, significant revenue from new product and technology investments may not be achieved for a prolonged period of time, if at all. Moreover, new products and technologies may not be profitable.

The Company operates in a highly competitive industry.

The Company faces competition from a number of manufacturers and suppliers of different products to protect surfaces from pathogens. Significant product innovations, technical advances or competitive pricing could adversely affect the Company's operations and future revenues. The Company is currently developing products that will compete with other antimicrobial products that currently already exist or are being developed. Products the Company may develop in the future are also likely to face competition, some of which FendX may not currently be aware of. The Company has competitors in North America and internationally, including companies that are more established than FendX. Many of the Company's competitors have significantly greater financial, manufacturing, marketing, development, technical and human resources than it has. Large companies, in particular, have extensive experience in product development and manufacturing and commercial launch, as well as obtaining regulatory approvals. These companies also have significantly greater research and marketing capabilities than FendX does and may also have products that have been approved or are in late stages of development. Established competitors may also invest heavily to accelerate development of novel products or to license novel products in the Company's target markets, which could make the product candidates that the Company develops obsolete. The Company's commercial opportunity could be reduced or eliminated if its competitors develop and commercialize products that are more effective, affordable or convenient than products that it may develop. The Company's competitors may also obtain regulatory approvals for their products more rapidly, which could result in our competitors establishing a strong market position before the Company is able to enter the market.

Smaller and other early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These third parties compete with the Company in recruiting and retaining qualified scientific and management personnel, establishing manufacturing, as well as in acquiring technologies or intellectual property complementary to, or necessary for, our product candidates. In addition, the Company's industry is characterized by rapid technological change. If the Company fails to stay at the forefront of technological change, it may be unable to compete effectively. Technological advances or products developed by the Company's competitors may render the Company's technologies or product candidates obsolete, less competitive or not economical.

The ability of the Company to satisfy the terms of the License Agreement, Spray License Agreement, the Collaborative Research Agreement, Catheter Coating CRA and Spray CRA and maintain these agreements in good standing.

The Company has been granted exclusive licenses to the Licensed Technology and the Spray Licensed Technology pursuant to the License Agreement and Spray License Agreement respectively. The Company's rights and obligations are outlined in each of the License Agreement and Spray License Agreement. Each of the license agreements requires the Company to complete certain conditions and milestones. Failure to complete any conditions or milestones could

allow McMaster to terminate either license agreement. Both the License Agreement and Spray License Agreement may also be terminated by McMaster if certain other conditions occur. Under the Collaborative Research Agreement, Catheter Coating CRA and Spray CRA, the Company is obligated to make certain payments to McMaster, and the Collaborative Research Agreement, Catheter Coating CRA or Spray CRA could be terminated by McMaster if the Company breaches the respective agreement. The CRA expired December 31, 2024 and the Company has made all payments to McMaster pursuant to the CRA. The Spray CRA term expiry date was July 1, 2025 and the Company intends to extend the Spray CRA with McMaster, however no extension has been entered into as of the date of this MD&A. If the Company's relationship with McMaster were to terminate, the Company would not be able to distribute and commercialize its products developed pursuant to these agreements and might not be able to enter into another license agreement with an entity with similar technologies on acceptable terms or at all. As a result, the Company could experience delays in its ability to distribute and commercialize its products or a similar technology, all of which would have a material adverse effect on the Company's business, results of operations and financial condition.

The ability of McMaster to satisfy the terms of the License Agreement, Spray License Agreement, the Collaborative Research Agreement, Catheter Coating CRA and Spray CRA.

Pursuant to the License Agreement and Spray License Agreement, McMaster is, among other things, involved in the ongoing research and development activities being conducted on the Licensed Technology and Spray Licensed Technology, respectively. Pursuant to the Collaborative Research Agreement, Catheter Coating CRA and the Spray CRA, McMaster has agreed to conduct research and development work on behalf of the Company on the Licensed Technology and Spray Licensed Technology respectively, and provide the human resources, materials, facilities and equipment as needed to conduct the sponsored project work. The Company is reliant on McMaster to conduct research and development of the Licensed Technology and Spray Licensed Technology to advance product candidates for manufacturing scale-up and ultimate commercialization. The Company will be at risk should McMaster not be able to discharge its obligations to conduct research and development funded by the Company. The CRA expired as of December 31, 2024.

McMaster, on behalf of the Company, is responsible to file provisional patent applications for new inventions arising from research and development work on the Licensed Technology and Spray Licensed Technology. In addition, under the direction of the Company, McMaster is responsible to file Patent Cooperation Treaty ("PCT"), as well as file and prosecute national patent applications. Should McMaster not file new provisional patents, PCT applications and/or file or prosecute national applications, this would materially adversely affect the Company's business, as its products may not have robust enough protection impacting commercialization, and overall operations.

McMaster may not be able to discharge its obligations pursuant to the License Agreement, Spray License Agreement, the Collaborative Research Agreement, Catheter Coating CRA or the Spray CRA and thereby the Company's development timeline, regulatory approval and commercialization prospects for its respective product candidates would be materially adversely affected which may have materially adverse impact on the Company's business.

The ability of the Company to complete scale-up and/or testing of an intermediate prototype of REPELWRAP™ film and/or the nanoparticle suspension coating technology.

Given the early stage of development of both REPELWRAP™ film and the nanoparticle suspension coating technology, the Company can make no assurance that it can develop viable intermediate size prototype films or nanoparticle suspension coating formulations for commercial scale-up and/or meet certain product specifications including high repel rates of pathogens or demonstrate long-term durability and stability. Although the Company has engaged Dunmore to provide their engineering expertise to complete pilot manufacturing runs and scale-up the Company's REPELWRAP™ film to create intermediate-sized prototype films for further testing, there is no guarantee that this scale-up work will be successful. Although the Company has engaged nanoComposix to provide their expertise, if required, for scale-up development of the Company's nanoparticle suspension coating technology to advance the nanoparticle suspension coating formulation, scale-up work has not yet commenced and there is no guarantee that this development work will be successful. Even if work is successful, there is no guarantee the development work by either Dunmore or nanoComposix or any other company that may be engaged, for the film and nanoparticle suspension coating technology respectively, will lead to a commercial product. Further, unsatisfactory results may cause the Company or its collaborators to abandon commitments to either or both programs. The early

stage of product development makes it particularly uncertain whether any of its product development efforts will prove to be successful. If the Company fails to develop viable prototypes for scale-up, they fail testing, fail real-world testing, or formulations cannot be reformulated/optimized, the development timeline and commercialization prospects may be materially adversely affected which may have a material adverse impact on the Company's business. There is no assurance that any other proposed products under development, such as the catheter coating, will be successful in reaching the scale-up phase.

Research and development and product evaluation activities may not be successful.

Given the early stage of product development, the Company can make no assurance that its current and future research and development programs, including evaluation of new potential products such as an eco-friendly sponge, will result in commercially viable products or obtain regulatory approval, as needed. To achieve profitable operations, the Company, alone or with others, must successfully develop and market its future products, and obtain regulatory approval, as needed. To achieve commercial success, sufficient testing must demonstrate that the product candidates demonstrate efficacy and that products can be successfully scaled up for production, in addition to other factors. Unsatisfactory results obtained from testing relating to research and development programs may cause the Company or its collaborators to abandon commitments to that program. The early stage of product development makes it particularly uncertain whether any of its product development efforts will prove to be successful and meet any applicable regulatory requirements, and whether any of its products or future products will receive any requisite regulatory approvals, be capable of being manufactured at a reasonable cost or be successfully marketed. If the Company fails to produce positive results in its future testing of its products, including results of real-world testing, or fails to produce test results that demonstrate similar efficacy as any initial testing by McMaster, the development timeline and regulatory approval, if required and commercialization prospects for its products under development, would be materially adversely affected which may have a material adverse impact on the Company's business.

Grant funding obligations and no assurance for future grant funding.

Although the Licensed Technology has been funded partially by grant funding in the past, there is no assurance that the Company, as sponsor, McMaster or the Lead Researchers will be successful in securing additional grants to assist with funding the Company's current and future R&D work plans. In addition, the NSERC Grant awarded to one of the Lead Researchers on May 9, 2022 required the Company and other third party partners to fulfil certain cash and work commitments. The Company's ability to fulfil its obligations pursuant to any future grants will depend upon the Company's financial condition, operating performance and expected future revenues, will be subject to prevailing economic conditions, competitive conditions, and financial, business, legislative, regulatory and other factors affecting its operations, many of which are beyond the Company's control.

The Company cannot provide assurance that its third-party partners serviced their obligations pursuant to the NSERC Grant. Failure by third parties to meet the terms of the NSERC Grant may also limit the Lead Researcher's ability to obtain future grants with the Company as sponsor, which may have a material and adverse effect on the Company's operations.

Our revenues will be highly dependent on a limited number of products.

The Company will initially generate revenues from a limited number of products that it intends to commercialize. The loss of a single source of revenue for any reason could have a material adverse effect on our business, financial condition and results of operations. In addition, each of these products may face competition and the ability to grow the market and our market share may be limited.

The Company is dependent on current and future collaborative partners, suppliers, manufacturers, distributors, licensors and others.

The Company has no history of manufacturing, distribution, licensing or sales. The Company's success will be dependent upon its ability to enter into sales, distribution and or licensing and manufacturing agreements with third parties. The Company does not intend to manufacture or sell its products directly but will rely on third party distributors and/or licensing partners and manufacturers to sell and manufacture its products, respectively. To date, the Company has not entered into any formal sales, distribution, licensing or manufacturing agreements, other than

the Supply Agreement.

The Company may seek to engage third-party distribution partners to sell any products that it may commercialize, however, it may be unable to enter into agreements with third parties to market and sell future products, including eco-friendly sponges, upon successful final product production, for commercialization within and outside of Canada. If the Company is successful in entering into a sales, distribution or license agreement to market and sell within and outside of Canada, the Company may have limited or no control over sales, marketing and distribution activities of these third parties. The Company's future revenues may depend on the success of the efforts of these third parties. To the extent that the Company relies on, or partners with, third parties to launch and commercialize REPELWRAP™ film if approved, or any other product for which the Company develops, acquires or licenses in the future, the Company may receive less revenue than if the Company manufactured or sold these products itself. In the event that the Company is unable to partner with a third-party marketing and sales organization, the Company's ability to generate product revenues may be limited, if any. A variety of risks associated with potential international business relationships could materially adversely affect the Company's business.

The Company may enter into agreements with third parties for the development and commercialization of future products in international markets. If the Company does so, the Company would be subject to additional risks related to entering into international business relationships.

Any collaboration arrangements that the Company may enter into in the future may not be successful, which could adversely affect the Company's ability to develop and commercialize the Company's products. The Company may seek partnerships, collaborations and other strategic transactions to maximize the commercial potential of its products and the Company's proprietary technologies in Canada, the U.S. and other territories throughout the world. The Company may enter into such arrangements on a selective basis depending on the merits of retaining commercialization rights for itself as compared to entering into selective collaboration arrangements with distribution companies for each of the Company's products, both in Canada and internationally. The Company faces competition in seeking appropriate collaborators. Moreover, collaboration arrangements are complex and time consuming to negotiate, document and implement. The Company may not be successful in its efforts to establish and implement collaborations or other alternative arrangements should the Company choose to enter into such arrangements. The terms of any collaborations or other arrangements that the Company may establish may not be favourable to the Company. Any future collaborations that the Company enters into may not be successful. The success of the Company's collaboration arrangements will depend heavily on the efforts and activities of the Company's collaborators. Collaborators generally have significant discretion in determining the efforts and resources that they will apply to these collaborations. Disagreements between parties to a collaboration arrangement regarding sales and commercialization matters could lead to delays in the commercialization of the Company's products and, in some cases, termination of the collaboration arrangement. These disagreements can be difficult to resolve if neither of the parties has final decision-making authority. Collaborations with third parties often are terminated or allowed to expire by the other party. Any such termination or expiration could adversely affect the Company financially and could harm the Company's business reputation.

The Company does not own or operate, and has no plans to establish, any manufacturing or supply chain facilities for the Company's products under development. The Company will rely on key strategic collaborators and manufacturers, including US BioSolutions (for its eco-friendly sponge), to develop its prototypes as well as manufacture commercial supplies of finished goods, once its products are fully developed and ready for sale.

The Company plans to negotiate one or more supply chain agreements with third parties to manufacture future products, including the proposed eco-friendly sponge product, samples, prototypes and ultimately, finished, packaged products on behalf of the Company for the Canadian and international markets. The facilities used by any third-party manufacturer must be approved by the relevant regulatory body, if required. The Company will not control the manufacturing process of, and will be completely dependent on, the Company's contract manufacturing partners for compliance with the regulatory requirements, for manufacture of the Company's prototypes and products, if and when finalized. If contract manufacturers that the Company may use cannot successfully manufacture material that conforms to the Company's specifications and any regulatory requirements that may be required, the Company could face material adverse impacts on its operations and cash flow. In addition, the Company has no control over the ability of the Company's contract manufacturers to maintain adequate quality control, quality assurance and qualified

personnel. If any regulatory authority does not approve these facilities for the manufacture of the Company's products or product candidates or if it withdraws any such approval in the future, the Company may need to find alternative manufacturing facilities, which would significantly impact the Company's ability to develop, obtain regulatory approval for or market the Company's products or product candidates, if approved. Moreover, if the Company's contract manufacturer cannot successfully manufacture materials that conform to the Company's specifications and any regulatory requirements the Company may be subject to, recalls, product seizures, fines, refusal to permit import or export of the product and injunction against manufacture or distribution or regulatory enforcement action. The machinery to produce the commercial supply of our commercial products and product candidates must be qualified and validated, which is time consuming and expensive, and this machinery is located within one manufacturing site and is customized to the particular manufacturing specifications of each product or product candidate. If any manufacturer is unable to qualify and validate this equipment in a timely manner, the Company's ability to supply or launch and commercialize, as applicable, any of its products, will be compromised. If this customized equipment malfunctions at any time during the production process, the time it may take the manufacturer to secure replacement parts, to undertake repairs and to revalidate the equipment and process could limit The Company's ability to meet the commercial demand for its products. This may increase the risk that the third party manufacturer may not manufacture the product or product candidate in accordance with the applicable regulatory requirements, that the Company may not have sufficient quantities of that product or that the Company may not have such quantities at an acceptable cost, any of which could delay, prevent, or impair the sale or commercialization of any of our commercial products or product candidates, if approved, and the development of the Company's other product candidates. Reliance on a third-party manufacturer subjects the Company to risks that would not affect the Company if the Company manufactured the commercial product or product candidates itself, including:

- reliance on the third party for regulatory compliance and quality assurance;
- reduced control over the manufacturing process for the Company's products and product candidates;
- the possible breach of the manufacturing agreements by the third party because of factors beyond the Company's control;
- the possibility of termination or nonrenewal of the agreements by the third party because of the Company's breach of the manufacturing agreement or based on their own business priorities;
- the disruption and costs associated with changing suppliers; and
- potential theft of know-how and trade secrets.

The Company's products under development are made from unique formulations which may limit the number of manufacturers with expertise to support manufacturing development. Additionally, the Company's products under development may compete with other products and product candidates for access to manufacturing resources and facilities. There may be a limited number of manufacturers that are both capable of manufacturing for the Company and willing to do so. If the third parties that the Company may engage in the future to manufacture a product for commercial sale should cease to continue to manufacture the Company's products for any reason, the Company likely would experience delays in obtaining sufficient quantities of its products to meet commercial demand or to advance the Company's scale-up and commercialization efforts while the Company identifies and qualifies replacement suppliers. If for any reason the Company is unable to obtain adequate supplies of the Company's products or the substances used to manufacture them, it will be more difficult for the Company to develop its products and compete effectively.

There is no certainty that the Company will be successful in entering into definitive agreements related to its letter of intent signed with Sinelabs.

Should US BioSolutions not be able to perform its obligations pursuant to the Supply Agreement, the Company's development, launch and commercialization prospects for its proposed finished sponge product could be adversely affected which may have materially adverse impact on the Company's business.

The Company faces legal and regulatory requirements that may change or restrict the Company's ability to develop, manufacture and supply products.

The Company's future operations, including development, and commencement and continuation of commercial production, may require licenses, permits or other approvals from various federal, provincial, local and potentially foreign governmental authorities, and such operations are or will be governed by laws and regulations relating to

production, exports, taxes, labor standards, occupational health and safety, the environment and other matters, Furthermore, in certain foreign jurisdictions, these regulatory requirements may be more stringent than those in Canada. Although the Company believes REPELWRAP™ film would not require Health Canada Therapeutic Products Directorate ("TPD"), Pest Management Regulatory Agency ("PMRA") or Consumer and Hazardous Products Safety Directorate ("CHPSD") approvals for sales in Canada as it believes REPELWRAP™ film will be considered a coating which would not require such approvals, there is no certainty that such approvals may not be required or that it will be successful in obtaining any required approvals or licenses in Canada or any other jurisdiction the Company that the Company intends to sell its products. Should the Company be successful in developing a catheter coating, a nanoparticle suspension coating product, or other new products or enhancements which require approval, the Company will be required to obtain all necessary approvals.

To be able to provide the Company's products in other countries, the Company may need to obtain regulatory approvals and comply with the regulations of those countries which may differ substantially from those of Canada. These regulations, including any requirements for approvals and the time required for regulatory review, vary from country to country. Obtaining and maintaining foreign regulatory approvals is complex, and the Company cannot be certain that it will receive regulatory approvals in any foreign country in which the Company plans to market the Company's products, or to obtain such approvals on a favorable schedule. If the Company fails to obtain or maintain regulatory approval in any foreign country in which the Company plans to market the Company's products, the Company's ability to generate revenue will be harmed.

Achievement of our business objectives is subject to compliance with regulatory requirements enacted by governmental authorities. We may incur costs and obligations related to regulatory compliance. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, thereunder, including orders issued by regulatory or judicial authorities causing the development and manufacture of products to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. We may be required to compensate those suffering loss or damage by reason of our operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Health Canada also regulates certain markets into which the Company intends to supply products or license its intellectual property. Although the Company believes its current products will not require Health Canada, PMRA or CHPSD approval, there is no assurance that Health Canada or any other body will require the Company to obtain any license for sales into markets it regulates. Each foreign jurisdiction for the Company's products may also be regulated and there is no assurance that sales of products will be permitted without receipt of regulatory approvals or licenses. Although the Company believes its products will not require FDA or EPA approval to supply products or license its intellectual property in the United States, there is no assurance that the FDA or EPA or any other body will require the Company to obtain any license for sales into markets they regulate. Any inability by the Company to obtain approval from Health Canada and/or international bodies could have a material adverse impact of the business of the Company.

Changes in environmental regulation, if any, may adversely impact the Company's operations and future potential profitability. The trend in most countries in environmental legislation and regulation generally is toward stricter standards.

The Company may also be subject to consumer protection laws that may impact its sales and marketing efforts. These laws, as well as any changes in these laws, could make it more difficult for the Company to sell and market its products. These laws and regulations may be subject to change over time and thus the Company must continue to monitor and dedicate resources to ensure continued compliance. Non-compliance with applicable regulations or requirements could subject the Company to investigations, sanctions, enforcement actions, disgorgement of profits, fines, damages, civil and criminal penalties, or injunctions. If any governmental sanctions are imposed, or if the Company does not prevail in any possible civil or criminal litigation, its business, operating results, and financial condition could be materially adversely affected. Additionally, in order for the Company to carry out its activities, any required licenses and permits must be obtained and kept current. There can be no assurance, however, that the Company will obtain on reasonable terms or at all the permits and approvals, and the renewals thereof, which it may require for the conduct of its future operations or that compliance with applicable laws, regulations, permits and approvals will not have an adverse effect on the Company's business plans. Possible future legislation, regulations and actions could cause

additional expense, capital expenditures, restrictions and delay on the Company's planned research and development and operations, the extent of which cannot be predicted. Failure to comply with applicable laws, regulations and other requirements may have an adverse material impact on the Company and its operations.

No guarantee of success. Even if we commercialize any of our current or any future product candidates, our success is dependent upon each product's acceptance in the market.

The Company's product candidate REPELWRAP™ film is in the intermediate scale-up development stage and is not yet commercially viable. There is no guarantee that the Company's efforts to scale-up and commercialize REPELWRAP™ film will be successful and that it will achieve revenues. There is no guarantee that the Company will be able to create a finished line of sponge products for sale or distribution. There is no assurance that broad successful commercial applications may be feasible for the Company for any product. The Company is continuing to explore, develop, and test its current product candidates and explore new product opportunities, and there can be no assurance that new products will be fully developed for commercial application, that scale-up and commercialization will be successful, if completed at all, that any necessary permits or approvals required in order to market such products will be obtained by the Company. The commercial success of our product candidates will depend upon their acceptance by the market and by various sectors, such as the healthcare, household and entertainment industries or high-touch point retail venues. The degree of market acceptance will depend on a number of factors, including:

- perceived unmet need by the market and time it may take to gain acceptance and adoption;
- demonstrated and perceived effectiveness compared to other products;
- limitations and drawbacks compared to other products;
- sales, marketing and distribution support;
- timing of market introduction;
- the degree of cost-effectiveness of our product candidates;
- competitive products;
- adverse publicity of our product candidates or favorable publicity about competitive products;
- convenience and ease of administration of our products; and
- potential product liability claims.

If the market opportunities for any product that we develop or acquire are smaller than we believe they are, our revenue may be adversely affected and our business may suffer.

Our projections of the markets in which we anticipate to operate in, are based on estimates. If our projections are inaccurate, the market opportunities for any of our product candidates could be significantly diminished and have an adverse material impact on our business.

Global economic instability may affect the Company's ability to execute its business plan.

Many industries, including our industry, are affected by global market conditions, and negative trends in global economic conditions, including but not limited to interest rates, consumer spending, employment rates, business conditions, inflation, energy costs, debt levels and credit availability. Changes in these conditions may adversely affect the Company's ability to obtain loans and other credit facilities, which could affect the Company's ability to develop and market its products and affect the trading price of the Company's shares in an adverse manner.

Significant political, market, economic, natural or manmade events may have wide-reaching effects and, to the extent they are not accurately anticipated or priced into markets, may result in sudden periods of market volatility and correction. Periods of market volatility and correction may have an adverse impact on economic growth and outlook, as well as lending and capital markets activity, all of which may impact the Company's ability to secure adequate financing on favourable terms, or at all. Global financial markets experienced a period of correction and increased volatility during the COVID-19 pandemic, the conflict between the Russian Federation and Ukraine, the conflicts in the middle East which began in March 2020, February 2022 and October 2023, respectively, and are ongoing as of the date of this MD&A, other than the COVID-19 pandemic which has largely abated. As these global events evolve, there is no guarantee that credit market conditions will not worsen. A general risk-adverse approach to investing, decreases in consumer spending and increases in the unemployment rate and consumer debt levels, which may become more predominant as a result of market turmoil, may limit the Company's ability to obtain future equity financing.

Inability to obtain financing at all, or on acceptable terms, may have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects. Other events may also result in volatility and disruption to global supply chains, operations, mobility of people, patterns of consumption and service, and financial markets, and therefore potentially have a negative impact on the Company's ability to secure financing on favourable terms, or at all, its access to its projects, or its ability to execute its business initiatives, including its R&D programs or new product acquisitions. Such events may include catastrophic events, either on a global scale or in the specific jurisdictions where the Company operates, and include, but are not limited to, financial crises, such as that which occurred globally in 2008, earthquakes, tsunamis, floods, typhoons, fires, power disruptions, other natural or manmade disasters, terrorist attacks, wars, riots, civil unrest or other conflicts, outbreaks of a public health crises, including epidemics, pandemics or outbreaks of infectious diseases or viruses, as well as related and attendant events.

We may face product liability claims and lawsuits that could adversely impact our business.

If product liability lawsuits are brought against the Company, the Company may incur substantial liabilities and may be required to limit commercialization of any of its development programs, if approved. The Company faces a potential risk of product liability if the Company commercializes its products. For example, the Company may be sued if any product candidate the Company develops allegedly causes injury or is found to be otherwise unsuitable during product testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, negligence, strict liability and a breach of warranties. Claims could also be asserted under state consumer protection acts. If the Company cannot successfully defend itself against product liability claims, the Company may incur substantial liabilities or be required to limit commercialization of the product candidate subject to such claims. Even successful defense would require significant financial and management resources. Regardless of the merits or eventual outcome, liability claims may result in:

- decreased demand for any products that the Company may develop;
- injury to the Company's reputation;
- costs to defend any related litigation;
- a diversion of management's time and the Company's resources;
- substantial monetary awards to any trial participants or customers;
- product recalls, withdrawals or labeling, marketing or promotional restrictions;
- loss of revenue;
- the inability to commercialize any of the Company's products, subject to any approvals;
- a decline in s stock price; and
- exposure to adverse publicity.

The Company's inability to obtain and retain sufficient product liability insurance at an acceptable cost to protect against potential product liability claims could prevent or inhibit the commercialization of product candidates the Company develops. The Company does not currently maintain product liability insurance given its current level of product development. Although the Company does maintain other forms of insurance, any claim that may be brought against the Company could result in a court judgment or settlement in an amount that is not covered, in whole or in part, by the Company's insurance or that is in excess of the limits of the Company's insurance coverage. The Company's insurance policies also have various exclusions, and the Company may be subject to a product liability claim for which the Company has no coverage. The Company may have to pay any amounts awarded by a court or negotiated in a settlement that exceed the Company's coverage limitations or that are not covered by the Company's insurance, and the Company may not have, or be able to obtain, sufficient capital to pay such amounts.

Risks Related to Management and Personnel

We rely on our management and need additional key personnel to grow our business, and the loss of key employees or inability to hire key personnel could harm our business.

The Company believes its success has depended, and continues to depend, on the efforts and talents of its executives and employees. The Company's future success depends on its continuing ability to attract, develop, motivate and retain highly qualified and skilled employees. Qualified individuals are in high demand, and we may incur significant costs to attract and retain them. The Company's senior management team has expertise in many different aspects of

development, licensing, and commercialization. Competition for skilled personnel in the Company's market is intense and competition for experienced personnel may limit the Company's ability to hire and retain highly qualified personnel on acceptable terms. Despite the Company's efforts to retain valuable executives and consultants, members of the Company's management, operations and scientific teams may terminate their employment or consulting arrangements with the Company on short notice. In addition, the loss of any of the Company's senior management or key employees could materially adversely affect its ability to execute its business plan and strategy, and the Company may not be able to find adequate replacements on a timely basis, or at all. The Company does not maintain key person life insurance policies on any of its management or employees.

In addition, the Company is subject to a variety of business risks generally associated with growing companies, including capacity constraints and pressure on its internal systems and controls. The Company's ability to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. Future growth and expansion could place significant strain on management personnel and likely will require the Company to recruit additional management personnel.

There can be no assurance that the Company will be able to manage expanding operations (including related to any acquisitions or new products) effectively, that it will be able to sustain or accelerate our growth or that such growth, if achieved, will result in profitable operations, that it will be able to attract and retain sufficient management personnel necessary for continued growth, or that it will be able to successfully make strategic investments or acquisitions.

We may become subject to liability arising from any fraudulent or illegal activity by our employees, contractors and consultants.

The Company is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to us that violates: (i) government regulations; (ii) manufacturing standards; (iii) federal and provincial healthcare fraud and abuse laws and regulations; or (iv) laws that require the true, complete and accurate reporting of financial information or data. It is not always possible for the Company to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Company to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting it from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against the Company, and the Company is not successful in defending itself or asserting its rights, those actions could result in the imposition of civil, criminal and administrative penalties, damages, monetary fines or contractual damages on us, reputational harm, diminished profits and future earnings, and curtailment of the Company's operations.

Our success is tied to management's efforts and abilities.

The success of the operations and activities of the Company is dependent to a significant extent on the efforts and abilities of our management team and other key personnel, including the Lead Researchers. Investors must be willing to rely to a significant extent on the discretion and judgment of the Company's management team.

There may be conflicts of interest.

The Company's directors and officers may serve as directors or officers of other similar companies or have significant shareholdings in other similar companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms in accordance with the BCBCA. In accordance with the laws of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

Risks Related to Intellectual Property

We rely on intellectual property and may not be able to protect intellectual property rights throughout the world.

Our success is heavily dependent upon intangible property and technology that we own and/or license from others, including pursuant to the License Agreement and Spray License Agreement. We rely upon copyrights, patents, trade secrets, unpatented proprietary know-how and continuing innovation to protect the intangible property, technology and information we consider important to the development and success of our business. We utilize various methods to protect our proprietary rights, including confidentiality agreements with consultants, service providers and management that contain terms and conditions prohibiting unauthorized use and disclosure of confidential information. However, despite efforts to protect intangible property rights, unauthorized parties may attempt to copy or replicate intangible property, technology or processes. Further, identifying the unauthorized use of intellectual property rights is difficult as we may be unable to effectively monitor and evaluate the products being distributed by our competitors. There can be no assurance that the steps taken by us to protect intangible property, technology and information will be adequate to prevent misappropriation or independent third-party development of our intangible property, technology or processes. Other companies may also be able to materially duplicate our proprietary technology. To the extent that any of the above would occur, this could reduce any competitive advantage the Company may have, reduce our market share otherwise harm our business and revenue could be negatively affected, and in the future, we may have to litigate to enforce our intangible property rights, which could result in substantial costs and divert management's attention and other resources.

Further, we may be unable to obtain registrations for our intellectual property rights for various reasons, including refusal by regulatory authorities to register trademarks or other intellectual property protections, prior registrations of which we are not aware, or we may encounter claims from prior users of similar intellectual property in areas where we operate or intend to conduct operations. In addition, effective patent, trade secret and other intellectual property protection may be unavailable or limited in some foreign countries. In some countries, the Company may not apply for patent or other intellectual property protection. The Company also relies on unpatented technological innovation and other trade secrets to develop and maintain its competitive position. Although the Company generally enters into confidentiality agreements with its employees and third parties to protect its intellectual property, these confidentiality agreements are limited in duration, could be breached and may not provide meaningful protection of its trade secrets. Adequate remedies may not be available if there is an unauthorized use or disclosure of the Company's trade secrets and manufacturing expertise. In addition, others may obtain knowledge about the Company's trade secrets through independent development or by legal means. The failure to protect the Company's processes, technology, trade secrets and proprietary manufacturing expertise, methods and compounds could have a material adverse effect on its business by jeopardizing critical intellectual property.

Where a product formulation or process is kept as a trade secret, third parties may independently develop or invent and patent products or processes identical to such trade secret products or processes. This could have a material adverse effect on the Company's ability to make and sell products or use such processes and could potentially result in costly litigation in which the Company might not prevail. The Company could face intellectual property infringement claims that could result in significant legal costs and damages and impede its ability to produce key products, which could have a material adverse effect on its business, financial condition, and results of operations.

In addition, we cannot be certain that issued patents will be enforceable or provide adequate protection or that pending or contemplated patent applications will result in issued patents. Competitors may independently develop similar products, duplicate our products, design around our patent rights, or obtain patents and proprietary rights that block or compete with our products.

Policing the unauthorized use of our current or future intellectual property rights could be difficult, expensive, time-consuming and unpredictable, as may be enforcing these rights against unauthorized use by others. Actions taken to protect or preserve intellectual property rights may require significant financial and other resources, and filing, prosecuting, and defending patents on all of our product candidates in all jurisdictions throughout the world would be prohibitively expensive. Therefore, we have filed applications and/or obtained patents only in key markets, such as the United States. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and their products may compete with ours.

In addition, if competitors infringe on our intellectual property, we may have to participate in litigation, interference or other proceedings that are expensive and divert management's attention to determine the right to a patent or other intellectual property or the validity of any patent granted. In any infringement proceeding, some or all of our current or future trademarks, patents or other intellectual property rights or other proprietary know-how, or arrangements or agreements seeking to protect the same for our benefit, may be found invalid, unenforceable, anti-competitive or not infringed. An adverse result in any litigation or defence proceedings could put one or more of our current or future trademarks, patents or other intellectual property rights at risk of being invalidated or interpreted narrowly and could put existing intellectual property applications at risk of not being issued.

The Company's performance and ability to compete are dependent to a significant degree on the proprietary technology licensed to it under the License Agreement and Spray License Agreement and any new products or technologies the Company may acquire or license in the future. The Company relies on the patents and a combination of copyright and trade secret laws, as well as confidentiality agreements and technical measures, to establish and protect the proprietary rights of the inventions. As part of its confidentiality procedures, the Company generally enters into agreements with its employees and consultants and limits access to and distribution of its documentation and other proprietary information. Accordingly, while the Company will endeavor to protect the intellectual property licensed to it under the License Agreement and Spray License Agreement and any future intellectual property acquired or licensed, there can be no assurance that the steps taken by the Company will prevent misappropriation of that technology or that agreements entered into for that purpose will be enforceable. The laws of other countries may afford the Company little or no effective protection of its intellectual property or the intellectual property of McMaster.

The Company may not successfully secure patents.

Pursuant to the License Agreement and Spray License Agreement, the Company has agreed to fund McMaster's applications for patents under the Licensed Patent Rights. There can be no assurance that our pending patent applications or any future patent applications will result in issued patents in Canada, the U.S. or foreign jurisdictions in which such applications are pending. Even if patents are issued on any of these applications, there can be no assurance that a third party will not challenge their validity or enforceability, or that the Company will obtain sufficient claim scope or term in those patents to prevent a third party from competing successfully with the Company's product candidates. As a result, the Company could experience delays in its ability to distribute and commercialize REPELWRAP™ film or any other product candidate, all of which would have a material adverse effect on the Company's business, results of operations and financial condition.

There are risks of infringement on third parties' intellectual property.

Although the Company does not believe that its current proposed products infringe on the proprietary rights of any third parties, there can be no assurance that infringement or invalidity claims (or claims for indemnification resulting from infringement claims) will not be asserted or prosecuted against the Company or McMaster or its other partners or that any such assertions or prosecutions will not materially adversely affect the Company's business, financial condition, or results of operations. Regardless of the validity or the successful assertion of such claims, the Company could incur significant costs and diversion of resources with respect to the defense thereof, which could have a material adverse effect on the Company's business, financial condition, or results of operations.

Risks Related to Ownership of Our Common Shares

The market price of our Common Shares may be volatile, which could result in substantial losses for investors purchasing Common Shares.

The securities of publicly traded companies, particularly technology companies, can experience a high level of price and volume volatility and the value of the Company's securities can be expected to fluctuate depending on various factors, not all of which are directly related to the success of the Company and its operating performance, underlying asset values or prospects. These include the risks described elsewhere in this MD&A. The trading price of the Company's Common Shares has been and may continue to be subject to large fluctuations, which may result in losses to investors. The trading price of the Company's Common Shares may increase or decrease in response to a number of events and factors, including but not limited to:

- actual or anticipated fluctuations in our quarterly results of operations;
- recommendations by securities research analysts;
- changes in the economic performance or market valuations of companies in the industry in which we operate;
- addition or departure of our executive officers and other key personnel;
- sales or perceived sales of additional Common Shares;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving us or our competitors;
- operating and share price performance of other companies that investors deem comparable to the Company or from a lack of market comparable companies;
- issuances of common shares or debt securities by the Company; and
- the expiration of lock-up or other transfer restrictions on outstanding Common Shares.

There are risks associated with the potential dilution of our Common Shares.

We may raise additional funds in the future by issuing equity securities. Such equity securities could contain rights and preferences superior to those of the Common Shares and holders of Common Shares will have no pre-emptive rights in connection with such further issues. The Board of Directors has the discretion to determine if an issuance of equity securities is warranted, the price at which such issuance is effected and the other terms of issue of any equity securities, including Common Shares or equity securities convertible into Common Shares. In addition, additional Common Shares may be issued by us in connection with the exercise of options granted and vesting of RSUs. To the extent holders of our options or other convertible securities convert or exercise their securities and sell the Common Shares they receive, the trading price of the Common Shares may decrease due to the additional number of Common Shares available in the market. Such additional equity issuances could, depending on the price at which such securities are issued, substantially dilute the interests of the holders of Common Shares. In addition, we cannot predict the size of future issuances of our equity securities, including Common Shares, or the effect, if any, that future issuances and sales of our equity securities, including Common Shares will have on the market price of our Common Shares. Sales of substantial amounts of our Common Shares, or the perception that such sales could occur, may adversely affect prevailing market prices for our Common Shares.

Liquidity of Common Shares.

Having listings on public stock exchanges should not be taken as implying that there will be a liquid market for the Common Shares. Thus, an investment in the Common Shares may be difficult to realize. Investors should be aware that the value of the Common Shares may be volatile. Investors may, on disposing of Common Shares, realize less than their original investment, or may lose their entire investment. The Common Shares, therefore, may not be suitable as a short-term investment.

The market price of the Common Shares may not reflect the underlying value of the Company's net assets. The price at which the Common Shares will be traded, and the price at which investors may realize their Common Shares, will be influenced by a large number of factors, some specific to the Company and its proposed operations, and some which may affect the sectors in which the Company operates. Such factors could include the performance of the Company's operations, large purchases or sales of the Common Shares, liquidity or the absence of liquidity in the Common Shares, legislative or regulatory changes relating to the business of the Company, and general market and economic conditions. There. There can be no assurance that there will be sufficient liquidity of the Common Shares on the trading market, or that we will continue to meet the listing requirements of the CSE or any other public listing exchange on which the Common Shares are or may subsequently be listed.

If securities or industry analysts do not publish research or publish inaccurate or unfavourable research about us or our business, our trading price and volume could decline.

The trading market for our Common Shares will depend, in part, on the research and reports that securities or industry analysts publish about us or our business. We do not currently have and may never obtain research coverage by securities and industry analysts. If no securities or industry analysts commence covering us, the trading price for our Common Shares could be negatively impacted. If we obtain securities or industry analyst coverage and one or more of the analysts who cover us downgrade our Common Shares or publish inaccurate or unfavourable research about

our business, or more favourable relative recommendations about our competitors, our trading price may decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our Common Shares could decrease, which could cause our trading price and volume to decline.

We may not be able or willing to pay any dividends.

No dividends on the Common Shares have been paid to date and there is no assurance as to whether we will be profitable enough to pay dividends, or determine to do so even if sufficiently profitable. We anticipate that, for the foreseeable future, we will retain future earnings and other cash resources for the operation and development of our business. Payment of any future dividends will be at the discretion of the Board of Directors after considering many factors, including our earnings, operating results, financial condition, current and anticipated cash needs, and restrictions in financing agreements. Our ability to pay dividends is subject to our future financial position. Our Board must also approve any dividends at their sole discretion. There is no assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividends.

Other Risks

Increased uncertainty in the global economy caused by the threat or imposition of tariffs could negatively impact our operations.

On April 2, 2025, U.S. President Donald Trump announced via executive order a new tariff regime for its global trading partners. For Canada, the tariff regime remained largely as it had been in March 2025: a blanket 25% tariff on all exports to the U.S., except those compliant with the existing USMCA agreement. Energy and potash will be tariffed at a lower 10% rate, while a 25% tariff on Canadian steel and aluminum remains in place.

The eventuality, timing and rates of potential US tariffs, the countries on which they are levied and the responses from such countries are difficult to predict at this time, however, any US tariffs are likely to be met with retaliatory tariffs and a multi-country trade war against the US could develop. We do not export products to the US and would not be directly impacted by the imposition of new tariffs on goods imported into the US. However, the economic impact of tariffs or a broader trade war on the Canadian economy, the US economy and the global economy could negatively impact capital markets, commodity prices and our ability to raise funds to undertake capital expenditures.

A Canada-US or a broader trade war also has the potential to adversely impact global supply chains and make supplies that we require more expensive, harder to obtain or unavailable. Scarcity in the global supply chain would likely increase the cost of supplies required generally, which could impair our ability to operate. The indirect effects of tariffs imposed by the US or by counter tariffs in response are difficult to assess, but the potential for tariffs represents a risk and may adversely affect our business, financial condition and results of operations.

There are risks related to the use of available funds.

The Company has prepared a detailed budget setting out the way it intends to use its available funds. However, the Company's management will have broad discretion concerning the use of the funds as well as the timing of their expenditures, and there can be no assurance as to how the funds will be allocated. However, the quantum and timing of expenditure will necessarily be dependent upon the Company's ultimate strategy of successfully developing and marketing REPELWRAP™ film and any other products, including acquisition or licensing of new products or technologies. As the Company continues to develop its products, it is possible that circumstances may dictate a departure from the pre-existing budget. Further, the Company may, from time to time as opportunities arise, utilize part of its financial resources to participate in additional opportunities that arise and fit within the Company's broader objectives, as a means of advancing shareholder value. Until utilized, the funds will be held in cash balances in the Company's bank account or invested at the discretion of the directors and/or senior management of the Company. The results and the effectiveness of the application of the funds are uncertain. If the available funds are not applied effectively, the Company's business, prospects, financial condition and results of operations may suffer, which could have material and adverse effect on the trading price of the Common Shares in the market.

The Company is subject to the effects of general economic and political conditions.

The business of the Company is subject to the impact of changes in Canadian, U.S. and international economic conditions, including but not limited to, recessionary or inflationary trends, equity market conditions, interest rates, consumers' disposable income and spending levels, job security and unemployment, and overall consumer confidence. These economic conditions may be further affected by political events throughout the world that cause disruptions in the financial markets, either directly or indirectly. Adverse economic and political developments could have a material adverse effect on the Company and its business, financial condition, results of operations and cash flows.

General

Although management believes that the above risks fairly and comprehensibly illustrate all material risks facing the Company, the risks noted above do not necessarily comprise all those potentially faced by the Company as it is impossible to foresee all possible risks.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR+ at www.sedarplus.ca.