**BIOCURE TECHNOLOGY INC.**

**Management's Discussion & Analysis**
**As at March 31, 2023**

## INTRODUCTION

The following management's discussion and analysis ("MD&A") is a review of operations, current financial position and outlook for the Company and is performed by management using the information available as at May 29, 2023. We have prepared this MD&A with reference to National Instrument 51-102F1 of the Canadian Securities Administrators. This MD&A should be read in conjunction with the Company's audited financial statements for the years ended December 31, 2022 and the related notes thereto ("Annual Financial Statements"). The Company's Annual Financial Statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in Canadian dollars unless otherwise indicated. The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company.

As used in this MD&A and unless otherwise indicated, the terms "we", "us", "our", "Company", and "CURE" refer to Biocure Technology Inc. Unless otherwise specified, all dollar amounts are expressed in Canadian dollars. This MD&A contains certain information forward-looking statements. Forward-looking statements may also be made in the Company's other reports filed with or furnished to the Canadian securities commissions. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from such statements. The words "aim," "anticipate," "believe," "continue," "could," "expect," "intend," "likely", "may," "optimistic," "plan," "potential", "predict", "should," "would," and other similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance, and therefore you should not put undue reliance upon them. The material assumptions supporting these forward-looking statements include, among other things the Company's ability to:

- obtain any necessary financing on acceptable terms;
- keep pace with rapid changes in consumer demands;
- rely on third party manufacturers;
- manage expansion effectively;
- enforce its intellectual property rights;
- launch additional product lines;
- retain its skilled personnel;
- manage current tax and regulatory regimes;
- manage the fluctuation in foreign currency exchange rates and interest rates; and
- follow general economic and financial market conditions.

Some of the factors that may cause actual results to differ materially from those indicated in these statements are found in the section "Risk Factors" in this MD&A.

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.

## OUR BUSINESS

Biocure Technology Inc. (the "Company" or "Biocure") was incorporated under the Business Corporation Act (British Columbia) on August 24, 2007. The Company is engaged in a mineral exploration property project through a limited partnership. The Company is also engaged in developing and commercializing several biopharmaceutical technologies relating to uses of recombinant and ranibizumab. The Company's head office is located at Suite 300, 1055 West Hastings Street, Vancouver, BC, Canada.

On November 24, 2017, the Company acquired 100% of the issued and outstanding common and preferred shares of BiocurePharm Corporation ("BP Korea"), in exchange for the common shares of the Company (the "Transaction"). BP Korea, a private corporation, was incorporated on August 29, 2005, under the laws of the Republic of Korea. The Company was established to develop and commercialize several Biosimilars and biopharmaceutical technologies for production of biopharmaceuticals in Korea and oversea countries. BP Korea's registered and head office is located at S-202, Pai Chai University Daedeok Campus, 11-3 Techno 1-ro, Yuseong-gu, Daejeon, Republic of Korea.

Established in 2005, BP Korea is a biopharmaceutical company focused on developing biosimilars based on Recombinant Protein Technology, Cell Culture Technology, Protein Purification Technology, and Bio-processing Technology. Biosimilar is defined in Wikipedia as follows: "A biosimilar (also known as follow-on biologic or subsequent entry biologic) is a biologic medical product which is almost an identical copy of an original product that is manufactured by a different company. Biosimilars are officially approved versions of original "innovator" products and can be manufactured when the original patent expires."

BP Korea has developed technology to produce three biosimilars such as Interferon-β, Ranibizumab and Filgrastim. BP Korea is fully ready to proceed with preclinical and clinical tests for those three products whenever funds are available.

Even after the clinical test is done and products are approved, one of the biggest difficulties and risks to a biopharmaceutical company is gaining a commercial manufacturing facility. Currently, the Company has access to a third-party Good Manufacturing Practice facility ("GMP facility") in Korea to minimize upfront capital requirements as well as investment risks for the commercialization of its products.

The Korean government believes the biopharmaceutical industry will drive the nation's growth for the next generation. As a part of its initiatives, Korean government and Daejeon municipality government have invested 25 billion South Korean Wons ("KRW") in total, 12 billion for the Fermentation & Purification process and 13 billion for the Fill & Finish process, to build a GMP facility in 2011 to support venturous biopharmaceutical companies, who lack finances to materialize commercial productions. The GMP facility is equipped with complete lines of the Fermentation & Purification process and the Fill & Finish Packaging process.

The GMP facility has sufficient capacity to commercially manufacture and package biopharmaceuticals based on recombinant bacteria, Interferon-β, Ranibizumab, Filgrastim, and Recombinant growth factor. For example, BP Korea could produce Interferon-β at this facility by 4.8 million vials per year. The world consumption of Interferon-β is estimated to be about 20 million vials a year, so the production from this facility could cover about 24% of world consumption.

BP Korea has a right to use this GMP facility at any time on a long-term lease or on a fee basis. Since the GMP facility is a state-run non-profit organization, the terms and conditions are very favorable to BP Korea.

The risks to produce and market biosimilars are time and cost until preclinical test, clinical test, product approval and registration process are complete. In order to mitigate these risks, BP Korea is in discussion with parties in the countries, who are in serious need for biosimilars that BP Korea has technology to produce. Those countries have many patients suffering from diseases that could be treated by BP Korea's products, but original products from multinational pharmaceutical firms are too expensive for those patients to access due to the high pricing policy with a patent. Biosimilars could solve such problems and be available at much more affordable prices.

BP Korea is offering one-stop solution to those countries, i.e., Collaboration on the implementation of preclinical and clinical test, technology transfer to produce biosimilar, GMP facility design & manufacturing equipment selection, entire quality control process for the final products and so on. By this scheme, BP Korea could mitigate risks significantly to enter into new markets with its biosimilar technology. Working with local partners in those countries could significantly reduce financial and marketing risks. In addition, BP Korea should be able to get a technology transfer fee as well as a license fee or royalty from the partners upon commercial production.

Biocure does not have a positive cash flow and should rely on ongoing capital raises till any meaningful cash flow can be generated from its business. Biocure has worked on for the advancement of CD-19 CAR T Cell Therapy in Korea through BP Korea since December 2017. However, due to increasing competitions as well as the lack of patents for CD-19 CAR T, Biocure has decided to shift the gear to develop a new ROR1 CAR-T for Chronic lymphocytic leukemia ("CLL") as well as Solid Tumor, making a strategic decision not to pursue CD-19 CAR T project through BP Korea.

Biocure has executed an agreement dated December 16, 2022 with Dr. Sang Mok Lee, President and CEO, whereby Dr. Lee will acquire 1,773,879 common shares and 57,954 preferred shares of BP Korea held by the Company, representing 51% of the shares currently held and 46% of the outstanding shares of BP Korea (the ″Transaction″). The Transaction was subject to shareholder approval which has been obtained on Feb. 17, 2023.

The restructuring Transaction is designed to enable BP Korea, under the leadership of its CEO to separately market, finance and develop its product portfolio while maintaining a minority investment in BP Korea, which is currently a private subsidiary of the Company. The Company believes its market value does not reflect the value of BP Korea and that BP Korea will have more success with its financing endeavors in Korea as restructured.

## **PRODUCT PORTFOLIO**

1. *Interferons- β*

Interferons ("IFNs") are a group of signaling proteins made and released by host cells in response to the presence of several pathogens, such as viruses, bacteria, parasites, and also tumor cells. In a typical scenario, a virus-infected cell will release interferons causing nearby cells to heighten their anti-viral defenses. IFNs belong to the large class of proteins known as cytokines, molecules used for communication between cells to trigger the protective defenses of the immune system that help eradicate pathogens. Interferons are named for their ability to "interfere" with viral replication by protecting cells from virus infections. IFNs also have various other functions: activate immune cells, such as natural killer cells and macrophages; increase host defenses by up-regulating antigen presentation by virtue of increasing the expression of major histocompatibility complex (MHC) antigens. Certain symptoms of infections, such as fever, muscle pain and "flu-like symptoms", are also caused by the production of IFNs and other cytokines. More than twenty distinct IFN genes and proteins have been identified in animals, including humans. They are typically divided among three classes: Type I IFN, Type II IFN, and Type III IFN. IFNs belonging to all three classes are important for fighting viral infections and for the regulation of the immune system.

The IFN-β proteins are produced in recombinant bacteria and animal cell. They have antiviral activity that is involved mainly in innate immune response. Two types of IFN-β have been described, IFN-β1 (IFNB1) and IFN-β3 (IFNB3). IFN-β1 is used as a treatment for multiple sclerosis as it reduces the relapse rate. IFN-β1 is not an appropriate treatment for patients with progressive, non-relapsing forms of multiple sclerosis.

The originator of Interferon beta was Schering AG (Berlex in North America), now part of Bayer HealthCare, and the patent expired in 2010. Currently, EMD Serono Canada Inc., Bayer HealthCare, and Biogen are manufacturing Interferon beta.

The total world market size of multiple sclerosis is worth 24.8 billion USD by 2024 (Source:https://www.thepharmaletter.com/article/multiple-sclerosis-therapeutics-market-to-be-worth-24-8-billion-by-2024) and Interferon-β in 2015 was U$6.3 billion USD (Source: http://www.researchandmarkets.com /reports/2221752/interferon_market_forecast_to_2015.pdf).

Dr. Sang Mok Lee, the CEO of Biocure, completed a preclinical test for this product earlier in 2001 before he established Biocure, but he could not complete a clinical test due to a small number of patients in Korea at that time. Biocure completed another preclinical test in 2008, but again could not advance to a clinical test due to lack of funds.

BP Korea has completed a preclinical test again in Korea in 2019, as Interferon-beta shall be the first one to be commercialized out of Biocure's product portfolio. Since Korea does not have a sufficient number of patients for a clinical test, BP Korea will submit the application to Korea FDA for the implementation of clinical test in other countries with more patients. Upon the consent from Korea FDA, BP Korea plans to carry out a clinical test in Europe or Canada, subject to fund availability. The estimated cost of preclinical and clinical test would be KRW 3 Billion, but it can vary depending on the rules and regulation of authorities in each country. The cost estimation is under progress.

Once the clinical test in another country is complete, BP Korea shall be able to obtain a product registration from Korea FDA with such clinical test results. An approval from Korea FDA will allow BP Korea to start commercial production in Korea and export to other countries. In order to market this product to other countries such as Europe or Canada, similar product registration procedures should be taken with local authorities. However, it would be much quicker and easier with an approval from Korea FDA. Instead of a full scale of clinical test results, a Bridge Test or a Racial Difference Test could be acceptable to obtain product registration.

Biocure plans to generate revenue by manufacturing Interferon-beta at the GMP facility in Korea and exporting to overseas countries where products are registered. The ultimate plan of Biocure is building a local GMP facility in those countries through the Joint Venture with reliable local partners who are willing to finance the construction of GMP Facility. Then, Biocure could secure a stable cash flow from technology transfer fees, royalties, and dividends.

*2. Ranibizumab*

Ranibizumab is used for treating macular degeneration. It is also used to treat a type of eye problem known as macular edema. Ranibizumab (trade name Lucentis among others) is a monoclonal antibody fragment (Fab) created from the same parent mouse antibody as bevacizumab. It is an anti-angiogenic that has been approved to treat the "wet" type of age-related macular degeneration (AMD, also ARMD), a common form of age-related vision loss.

Its effectiveness is similar to that of bevacizumab. Its rates of side effects also appear similar. However, ranibizumab typically costs $2,000 a dose, while the equivalent dose of bevacizumab typically costs $50.

Ranibizumab was developed by Genentech and is marketed in the United States by Genentech and elsewhere by Novartis, under the brand name Lucentis, and the patent expired in 2017. The total market size of Lucentis is estimated US$4.3 billion in 2013.

The number of patients who need Ranibizumab in Korea is on the rise and its annual growth rate is 38%, the world's highest. (Source: Statistic Bureau, MIC; Ministry of Health, Labour and Welfare, United Nations) The average market price is known to be US$1,200 per vial. (Source: https://www.drugs.com/price-guide/lucentis) Due to its high price, Medical Service Plan or National Health Insurance Program has a limit to cover the cost for the needed patients and very few patients receive benefits for this medicine.

When Biocure manufactures this product at the GMP facility in Korea, the expected selling price could be reduced to less than 50% of the current market price, if required. The price competitiveness of a biosimilar against the original product is generally very high. Since the Korean market for this product is growing fast, its commercial production in Korea could bring the Company good cash flow and a high chance to enter the overseas market.

3. *Filgrastim*

Filgrastim is used to treat neutropenia, a lack of certain white blood cells caused by cancer, bone marrow transplants, chemotherapy, or by other conditions. It is a type of anti-cancer treatment which plays an important role in recovery of immunity for cancer patients.

The original product developer was Amgen, USA and its patent expired in 2013. Therefore, many biosimilar producers exist throughout the world already.

With the completion of product development, Biocure can start preclinical tests at any time. But the Company is evaluating the right timing to start due to its priority over other products of the Company, and considerations of limited fund availability and financial constraints.

The Company plans to start a preclinical and clinical test in Korea first and collaborate with local parties in other countries, whoever the Company could enter into an agreement with first.

When Biocure discusses biosimilar technology transfer or GMP facility JV, Filgrastim is included in the target product portfolio for local manufacturing.

4**.** *CAR T Cell Therapy*

In August 2017, Novartis Pharmaceuticals Corp. was the first company to obtain FDA approval for gene immune-therapy in the United States with its product “Kymriah”, which is for usage in treatment of pediatric and young adult patients with a form of acute lymphoblastic leukemia. Kymriah is a CAR-T cell therapy product. In October 2017, Gilead Sciences Inc. received FDA approval for its lymphoma product “Yescarta” another CAR-T cell therapy product used to treat adult patients with certain types of non-Hodgkin lymphoma.

The market for CAR-T Cell therapies is expected to grow steadily till 2028 by 53.9% of annual growth rate and reach U$8.3 Billion in value. (Source: Coherent Market Insight, CAR-T Cell Therapy Market, 2017. 2)

Chimeric Antigen Receptor modified T cell immunotherapy, so called, CAR-T Cell Therapy, is one of the most competitive and advanced treatments for Acute Lymphoblastic Leukemia (ALL). Specific antigen receptor of CAR-T cell is made by use of virus vector after extracting T cell from patient bloods and re-infusing to patient. Within the patient’s body, the CAR-T cells have the potential to recognize the cancer cells and other cells expressing a specific antigen and attach to them, which may initiate direct cell death.

Relapsed and refractory acute lymphoblastic leukemia (ALL) remains to be a significant cause of cancer associated morbidity and mortality for children and adults. CAR-T cell therapy, as one of the most promising targeted immunotherapies, has drawn extensive attention and resulted in multiple applications. BP Korea have established pre-clinical and clinical designs of 2nd generation CAR-T cell immunotherapy in 2017: standard protocol for conditioning and infusion, better control of complications, and combination with other therapeutic options and etc. On July 5, 2018, BP Korea started conducting a preclinical trial of its CAR-T cell and on October 16, 2018, BP Korea released successful results of the preclinical trial of its CAR-T cell.

However, BP Korea has decided its focus on the development of its own CAR T-cell therapy targeting Chronic lymphocytic leukemia and solid tumor cancers. BP Korea is using an innovative concept of ROR1 CAR T-cell therapy combined with a double specific antibody model. In conjunction with the development of its own CAR T, the Company plans to apply for patents covering this CAR T-cell cancer therapy technology.

The CLL market is known to be significantly bigger than the Acute lymphocytic leukemia ("ALL") market and CLL is the most frequent Leukemia occurring in Western countries. The CLL market is being driven by increasing incidence primarily due to aging populations along with the use of combination therapies instead of monotherapies or chemoimmunotherapy regimens. The Company will also be able to apply the same platform technology to develop its CAR T-cell therapy for Solid tumors such as Ovarian and Lung cancers, which provide further enormous opportunities for the Company. The CLL CAR T-cell therapy market is currently not dominated by any single player, compared to the CD-19 CAR T-cell therapy market which has become extremely competitive, dominated by big pharma corporations.

The market for Acute Lymphocyte Leukemia (“ALL”) CAR-T becomes more saturated with new emerging participants and CD-19 CAR T which BP Korea has pursued does not have its patent. One of recent development in Korea during Q2, 2021 the Company has noted is that one of the world largest pharmaceutical firms ("Applicant") submitted a revised patent application for CD-19 CAR T in Korea again after a few times of earlier attempts rejected by Korean Patent Office. While Korean firms in interest have now raised collective objections to void the application this time, it is under the evaluation process of Patent Court of Korea. If the decision of Patent Court of Korea would be in favor of Applicant, the continuity and sustainability of CD-19 CAR T business would be in jeopardy. Considering significant commitments on financial and human resources for the clinical trial for CD-19 CAR T with no-control over uncertainties in the next few years, the Company has decided not to pursue CD-19 CAR T business, but to focus on its own CAR T with no restriction in obtaining a patent. The previous work that the Company undertook in the CD-19 CAR T field has been invaluable and given the Company enhanced technical expertise and knowhow for the development of its own new CAR T-cell therapy in addition to its existing Biosimilar development technologies.

The CAR T-cell cancer therapy space is surely one of the most innovative cancer treatments currently in the market and is seeing huge global interest. With the Company developing its own CAR T technologies protected by patents, the Company looks forward to driving strong returns for all of its shareholders in the rapidly growing market of CAR T-cell cancer therapy.

BP Korea is in discussion with the party who is interested in setting up manufacturing facilities for Biosimilars and CAR- T in one of Middle East Asian countries. There is no assurance on when any firm agreements could be made, but BP Korea plans to push forward the development of Innovative CAR-T as quickly as possible upon the availability of funds.

Chronic lymphocytic leukemia (CLL)
Bispecific CAR-T for regulation system of immune check point inhibitor. BP Korea is developing a revolutionary bispecific Car-T with a unique gene structure for the treatment of CLL. BP Korea has confirmed the CAR-T configurations and the working conditions of major components and as such plans to enter into the evaluation stage by creating a complete CAR-T form.

BP Korea has advanced R&D on Bispecific CAR-T targeting CLL, but the pandemic and the lack of financial resources have made adverse impacts on the progress of R&D and application of patents. Due to increasing hikes of interest rates as well as the concerns about economic recession, such an early-stage Biotech company as BP Korea has had a difficult time to secure funds to support its R&D activities.

Lung and ovarian cancer
Bispecific new CAR-T. Based on the bispecific dual CAR-T, first in class CAR-T development that can regulate tumor immune microenvironment (TME) in specific conditions of cancer cells is in progress. BP Korea has confirmed that the TME control system is working under this specific condition and plans to file a patent application upon completing dual CAR-T form. The company will begin preclinical trials once there is available cash flow along with the completion of patent registrations.

Innovative dual CAR-T for lung cancer BP Korea is developing a powerful innovative CAR-T by combining two types of new CAR-T which the company expects to demonstrate excellent therapeutic effectiveness. This innovative CAR-T for solid tumor has the potential for both immune regulation function and TME control function. This CAR-T will be able to create a new IP, and it is expected to play a groundbreaking role in cancer treatment using cell therapy.

The patent to be applied this time will be about the official approval for each proven efficacy. However, we expect that T-cell itself will also generate special T-cells neutralizing TME (Tumor Microenvironment), which is a defense net of cancer cells, and this will become a powerful parent body of CAR-T for the treatment of solid tumor. CAR-T with this new strengthened T-cell immunity is expected to show a good effect on not only CLL, but also treatments of ovarian and lung cancer so that we schedule to apply for a patent in the shortest possible time.

BP Korea has been working on the patent application, but the required capital raise is critical to advance the patent and the clinical trial.

*5. Hair Growth Agent*

Biocure owns a technology that produces growth factors through Recombinant Protein Process. Growth factors were identified from stem-cell culture technology and have been well-known as a great effect on hair growth, skin revitalization, wrinkle removal, and wound healing. Special functional cosmetics using growth factor have already been popular by many cosmetic companies in the market, but products that are applied as hair growth stimulant have not been introduced yet.

This product is a functional hair growth solution originating from ADSC (adipocyte stem cells) and has been under development since 2012. The major components of this product are five types of growth factors such as IGF (Insulin-like Growth Factor), VeGF (Vascular endothelial Growth Factor), TGF (Transforming Growth Factor), EGF (Endothelial Growth Factor), and FGF (Fibroblast Growth Factor).

IGF is part of a complex system that cells use to communicate with their physiologic environment. VeGF is a signal protein produced by cells that stimulates vasculogenesis and angiogenesis. It is part of the system that restores the oxygen supply to tissues when blood circulation is inadequate such as in hypoxic conditions. TGFs are multifunctional cytokines that regulate cell proliferation, growth, differentiation, and motility, as well as synthesis and deposition of the extracellular matrix.

EGF has a profound effect on the differentiation of specific cells in vivo and is a potent mitogenic factor for a variety of cultured cells of both ectodermal and mesodermal origin.

FGF is involved in angiogenesis, wound healing, embryonic development and various endocrine signaling pathways. The FGFs are heparin-binding proteins and interactions with cell-surface-associated heparan sulfate proteoglycans have been shown to be essential for FGF signal transduction. FGFs are key players in the processes of proliferation and differentiation of a wide variety of cells and tissues.

Five main growth factors have been developed in 2017.

Biocure has applied these Growth Factors to cosmetic products so that no clinical test would be required. Biocure is considering a spin-off of this product line to maximize the efficiency of business and concentrate on CAR T Cell and other Biosimilars.

BP Korea developed and introduced cosmetic products using growth factors with the brand name, “RecureCell”. It was for hair growth as well as wrinkles & black freckle removal on the face. The molecular size of growth factors is 20,000 dalton which is too big to penetrate into skin, when it is applied. Thus, MTS (Microneedle Therapy System) was adapted to ensure growth factors could effectively reach beneath the skin, The 1st generation products were in the form of liquid which had a weakness not to last long. In 2022, BP Korea has improved it to develop the 2nd generation products in a powder form by freeze-drying process which could deliver more long-lasting and stable quality, compared to the 1st generation in a liquid form.

BP Korea plans to upgrade the products again in 2023 to the 3rd generation ones, which are more user-friendly without MTS. It could be achieved by combining growth factors with a kind of new peptide, Cell Penetration Peptide(“CPP”). The 3rd generation products enable users to apply growth factors directly to the skin without microneedles, but effectively due to the function of CPP.

Due to the recent economic uncertainties, the Biotech industry in Korea has difficulties raising capital, and companies with no cashflow generating companies have encountered financial hardships. BP Korea has endeavored to commercialize its growth factor technology with potential partners who are interested in the technology. BP Korea will push forward its core business – Innovative CAR T, once sufficient cash flow is generated from the business of growth factor products.

The Company is trading on Canadian Securities Exchange under the symbol CURE, OTCQB under the symbol BICTF, and Frankfurt Stock Exchange under the symbol 1WH.

The Company has received strong interest out of Europe and Korea from a number of groups regarding potential strategic partnership and investment to leverage the enormous potential value of these therapies. The company is currently evaluating these proposals and will further update the market as these discussions progress.

On March 25, 2022, the Company announced that BP Korea is currently under way to develop ROR1 CAR-T for a chronic leukemia treatment and Innovative CAR-T which can treat lung and ovarian cancer. All new CAR-T products under development are a bispecific (dual antibody binding) CAR-T and made in a combination that can resolve the recurrent issues and side effects of the existing CAR-T.

In addition, BP Korea is one step way from the completion of development for another Innovative CAR-T model that destroys the PD-1/PDL-1 system which is the most important self-defence mechanism of cancer cells. This technology could disarm the tumor microenvironment (TME) that cancer cells run for self-defence and equip CAR-T with a new mechanism that supports CAR-T to work more effectively on cancer cells to treat lung and ovarian cancer.

On March 25, 2022, the Company also announced that the land purchase agreement (the "Agreement") with Korea Land &Housing Corporation ("KLHC") announced on December 18, 2017 was terminated on Mar. 25, 2022. The installment funds have been paid by BP Korea are expected to be refunded to BP Korea after deduction of interests, where the down payment shall be forfeited.

On September 7, 2022, the Company has been awarded a grant of KRW40 million (approx. CAD38,120 per the exchange rate on Sep. 6, 2022, Bank of Canada) by Daejeon Technopark Foundation ("DTF"), a local government agency supporting a local business with innovative technologies. BP Korea contributed 10% of the granted amount out of its own treasury to receive the grant. The was used to produce the 2nd generation of Hair Growth Products using human growth factors genetically cultured by the gene recombinant technology of BP Korea. Those products will be used for a clinical trial planned to register the products as functional cosmetics in Korea along with initial test marketing.

On November 14, 2022, the Company issued 2,300,000 shares to settle $361,846,000 of debt and interest. The Company recorded $292,846 of forgiveness of loan in connection to the debt settlement.

On December 16, 2022, the Company entered into an agreement to sell 1,773,879 common shares and 57,954 preferred shares of BP Korea held by the Company, representing 46% for the outstanding shares of BP Korea (the "Transaction") to Sang Mok Lee (President and CEO "Dr. Lee"). The sale is expected to be completed in 2023. As consideration of the BP Korea Shares, Dr. Lee will transfer to the Company an aggregate of 27,317,506 common shares of Biocure held by him for cancellation and return to treasury. The consideration for the Transaction was determined having regard for the current trading price of the common shares of Biocure on the CSE and the value of the Company's investment in BP Korea as set forth in its audited financial statements for the year ended December 31, 2021, and results in a deemed value of approximately $0.15 per BP Korea share, based on the current trading price of the Company's shares of $0.01. The segment of BP Korea meets the criteria of a discontinued operation under IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations. The operating segment was not previously classified as held-for-sale or as discontinued operations.

On December 28, 2022, the Company's subsidiary BP Korea closed its non brokered private placement and issued 16,250 shares at $4.248 per share for gross proceeds of $69,030. The Company's interest in BP Korea decreased to 93.73%.

On January 17, 2023, Company's subsidiary BP Korea closed its non brokered private placement and issued 12,500 shares at $4.328 per share for gross proceeds of $54,100. The Company's interest in BP Korea decreased to 93.42%.

On January 31, 2023, Company's subsidiary BP Korea closed its non-brokered private placement and issued 55,000 shares at $4.32 per share for gross proceeds of $237,600. The Company's interest in BP Korea decreased to 92.10%.

On February 17, 2023, the Company received shareholder approval to the sale of 1,773,879 common shares and 57,954 preferred shares of BP Korea held by the Company.

**Key Management Change**

Effective February 16, 2021, Mr. Berkan Unal joined the Board of Directors as an Independent Director. He replaced Mr. Hans Frykman.

Effective July 22, 2021, Dr. Bjorn Cochlovius joined the Management as President.

Effective December 21, 2022, Danny Joh has resigned from the Board of Directors.

**Equity**

During the three months ended March 31, 2023 and 2022, there were no transactions affecting share capital.

During the year ended December 31, 2022, 2,300,00 shares were issued to settle $361,846 of debt. The Company recorded $292,846 of forgiveness of loan in connection to the debt settlement.

**Loans**

*Loans Payable*

The following table summarizes the principal and interest amount in loans payable:

| | **March 31, 2023** | **December 31, 2022** |
|---|---|---|
| | $ | $ |
| **Loans payable**, unsecured: | | |
| Non-interest bearing, unsecured and due on demand (Note 11) | 47,000 | 47,000 |
| CEBA Loan | 35,538 | 34,189 |
| **Total** | 82,538 | 81,189 |

| | **December 31, 2022** | **December 31, 2022** |
|---|---|---|
| | $ | $ |
| **Balance, beginning** | 34,189 | 34,189 |
| Additions - CEBA | - | (4,994) |
| Repayments | - | - |
| Accretion - CEBA | 1,349 | 4,994 |
| **Balance, ending** | **35,538** | **34,189** |

During the year ended December 31, 2020, the Company entered into a Canada Emergency Business Account "CEBA" loan with the Government of Canada. The loan is an interest free loan of $60,000 from the Government of Canada. If the Government of Canada is repaid by December 31, 2022, 33% being $20,000 will be forgiven. If the Company is not able to repay, the loan will convert into a regular loan with a three-year term at 5% per annum. The loan was recorded at a fair value of $29,222 using an effective rate of 17%, considering the grant, the interest- free loan and the forgivable portion. On January 12, 2022, the government announced the repayment date will be extended to December 31, 2023. The Company recognized an additional $4,994 of income from government assistance in other income in connection to the extension announcement. During the three months ended March 31, 2023, the Company recorded accretion expense of $1,349 (2022 - $1,350). The Company anticipates a repayment of the CEBA loan prior to December 31, 2023, and has reclassified the loan to current as of December 31, 2022.

**LAND PURCHASE AGREEMENT**

During the year ended December 31, 2017, the Company entered into an agreement with Korea Land & Housing Corp. ("KLHC") to acquire land for the purpose of constructing a research and development facility.

During the year ended December 31, 2018, the Company assumed a loan payable to the Industrial Bank of Korea ("IBK") to fund the land purchase agreement with KLHC.

The loan terms are as follows:

- Interest rate of 3.3% per year;
- Loan amount shall consist of 5 instalments of $403,920 (KRW 330,000,000) and the sixth instalment of $410,040 (KRW 335,000,000) starting on June 12, 2019 where the balance shall be covered by the Company;
- The Company shall pay interest only for the first 3 years and principle plus interest for the following 5 years; and
- If the Company defaults and does not proceed with land purchase, IBK shall be paid by KLHC.

On March 25, 2022, the agreement with KLHC, was terminated and KLHC directly repaid the outstanding loan from Industrial Bank of Korea.

The Company did not make the required payment during the year ended December 31, 2021 and was in default of the agreement and impaired the initial payment of KRW 281,395,000 ($308,409) during the year ended December 31, 2021.

On March 28, 2022, the agreement with KLHC, was terminated and the initial payment of KRW 281,395,000 ($308,409) was forfeited and the Company received KRW 505,015,574 back from KLHC after KLHC directly repaid and deducted against the outstanding loan from Industrial Bank of Korea, included in the amount received were interest of $88,040 (KRW 80,328,138) accrued to December 31, 2021 and $7,558 (KRW 6,895,852) for the period from January 1, 2022 to March 28, 2022.

## OVERALL PERFORMANCE

Since its inception in August 2005, Biocure has accumulated a deficit of $27,905,305 (December 31, 2022 - $27,504,715). Biocure expects its operating losses to continue in the next fiscal year as it builds its commercial platform and invests in its product development, with primary focus for the next two years on Biopharmaceutical Production project and FMD production project.

The Company has funded its operations with proceeds from loans payable, equity financing, and expects to seek additional funding through equity financings to finance its product development, and corporate growth. However, if Biocure's product development and commercial activities do not show positive progress, or if capital market conditions in general or with respect to the life sciences sector or development stage companies such as Biocure are unfavorable, its ability to obtain additional funding will be adversely affected.

## SELECTED FINANCIAL INFORMATION

The following table provides selected financial information for the three months ended March 31, 2023 and 2022. The selected financial information set out below has been derived from the consolidated financial statements and accompanying notes, in each case prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of Financial Reporting Interpretations Committee ("IFRIC"). 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 Condensed Consolidated Interim Financial Statements for the three months ended March 31, 2023.

*Functional and presentation currency*

The consolidated financial statements of the Company are presented in Canadian dollars.

The individual financial statements of each entity of the Company are presented in the currency of the primary economic environment in which the entity operates. The financial currency of the Company is the Canadian dollar. The functional currency of the discontinued operations subsidiary is the South Korea won, and the comparative period had been restated to segregate out the discontinued operations portion. The figures presented are in Canadian dollars, unless noted otherwise.

**Three months ended March 31, 2023 and 2022**

| | 2023 | Restated 2022 |
|---|---|---|
| | **$** | $ |
| **EXPENSES** | | |
| Accretion | 1,349 | 1,350 |
| Consulting | 8,250 | 32,192 |
| Director and management fees | 31,446 | 33,966 |
| Filing fees | 7,757 | 4,483 |
| General and administrative | 346 | 12,889 |
| Insurance | 7,708 | 6,573 |
| Payroll | - | 6,351 |
| Professional fees | 25,387 | 10,482 |
| Travel | - | 708 |
| **Total Expenses from Continuing operations** | (82,243) | (108,994) |
| **INCOME (LOSS) BEFORE OTHER ITEMS** | (82,243) | (108,994) |
| **OTHER ITEMS** | | |
| Foreign exchange gain (loss) | (3) | (15) |
| | (3) | (15) |
| **NET GAIN (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS** | **(82,246)** | **(109,009)** |
| **NET GAIN (LOSS) FOR THE PERIOD FROM DISCONTINUING OPERATIONS** | **(245,573)** | **(218,417)** |
| Loss attributable to the shareholders of the Company | (313,171) | (308,206) |
| Loss attributable to non-controlling interest | (14,648) | (19,220) |
| | (327,819) | (327,426) |
| **OTHER COMPREHENSIVE INCOME (items that may be reclassified to profit or loss)** | 129,204 | 85,768 |
| Attributable to the shareholders of the Company | 119,006 | 80,733 |
| Attributable to non-controlling interest | 10,198 | 5,035 |
| | 129,204 | 85,768 |
| **COMPREHENSIVE LOSS** | **(198,615)** | **(241,658)** |
| Attributable to the shareholders of the Company | (194,165) | (227,473) |
| Attributable to non-controlling interest | (4,450) | (14,185) |
| **BASIC AND DILUTED LOSS PER SHARE (attributable to the owners of the parent)** | $ (0.00) | $ (0.00) |
| **WEIGHTED AVERAGE SHARES OUTSTANDING – BASIC AND DILUTED** | 108,921,158 | 106,621,158 |

### Expenses

Net loss before other items for the three months ended March 31, 2023 was $82,243 compared to $108,994 for the period ended March 31, 2022. The decrease was primarily due to:

- Consulting: Decreased by $23,942 from $32,192 during the three months ended March 31, 2022 to $8,250 during the three months ended March 31, 2023. The Company has decreased business activities due to lack of funding.

- General and administrative: Decreased by $12,543 from $12,889 during the three months ended March 31, 2022 to $346 during the three months ended March 31, 2023. The decrease is mainly due to a decrease in the Company's activities as there was limited cash available.

- Payroll: Decreased by $6,351 from $6,351 during the three months ended March 31, 2022 to $Nil during the three months ended March 31, 2023. The decrease is due to the resignation of employees in the prior year and the Company decided to outsource the service to professionals.

- Professional fees: Increased by $14,905 from $10,482 during the three months ended March 31, 2022 to $25,387 during the three months ended March 31, 2023. The increase is primarily due to the Company's decision to outsource services to professionals instead of hiring in-house employees.

- There was no significant change in other expenses not previously discussed.

**Other items**

There was no significant change in other items.

**Discontinued Operations**

Net loss for the three months ended March 31, 2023 was $245,573 compared to $218,417 for the same period in 2022. There decrease is primarily related to decrease in research and development activities with limited cash available.

**Other comprehensive income (loss)**

Other comprehensive income for the three months ended March 31, 2023 was $129,204, compared to of $85,768 during the three months ended March 31, 2022. The change was due to foreign currency translation.

## QUARTERLY FINANCIAL INFORMATION

The following table summarizes selected unaudited financial date for each of the last eight fiscal quarters, prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of Financial Reporting Interpretations Committee ("IFRIC"):

| | Quarter Ended Restated | | | |
|---|---|---|---|---|
| | **March 31, 2023** | **December 31, 2022** | **September 30, 2022** | **June 30, 2022** |
| | **("Q1 2023") $** | **("Q4 2022") $** | **("Q3 2022") $** | **("Q2 2022") $** |
| Revenue | - | - | - | - |
| Operating expenses (recovery) | 82,243 | 392,420 | 70,535 | 129,280 |
| Other income (loss) | (3) | 339,585 | (41,745) | - |
| Net income (loss) for the quarter | (327,819) | (587,481) | (306,033) | (294,080) |
| Basic and diluted loss per common share | (0.00) | (0.00) | (0.00) | (0.00) |
| Total assets | 2,053,435 | 2,083,651 | 2,073,639 | 2,110,678 |
| Total liabilities | (4,288,954) | (4,411,374) | (3,586,246) | (3,417,331) |

| | Quarter Ended Restated | | | |
|---|---|---|---|---|
| | **March 31, 2022** | **December 31, 2021** | **September 30, 2021** | **June 30, 2021** |
| | **("Q1 2022") $** | **("Q4 2021") $** | **("Q3 2021") $** | **("Q2 2021") $** |
| Revenue | - | - | - | - |
| Operating expenses (recovery) | 108,994 | (671,727) | 1,273,729 | 121,277 |
| Other income (loss) | (15) | (23) | - | - |
| Net loss for the quarter | (327,426) | 3,442,098 | (1,544,881) | (1,644,118) |
| Basic and diluted loss per common share | (0.00) | 0.03 | (0.01) | (0.01) |
| | | | | |
| Total assets | 2,338,013 | 4,153,015 | 4,428,679 | 4,750,843 |
| Total liabilities | (3,431,987) | (5,005,331) | 7,953,332 | 8,447,231 |

During the first quarter of 2023, the Company had less operating expenses than prior period due to decreased business activities as the Company had limited cash available.

During the fourth quarter of 2022, the Company had higher other income compared to other periods. The company recognized a forgiveness of loan in connection to a debt settlement.

During the third quarter of 2022, the Company had less operating expenses than prior period as the company is running low on cash.

During the second quarter of 2022, the Company had more operating expenses. The Company also had a slight lower net loss than the prior period.

During the first quarter of 2022, the Company had higher operating expenses than prior period. This increase is due to the reversal of share-based compensation expense in prior period. The Company also had a higher net loss as the Company recorded net income in the prior period due to the forgiveness of accounts payable.

During the fourth quarter of 2021, the Company had a recovery of operating expenses compared to net losses in prior period. This recovery in operating expenses is due to a decrease in corporate activities and reversal of share-based compensation expense, and the decrease in net loss is due to the forgiveness of accounts payable in the discontinued operations segment.

During the third quarter of 2021, the Company had a significantly higher loss than in the comparative period. This increase in loss was mainly due to additional share-based compensation of $909,572 related to a stock option grant during the quarter.

During the second quarter of 2021, the Company had a significantly less loss than in the comparative period. This decrease in loss is primarily due to adjustments to bookkeeping error.

## LIQUIDITY AND CAPITAL RESOURCES

The continuing operations of the Company are dependent upon its ability to raise additional capital during the next twelve months and beyond to support current operations and planned development. As at March 31, 2023, the Company has not earned significant revenue and has an accumulated deficit of $27,905,305 (December 31, 2022 - $27,504,715). In order to reach sustainable business operations, they will continue to seek additional sources of financing.

The Company's cash balance as of March 31, 2023 was $10,795 compared to $37,672 as of December 31, 2022. As of March 31, 2023, the Company had current assets of $87,908 (December 31, 2022 – $118,124), current liabilities of $4,288,954 (2022 - $4,411,374), and a working capital deficiency of $4,201,046 (December 31, 2022 – $4,293,250).

**Operating Activities**

During the three months ended March 31, 2023 and 2022, the Company's operating activities from continuing operations used cash of $51,877 and $80,753, respectively. Cash used in operating activities for the year ended March 31, 2023 and 2022 were mainly attributable to net loss for the period of $82,246 and $109,009, respectively

**Investing Activities**

During the three months ended March 31, 2023 and 2022, the Company's investing activities from continuing operations generated cash of $25,000 and $Nil, respectively from repayment of subsidiary loan.

**Financing Activities**

During the three months ended March 31, 2023 and 2022, the Company's financing activities from continuing operations did not generate or use cash.

**Discontinued operations**

During the three months ended March 31, 2023, the Company's discontinued operations used $142 compared to receiving a proceed of $188,370 during the three months ended March 31, 2022. The Company's discontinued operations received installment payments from KLHC in connection to the forfeited land transaction during the period ended March 31, 2022.

## OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements, financings, or other relationships with unconsolidated entities or other persons, also known as "special purpose entities".

## RELATED PARTY TRANSACTIONS

**Key management compensation**

Key management personnel include those people who have authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and the Chief Executive Officer ("CEO"). The remuneration of directors and key management personnel for the three months ended March 31, 2023 and 2022 were as follows:

| | Three months ended March 31, 2023 | Three months ended March 31, 2022 |
|---|---|---|
| | $ | $ |
| Director and management fees* | 83,083 | 84,083 |
| Total | 83,083 | 84,083 |

***Danny Joh has resigned from the Company's board of directors on December 21, 2022, and his fees are included up to his resignation date.***

**Loan payable to related parties**

As of March 31, 2023, the Company's discontinued operations has a loan of $530,025 (KRW 511,114,127) (December 31, 2022 - $608,535 (KRW 564,503,661)) payable to the CEO of the Company which bears interest at 4.6% per annum, is unsecured, and due on demand. The loan was still outstanding as of March 31, 2023.

During the three months ended March 31, 2023, the Company's discontinued operations has an interest free loan of $11,285 (KRW 10,882,416) (December 31, 2022- $12,936 (KRW 12,000,000)) payable to the CFO of the Company's discontinued operations segment and is payable on demand. The loan was still outstanding as of March 31, 2023.

**Accounts payable balances outstanding to related parties**

As at March 31, 2023, there was $495,536 (December 31, 2022 - $490,507) of due to directors and officers included in accounts payable, and $45,287 (December 31, 2022 - $48,204) of the $497,326 was included in discontinued operations segment's accounts payable.

As at March 31, 2023, there was $25,000 (December 31, 2022 - $25,000) due to a former director included in accounts payable.

**Share transactions**

During the three months ended March 31, 2023 and 2022, and during the year ended December 31, 2022, directors or key management personnel did not make any share transactions.

## PROPOSED TRANSACTIONS

The Company continues to engage in discussions with several financing groups and intends to provide a market update when the Company's management and board make a decision to proceed with any such financing.

## SIGNIFICANT ACCOUNTING ESTIMATES

**Significant Estimates and Assumptions**

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability of investments in KWULP and KWUC, useful lives of equipment, recoverability of receivables, fair value measurement and the timing of future cash flows of financial instruments, and the measurement of deferred tax assets and liabilities.

**Significant Judgements**

The preparation of consolidated financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's accounting policies in these consolidated financial statements were:

- Evaluating whether or not costs incurred by the Company in developing its pharmaceutical products meet the criteria for capitalization to intangible assets. Management determined that as at March 31, 2023, it was not yet able to demonstrate with sufficient certainty that future economic benefits will flow to the Company. Accordingly, all research and development costs incurred to date have been expensed.

Other significant judgments in applying the Company's accounting policies relate to the assessment of the Company's ability to continue as a going concern, the classification of its financial instruments and the classification of leases as either operating or finance type leases.

## FINANCIAL INSTRUMENTS AND RISKS

*Classification of financial instruments*

Financial assets included in the statement of financial position are as follows:

| | March 31, 2023 | December 31, 2022 |
|---|---|---|
| | $ | $ |
| Fair value through profit or loss | | |
| Cash | 10,795 | 37,672 |
| Fair value through other comprehensive income | | |
| Investments in KWULP and KWUC | 1,965,527 | 1,965,527 |
| | 1,976,322 | 2,003,199 |

Financial liabilities included in the statement of financial position are as follows:

| | March 31, 2023 | December 31, 2022 |
|---|---|---|
| | $ | $ |
| Financial liabilities at amortized cost: | | |
| Accounts payable and accrued liabilities | 745,826 | 713,286 |
| Loans payable | 47,000 | 47,000 |
| | 792,826 | 760,286 |

*Fair value*

The Company has applied a three-level hierarchy to reflect the significance of the inputs used in making fair value measurements. The three levels of fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for assets or liabilities, neither directly or indirectly; and
- Level 3 – Inputs for assets or liabilities that are not based on observable market data.

The Company's financial instruments consist of cash, investment in KWULP and KWUC, receivables, accounts payable and accrued liabilities, loans payable, severance liability at amortized cost and convertible debentures at FVTPL. The fair value of these financial instruments, other than cash and convertible debentures, approximates their carrying values due to the short-term nature of these instruments. Cash is measured at fair value using level 1 input.

Financial liabilities measured at fair value consisted of preferred share liabilities, which is measured using level 2 inputs.

The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate and liquidity risk.

a) Credit risk

Credit risk is risk of financial loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash is held in large Korean financial institutions and is not exposed to significant credit risk.

b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to limited interest rate risk.

c) 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 ability to continue as a going concern is dependent on management's ability to raise the required capital through future equity or debt issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the directors are actively involved in the review, planning, and approval of significant expenditures and commitments.

d) Foreign currency risk

The Company's functional currency is the South Korean Won and major transactions are in South Korean Wons. As of March 31, 2023, the Company had $36,409 (December 31, 2022 - $59,766) in financial assets and $745,826 (December 31, 2022 - $713,286) in financial liabilities, denominated in Canadian Dollars. The remaining values in financial assets and financial liabilities are denominated in South Korean Wons. Management believes that the foreign exchange risk related to currency conversion is minimal and therefore does not hedge its foreign exchange risk.

e) Capital Management

The Company defines capital that it manages as its shareholders' equity. When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes to the Company's approach to capital management during the period.

## RISKS AND UNCERTAINTIES

*Possible Failure to Realize Anticipated Benefits of the Arrangement*

Biocure has completed a "going public" transaction by way of a reverse take-over to better position itself in the industrial stage of the biopharmaceutical industry and to create opportunities to realize certain benefits such as commercialization of the biopharmaceutical industry, increased liquidity, greater access to capital markets, and increased ability to pursue acquisition opportunities. Biocure has a long-term objective to expand its business to overseas markets such as South America, Middle East, North Africa, and Asia. The reverse takeover transaction could provide Biocure with a platform to achieve such a goal. There can be no assurance that after the RTO transaction, Biocure will be able to realize the anticipated growth opportunities and synergies required to achieve the anticipated benefits.

*Biopharmaceutics Public Market Risks*

Prospects for companies in the biopharmaceutical industry generally may be regarded as uncertain given the nature of the industry and, investments in biopharmaceutical companies should be regarded as speculative. Biopharmaceutical research and development involves a significant degree of risk. However, main products of Biocure are biosimilar, which are known and proven products by multinational pharmaceutical companies. Biocure has been developing a few biosimilar products from the patents of which were expired or about to expire in the near future. Therefore, the risks involved in such biosimilar products are relatively lower than that of so called, new biopharmaceuticals.

Nevertheless, an investor should carefully consider the risks and uncertainties described below. The risks and uncertainties described below are not an exhaustive list. Additional risks and uncertainties not presently known to Biocure or that Biocure believes to be immaterial may also adversely affect Biocure's business. If any one or more of the following risks occur, Biocure's business, financial condition, and results of operations could be seriously harmed. Further, if Biocure fails to meet the expectations of the public market in any given period, the market price of Biocure shares could decline.

*Commercialization Uncertainties*

To launch biosimilar products of Biocure to the market, additional investment in development, product validation, manufacturing, production scale-up, pre-clinical & clinical testing, and regulatory submissions of such products is required prior to commercialization. There can be no assurance that any such products will be commercialized in the time as planned.

*Additional Financing Requirements and Access to Capital*

Biocure will require substantial additional funds for further research and development, planned clinical testing, regulatory approvals, establishment of manufacturing capabilities and, if necessary, and the marketing and sale of its products. Biocure may attempt to raise additional funds for these purposes through public or private equity, debt financing, collaborations with other biopharmaceutical companies, and/or from other sources. There can be no assurance that additional funding or partnership will be available on terms acceptable to Biocure and which would foster successful commercialization of Biocure products.

*Government Regulations*

Biopharmaceutical companies operate in a high-risk regulatory environment. Biopharmaceutical products are governed by numerous statutes and regulations in Korea and other countries where Biocure intends to market its products. The subject matter of such legislation includes approval of manufacturing facilities, controlled research and testing procedures, review and approval of manufacturing, preclinical and clinical data prior to marketing approval, as well as regulation of marketing activities. The process of completing clinical testing and obtaining required approvals for biosimilar products is likely to take about a year and require the expenditure of moderate resources. There can be no assurance that the regulators will not require modification to any submissions that may result in delays to obtain regulatory approvals. Any delay to obtain regulatory approvals could adversely affect the ability of Biocure to utilize its technology, thereby adversely affecting operations. There is no assurance that Biocure will be able to timely and profitably produce its products while complying with all the applicable regulatory requirements.

*Patents and Proprietary Technology*

The biosimilar products that Biocure is currently pursuing do not have patent and proprietary issues in general due to the fact that Biosimilar implies they are free from existing patents already. At the same time, Biosimilar technology is not protected by patents or proprietary rights.

Original patent holders could extend the period of the patent in specific countries that Biocure is planning to enter into. There is no assurance that Biocure products do not face any conflicts in patent and proprietary rights.

*Dependence on Collaborative Partners and Others*

Biocure activities will require it to enter into various arrangements with corporations, academic collaborators and others for research, development, clinical testing, manufacturing, marketing, and commercialization of its products. Biocure intends to attract corporate partners and enter into additional research collaborations. There can be no assurance, however, that Biocure will be able to establish such additional collaborations on favorable terms, if at all, or that its current or future collaborations will be successful. Failure to attract commercial partners for its products may result in Biocure incurring substantial clinical testing, manufacturing, and commercialization costs prior to realizing any revenue from product sales or result in delays or program discontinuance if funds are not available in sufficient quantities.

If any collaborative partner in oversea countries where Biocure plans to implement pre-clinical and clinical testing program for biosimilar fails to meet its timeline, or local regulations and procedures, Biocure’s business may be adversely affected. Failure of a collaborative partner to participate in preclinical and clinical testing program could delay the commercialization of products related to such programs.

In addition, there can be no assurance that the collaborative partners will not pursue other alternative products either alone or in collaboration with others, including Biocure’s competitors.

*Rapid Technological Change*

The biopharmaceutical industries are characterized by rapid and substantial technological change. There can be no assurance that developments by others will not render Biocure's proposed products or technologies non-competitive, or that Biocure will keep pace with technological developments. Competitors have developed or are developing technologies that could be the basis for competitive products. Some of these products have an entirely different approach, compared with products to be developed by Biocure and could be more effective and less costly than the products to be developed by Biocure. In addition, alternative forms of medical treatment may compete with Biocure's products.

*Competition*

Technological competition from biopharmaceutical companies is intense and is expected to increase. Potential competitors of Biocure may have more product development, financial, scientific, marketing, and human resources capabilities exceeding those of Biocure. Competitors may develop products before Biocure obtain regulatory approval for such products more rapidly than Biocure, or develop products which are more effective than those that Biocure intends to develop. Research and development by others may render Biocure's proposed technology or products obsolete or non-competitive.

*Potential Product Liability*

Pharmaceutical products involve an inherent risk of product liability claims and associated adverse publicity. Product liability insurance is costly, availability is limited, and may not be available on terms that would be acceptable to Biocure, if at all. A product liability claim brought against Biocure could have a material adverse effect upon Biocure and its financial condition.

*Reliance on Key Personnel*

Biocure is dependent on certain members of its management and scientific staff, as well as consultants and contractors, the loss of services of one or more of whom could adversely affect Biocure. In addition, Biocure's ability to manage growth effectively will require it to continue to implement and improve its management systems and to recruit and train new employees. There can be no assurance that Biocure will be able to successfully attract and retain skilled and experienced personnel.

*Minimal Product Revenues and History of Losses*

To date, Biocure has recorded minimal revenues from the sale of biopharmaceutical products. Biocure expects to incur additional losses during the periods of research and development, clinical testing, and application for regulatory approval of its products. Biocure expects to incur losses until payments from corporate collaborations, product sales and/or royalty payments generate sufficient revenues to fund its continuing operations.

*Volatility of Share Price, Absence of Dividends and Fluctuation of Operating Results*

Market prices for the securities of biopharmaceutical companies, including Biocure, have historically been highly volatile. Factors such as fluctuation of Biocure's operating results, announcements of technological innovations, patents or new commercial products by Biocure or competitors, results of clinical testing, regulatory actions, or public concern over the safety of biopharmaceutical products, and other factors could have a significant effect on the share price or trading volumes for the common shares. Biocure shares, if traded publically, may be subject to significant price and volume fluctuations and may continue to be subject to significant price and volume fluctuations in the future. Biocure has not paid dividends to date and does not expect to pay dividends in the foreseeable future.

*Conflict of Interest*

Certain directors and senior officers of Biocure may, from time to time, be employed by or affiliated with organizations that have entered into agreements with Biocure. As disputes may arise between these organizations and Biocure, or certain organizations may undertake or have undertaken research with competitors of Biocure, there exists the possibility for such persons to be in a position of conflict. Any decision or recommendation made by these persons involving Biocure will be made in accordance with his or her duties and obligations to deal fairly and in good faith with Biocure and such other organizations. In addition, as applicable, such directors and officers will refrain from voting on any matter in which they have a conflict of interest.

*No Key Man Insurance*

The Company does not currently have key man insurance in place in respect of any of its senior officers or personnel.

## OUTSTANDING SHARE DATA

The Company has authorized an unlimited number of common shares without par value.

As of March 31, 2023 and the date of this MD&A, there were 108,921,158 common shares issued and outstanding.

As of March 31, 2023 and date of this MD&A, there were 7,240,547 warrants issued and outstanding.

As of March 31, 2023 and date of this MD&A, there were 7,270,000 stock option outstanding and exercisable.

## ADDITIONAL INFORMATION

The Company files annual and other reports and other information with Canadian securities regulatory authorities. The documents are available to the public at http://www.sedar.com.

## APPROVAL

The Board of Directors of the Company has approved the disclosure contained in this MD&A.