

**PANGENOMIC HEALTH INC.**

**MANAGEMENT DISCUSSION AND ANALYSIS**

**Year Ended December 31, 2023**

This Management Discussion and Analysis (“MD&A”) provides a detailed analysis of the business of Pangenomic Health Inc. (“PHI” or the “Company”). This MD&A should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2023 and the related notes, which have been prepared under International Financial Reporting Standards (“IFRS”).

All financial information in this MD&A has been prepared in accordance with IFRS. All dollar amounts included therein and in the following MD&A are in Canadian dollars, the reporting and functional currency of the Company, except where noted. The MD&A contains information up to and including July 25, 2024 (the “Report Date”).

## **FORWARD-LOOKING STATEMENT**

Certain statements contained in this MD&A may constitute “forward-looking statements”. Such term is defined in applicable securities laws. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors and assumptions include, among others, uncertainty relating to the Company’s ability to successfully execute its business plans and intentions, the ability of the Company to raise additional capital to complete its business plans and fund its research and development activities, the commercial viability of the Company’s products under development, the continued availability of key leadership personnel and the ability to attract and retain qualified personnel, general business, economic, and competitive uncertainties; the limited operating history of the Company; the ability to protect, maintain and enforce intangible property rights; future growth plans and the ability to meet business objectives; the acceptance by customers and the marketplace of new products; ability to attract and retain personnel; and expectations with respect to advancement and adoption of new product lines.

While the Company considers these assumptions to be reasonable, the assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks and uncertainties, contingencies and other factors that could cause actual performance, achievements, actions, events, results or conditions to be materially different from those projected in the forward-looking information. Many assumptions are based on factors and events that are not within the control of the Company and there is no assurance they will prove to be correct.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking information. Accordingly, readers should not place undue reliance on any such forward-looking information. Further, any forward-looking statement speaks only as of the date on which such statement is made. New factors emerge from time to time, and it is not possible for the Company’s management to predict all of such factors and to assess in advance the impact of each such factor on the Company’s business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. The Company does not undertake any obligation to update any forward-looking information to reflect information, events, results, circumstances or otherwise after the date hereof or to reflect the occurrence of unanticipated events, except as required by law including securities laws.

## **OVERVIEW**

PHI is a precision health company registered as a benefit company under the laws of British Columbia. The Company’s benefit statement is to improve the health and wellness of people by providing a technology platform that identifies plant-based solutions tailored to the health profile of each individual. Through its subsidiaries, Pangenomic Technologies Corp. (“PTC”), MUJN Diagnostics Inc. (“MUJN”) and Mindleap Health Inc. (“Mindleap”), the Company is developing a self-care digital platform to deliver personalized, evidence-based information about natural treatments to support a user’s specific health needs. The Company’s vision is that all people will have access to affordable and effective natural remedies for better

health and wellness. The Company's initial focus will be to provide information on personalized natural mental health solutions. PHI's mission is to promote and improve the health and wellness of people and society by providing a technology platform that identifies plant-based solutions tailored to the health profile of each individual.

The Company's Articles provide that the Company commits to promoting the following public benefits:

To promote and improve the health and wellness of people and society by providing a technology platform that identifies plant-based solutions tailored to the health profile of each individual, as the Company's board of directors may from time to time determine to be appropriate.

The Company's Articles further provide that the Company commits to conducting the Company's business in a responsible and sustainable manner, and to promote the above public benefits.

The Company was incorporated under the laws of British Columbia on December 11, 2015 for the purpose of new business ventures. On December 6, 2021, the Company changed its name from Zetta Capital Corp. to Pangenomic Health Inc. The address of the Company's corporate office and principal place of business is 102 – 3800 Wesbrook Mall, Vancouver, BC, V6S 2L9. Effective July 18, 2022, the Company's common shares trade on the Canadian Stock Exchange ("CSE") under the symbol "NARA". During the year ended December 31, 2023, the Company commenced trading on the Frankfurt Stock Exchange ("FSE") under the symbol "LL30" and on the Aquis Stock Exchange ("AQSE") under the ticker "NARA" and with its existing ISIN CA 69842E 20 5 0. Due to limited trading, the Company voluntarily withdrew from the AQSE and all trading ceased effective March 15, 2024. The Company's shares continue to trade on the CSE and the FSE.

On January 10, 2022, the Company entered into an intellectual property asset purchase agreement with LivNao Technologies Inc. ("LivNao Agreement"). Under the terms of the LivNao Agreement, the Company agreed to purchase from LivNao all of LivNao's rights, titles, and interests to the LivNao intellectual property ("LivNao IP") for 50,000 common shares and cash of \$1,000. On February 15, 2022, the Company and LivNao amended the LivNao Agreement to extend the deadline for the completion of the acquisition of the LivNao IP to March 31, 2022. Under the terms of the LivNao Agreement, the Company agreed to issue to LivNao up to 150,000 additional common shares upon satisfaction of the of the certain active users milestones on or before March 31, 2023 which were not met. On March 16, 2022, the Company completed the acquisition of the LivNao IP and issued 50,000 Common Shares to LivNao.

The Company entered into the LivNao Agreement in order to gain access to certain passive data collection technologies and algorithms that can automate aspects of the mental health assessments conducted by users of the Company's Nara consumer app and provide behavioural nudges to users.

On June 30, 2022, the Company received receipt of the Company's long form prospectus filed on June 28, 2022, for the purpose of complying with Policy 2 – Qualifications for Listing of the Canadian Securities Exchange (the "CSE" or the "Exchange") which permitted PHI to meet one of the eligibility requirements for the listing of the Class A Common Shares (the "Common Shares") of PHI on the CSE. On July 15, 2022, the CSE published a bulletin whereby the Company's shares were approved for listing and commenced trading effective July 18, 2022, under the trading symbol "NARA".

The following is a breakdown of the variances from the Company's estimated of projected use or proceeds for the six months ending December 31, 2022:

	<b>Estimated<sup>(1)</sup></b> <b>\$</b>	<b>Actual through</b> <b>December 31, 2022</b> <b>\$</b>
Business objectives and milestones	340,000	337,151
Marketing and Investor Relations	250,000	201,782
Estimated costs of the prospectus and listing on the CSE	100,000	128,583
Estimated general and administrative expenses over the next 12 months	399,000	421,484
<b>Total expenses</b>	<b>1,089,000</b>	<b>1,089,000</b>

(1) For the 12 months following June 28, 2022 (date of long form prospectus).

On July 1, 2022, the Company issued a total of 300,000 performance warrants to the Company's Executive Chair and the Company's CEO, which will vest and become exercisable at \$1.50 per common share based on the successful completion of certain performance milestones. The performance warrants expire on July 1, 2025.

On July 18, 2022, the Company entered into an agreement for market making services for an initial term of 6 months in consideration for \$7,500 per month, payable quarterly, with such fee subject to an annual increase of 3%. The agreement automatically renews for successive 6 month terms.

On July 19, 2022, the Company entered into an agreement for capital markets advisory, investor relations and corporate strategy services for a monthly fee of \$5,000. In addition, the Company granted 3,000 stock options exercisable at \$2.50 per share for a period of two years, with one-half of the stock options vesting immediately and the remaining one-half vesting 3 months thereafter.

On July 29, 2022, the Company issued 2,500,000 common shares pursuant to the conversion of 1,000,000 Class B preferred shares.

On August 30, 2022, the Company incorporated MUJN to develop the MUJN clinical decision support platform, which will provide health practitioners with access to a natural remedy knowledge base, treatment analytics, diagnostics tests and user health data from the Nara app.

On September 6, 2022, the Company appointed Maryam Marissen as President & Chief Executive Officer ("CEO") of PHI. Ms. Marissen brings over two decades of experience in consumer product marketing, private clinic services and public advocacy. Ms. Marissen helped establish one of the first online personal care and wellness e-commerce stores in North America. As Managing Director of a Canadian government relations and public affairs agency, she oversaw advocacy campaigns for healthcare, education, and public policy. She has also been involved in psychedelic therapy research, consulting with academic, industry, and regulatory stakeholders to develop clinical pathways to patient care. Vincent Lum, former President and CEO continues to serve on the board of directors and has been appointed as President and CEO of MUJN. During the year ended December 31, 2023, Maryam Marissen joined the board of directors.

On September 6, 2022, the Company granted 100,000 stock options to Ms. Marissen at \$2.30 per share for a period of three years vesting in quarterly installments.

On December 9, 2022, the Company completed a share exchange agreement (the "Share Exchange Agreement") with Mydecine Innovations Group Inc. ("Mydecine"), a company listed on the NEO Exchange, and Mydecine's wholly owned subsidiary, Mindleap, whereby the Company acquired 100% of the issued and outstanding common shares of Mindleap for consideration of 1,800,000 units of the Company (the "Transaction"). As at the Report Date, the board of directors approved a reduction of the exercise price of the warrants from \$3.00 per common share to \$2.00 per common share. In connection with the Transaction, the Company issued 200,000 units as a finder's fee and incurred acquisition costs of \$47,147. Each unit was comprised of one common share of the Company and one share purchase warrant, which is exercisable at \$3.00 per share until December 9, 2024.

The Transaction resulted in the Company obtaining control of the combined entity by obtaining control of the voting rights, governance, and management decision making processes, and the resulting power to govern the financial and operating policies of the combined entity. The Company elected to apply the optional test to identify concentration of fair value to determine whether the Transaction constitutes a business combination or an asset acquisition. It was determined that the acquisition met the concentration test and the Transaction has been accounted for as an asset acquisition.

The Company determined the fair value of the 2,000,000 common shares at \$2.30 per share based on the publicly quoted stock price of the Company on the closing date. The fair value of the 2,000,000 warrants of \$2,811,800 was estimated using the Black-Scholes option pricing model. The Company allocated the total acquisition costs of \$7,458,948 to the acquisition to the individual assets acquired and liabilities assumed on the basis of their relative fair values as follows:

	\$
Cash	1,024
Amounts receivable	22,810
Intangible asset	7,435,114
<b>Fair value of net assets acquired</b>	<b>7,458,948</b>

In addition, the Company entered into a transition services agreement upon closing of the Transaction, whereby the Company engaged Mydecine to assist in the transition, transfer, and integration of Mindleap's technologies into the Company's technology platform for two months following the closing. As consideration, the Company paid two monthly consulting fee of \$50,000 each.

Mindleap launched the world's first telehealth platform for psychedelic integration on the iOS and Android stores in 2020. Upon closing of the Transaction, Mindleap became a wholly-owned subsidiary of the Company and will focus on B2C and B2B services for the wellness industry.

The Company entered into the Transaction in order to gain access to certain technologies and an installed base of consumers and health specialists. Mindleap's technological know-how, mental health content library and marketing footprint is expected to help us expand our reach to more users that align with the Company's Nara and MUJN business strategies, which may accelerate the initial revenue expected to be earned from monthly subscription fees and one-time fees paid by consumers and health practitioners on the Nara app and MUJN platform.

During the year ended December 31, 2023 the Company, through its subsidiary MUJN, entered into a development partnership agreement with LumiQuick Diagnostics, Inc., a Santa Clara-based medical device company ("LumiQuick "). The two companies are jointly developing targeted biomarker diagnostics to help patients undergoing alternative medicine therapy objectively track the efficacy of their treatment. The partnership between MUJN and LumiQuick is expected to provide a new diagnostics platform to help healthcare professionals more effectively monitor and treat their patients by assessing certain biomarkers, including, vitamin D and BDNF, during the patient treatment process.

During the year ended December 31, 2023, the Company retained Pulse Investor Relations Services Inc. ("PulseIR") to provide digital marketing services for investor relations. PulseIR is a digital marketing and advisory services firm based in Vancouver, BC, that specializes in providing its mobile-first, social-centric, community platform for investor relations. Under the terms of its agreement, PulseIR will provide its mobile wallet pass investor relations platform at a total cost to the Company of \$120,000 for an initial contract term of twelve months beginning January 16, 2023. The contract was not renewed upon its expiry. During the year ended December 31, 2023, the Company recognized consulting fees of \$113,871 pursuant to the agreement. As at December 31, 2023, the Company has recognized prepaid consulting fees of \$6,129 in prepaid expenses.

During the year ended December 31, 2023, PulseIR participated in the January 19, 2023 Offering by subscribing for 84,000 Units at an aggregate price of \$126,000.

During the year ended December 31, 2023, the Company, through its subsidiary MUJN, signed an agreement to lease space at Psy Integrated Health, Inc.'s ("Psy") Empower Health Wellness Centre clinic facility located in Vancouver, BC. The rental agreement will cover an initial term of 6 months, ending August 1, 2023, at \$600 per month. Effective September 1, 2023, Psy continued to lease the space on a month-to-month basis, which ceased on October 31, 2023. This rental agreement represented an important step in the development of a proposed joint diagnostic testing facility with Psy. Co-locating a diagnostic testing facility at the Empower Health Wellness Centre helped both MUJN and Psy more effectively understand the needs of clients suffering from brain health challenges.

During the year ended December 31, 2023, the Company, through its subsidiary, MUJN, signed a definitive master services agreement ("MSA") with Psy. Under the initial statement of work in the MSA, the trial biomarker testing program will collect patient biomarker data to assist practitioners and therapists in optimizing treatment plans that are personalized and specific based on the objective data obtained. MUJN will pay Psy a total fee of \$45,000 during the initial statement of work project, which was completed in Q4 2023.

During the year ended December 31, 2023, the Company, through its subsidiary MUJN, established a collaboration with Circle Innovation, a non-profit facilitator of technology solutions and innovation based in Vancouver. The joint project will include up to \$80,000 in financial support from Circle Innovation for the development of MUJN Diagnostics' brain health targeted clinical decision support system ("MUJN DSS"). The project will include development of analytics software, hardware integration and point-of-care diagnostic. MUJN DSS has the potential to change the way patients interact with integrative health providers by providing more personal and objective information on their treatment progress. The collaboration with Circle Innovation is invaluable to our development program. New alternative therapies for a variety of brain health conditions need objective data for clinicians and their patients to track the efficacy of their treatment.

Circle Innovation helps companies connect with consumers, tech providers and other stakeholders to solve R&D challenges, grow revenues, create jobs, and develop emerging technologies across Canada. Founding members of Circle Innovation are Simon Fraser University, Canada's leading university in research and innovation, as well as AGE-WELL, Canada's federally funded technology and aging network.

During the year ended December 31, 2023, the Company, through MUJN, signed a master services agreement with Hemex Health Inc. ("Hemex Health"), a medical diagnostic device company focused on developing life changing testing solutions for the point-of-care market. The term of the master services agreement extends for an initial period expiring June 30, 2023, and may be terminated upon 30 days prior written notice. The initial term was extended to January 2024 with total expenditures of \$45,000.

Hemex Health will assist MUJN in developing a diagnostics system, which can be used to support patients being treated with alternative therapies for brain health. This system will objectively track the efficacy of a patient's treatment program. As part of this engagement, MUJN will develop proprietary brain biomarker diagnostic panels, and Hemex Health will enhance their Gazelle point of care platform ("Gazelle") to analyze these tests. In March 2023, MUJN and Hemex Health initiated the diagnostic cartridge design phase of the engagement.

The relationship between MUJN and Hemex Health is expected to help usher in a new platform for integrated healthcare professionals using new brain health therapies to more effectively monitor and treat their patients. New promising alternative therapies for a variety of brain and mental health conditions and disorders, such as the use of psychedelics as a part of a structured treatment program, need objective data for clinicians and their patients to track and quantify the efficacy of their treatment.

Hemex Health breaks traditional barriers with its innovative diagnostic system that expands the potential of diagnostics for emerging diseases, making accurate tests accessible to new locations and new populations. Gazelle technology was developed in collaboration with Case Western Reserve University. Hemex Health is based in Portland, Oregon, USA. HemexDx, a subsidiary of Hemex Health, is based in Mumbai, India. More information can be found by going to [www.hemexhealth.com](http://www.hemexhealth.com)

During the year ended December 31, 2023, the Company retained Yellow Jersey PR Limited ("Yellow Jersey") to provide investor relations and digital marketing services (the "Services"). Yellow Jersey is arm's length to the Company and does not currently own any securities of the Company. Yellow Jersey is a full-service public relations and investor relations firm with offices in London, Leeds and Zurich, that specializes in marketing publicly listed companies in the UK and Europe.

Under the terms of the agreement, Yellow Jersey will provide a combination of public relations, investor relations advisory services, content development, web development, media buying and distribution, and campaign reporting at a monthly cost to the Company of £2,500 over an initial three-month period beginning April 5, 2023. Yellow Jersey's engagement was terminated upon the provision of three months prior written notice.

During the year ended December 31, 2023, the Company entered into a non-binding letter of intent ("LOI") with Interactive Health Inc. ("IHI"), whereby PanGenomic Health will license IHI's CyberPatient AI medical education platform ("CyberPatient AI Platform") for the exclusive use in the consumer, public health, and complementary and alternative medicine sectors ("CyberPatient Licence"). The LOI expired on its terms without the parties reaching a licensing agreement.

During the year ended December 31, 2023, The Company retained Traktor Beam Media Strategies Inc. ("TB") to provide social media engagement and audience procurement services (the "Services"). Under the terms of the agreement, TB will provide the Services at a monthly cost to the Company of US\$13,500 over an expected three-month period beginning August 1, 2023. TB is arm's length to the Company and does not own any securities of the Company. TB is a Vancouver-based social media intelligence firm that offers its clients audience analytics and communication solutions for brand support and marketing, utilizing proprietary AI based algorithms.

During the year ended December 31, 2023, the Company issued 563,930 common shares and 213,849 warrants with an exercise price of \$0.50 in connection with debt settlement agreements with a non-arm's length company controlled by an officer and an arm-length service provider to settle aggregated debt of \$281,965.

Subsequent to the year ended December 31, 2023, Vincent Lum resigned as a director of the Company. Mr. Lum, the previous CEO and a co-founder of PHI, will continue to serve as the CEO, President, Executive Chair and a director of the Company's subsidiary, MUJN Diagnostics Inc.

Subsequent to the year ended December 31, 2023, the Company appointed Francisco Kent Carasquero as a director of the Company. Mr. Carasquero previously served as the VP Finance and a director of the Company and has acted as a corporate finance consultant to the Company since its listing on the CSE.

Effective March 21, 2024, the Company completed a consolidation (the "Consolidation") of all of its issued and outstanding Class A Common Shares ("Common Shares") on the basis of ten (10) pre-Consolidation Common Shares for every one (1) post-Consolidation Common Share was completed. Immediately upon completion of the Consolidation, there were 10,496,748 Common Shares issued and outstanding. No fractional Common Shares were issued as a result of the Consolidation. Fractional Common Shares equal to or greater than one-half (1/2) were rounded up to the one whole number. Fractional Common Shares equal to less than one-half (1/2) were cancelled without any repayment of capital or other compensation.

The Common Shares began trading on a consolidated basis on the Canadian Securities Exchange (the "CSE") on March 21, 2024. The new CUSIP number for the post-Consolidation Common Shares is 69842E304 and the new ISIN is CA69842E3041. The Common Shares continue to trade on the CSE under the symbol "NARA", and the Company's name did not change. All Common Shares and per common share amounts in this MD&A have been retroactively restated to reflect the Consolidation.

Management of the Company believes that the Consolidation will provide the Company with a share structure that will better attract future capital financing and enhance growth opportunities.

Subsequent to the year ended December 31, 2023, the Company completed a settlement of outstanding indebtedness in the amount of \$1,075,116 through a private placement offering (the "Offering") of an aggregate of 21,502,320 units (the "Units") of the Company at a price of \$0.05 per Unit. Each Unit consists of one Class A common share in the capital of the Company (each a "Common Share") and one share purchase warrant (each a "Warrant"), with each Warrant being exercisable for one additional Common Share (a "Warrant Share") at a price of \$0.10 per Warrant Share for a period of 24 months from the date of issuance. If the closing price of the Common Shares is greater than or equal to \$0.20 for a period of 10 consecutive trading days, the Company may accelerate the expiration of the Warrants to the date that is 30 days after the issuance of a news release announcing such acceleration. The indebtedness settled in the Offering consisted of cash loans advanced to the Company as well as trade payables owed by the Company.

## **Products and Services**

The Company, through its subsidiaries, is developing its products using machine learning functionality to enable predictive analytics and personalization of mental health support resources. Community-based supported resources are curated by leveraging machine learning models using sentiment analysis.

The core products offered by the Company are a mobile app for consumers ("Nara"), a telehealth mental health app and telehealth platform for consumers ("Mindleap") and a clinical decision support platform for health practitioners ("MUJN"). The Nara mobile app provides consumers with a knowledge base tailored to an individual's unique user profile, leveraging input from mental health questionnaires, current drug treatment regimen, genomic sequencing analysis, as well as their protein and microbiome biomarker reports. The Mindleap platform provides a broad variety of tools and resources to help individuals understand and improve their inner wellness. Mindleap is a community platform that aims to foster the conscious and responsible adoption of holistic mental health offerings. The MUJN clinical decision support platform will provide health practitioners with access to the consumer's mobile app data and their diagnostic reports. This enhances identification of appropriate natural remedy treatments and allows practitioners to track their patient's natural treatment progress and effectiveness. The Company's planned lab-based services will provide health practitioners with proprietary genetic and protein biomarkers point of care diagnostics tests that will be developed to assist in tracking patient response to natural treatments. Until the Company is able to develop its own labs services, it will rely on third-party diagnostic labs for multi-omic analysis of blood, urine, stool and saliva specimens.

The Company anticipates that its initial revenue will be earned from monthly subscription fees and one-time fees paid by consumers for access to premium services on the Nara app. Revenue will also be earned from monthly subscription fees paid by health practitioners for access to an advanced knowledge base and treatment analytics, as well as fees earned for new patient and biomarker test referrals.

### *App for Consumers*

The Company's Nara mobile app provides users with personalized information about non-pharmaceutical alternatives to address mental health concerns. The Nara app is available for download in North America, United Kingdom, Ireland, Germany, Spain, France, Australia and New Zealand on the Apple App Store and the Google Play Store. The Company anticipates updates to be released each quarter. The free Nara App includes a plant medicine library, curated articles, a mental wellness tracker, a community forum and access to DNA insight reports to learn how genetics may impact the effectiveness of natural remedy solutions. The Company anticipates that the Nara app will be used by a wide-range of consumers interested in information about alternative plant-based medicine.

At appropriate stages, the app will refer consumers to a local health practitioner for professional treatment, and the individual will have the option to make their app data available to the health practitioner in the Company's MUJN platform. As the Nara app develops a deeper profile of the consumer through questionnaires, journaling and biomarker and genomics testing, it will provide more tailored information to the consumer about natural treatments.

The Mindleap app is an all-in-one app and telehealth platform that provides holistic mental health and



resilience through access to educational information about general wellness solutions including psychedelic-assisted therapies (PAT) and access to health practitioners involved in non-PAT treatments for mental health and wellness through the platform for consumers who are interested in accessing telehealth services from health practitioners practicing wellness treatments, such as breathwork and meditation. The Mindleap app is available for download worldwide on the Apple App Store and the Google Play Store. Mindleap's aim is to improve the delivery of mental wellness, from mood disorders to everyday resilience and capacity building, by providing a more cost-efficient all-in-one app and telehealth platform that improves accessibility, and saves time for users and clinicians alike. New content will be added to the Mindleap library that educates and guides users through leading-edge programs and new tools, such as Internal Family Systems (IFS), Non-Sleep Deep Rest (NSDR) and Vagal Nerve Stimulation (VNS).

The Nara and Mindleap apps handle highly personal health data, and the Company plans to ensure that such data will be strongly encrypted. Data shared within the app is owned by the user and will not be shared with third party organizations without the user's consent. The Company will adhere to the health data and privacy laws in relevant jurisdictions, such as compliance with the Health Insurance Portability and Accountability Act (HIPAA) in the United States.

During the year ended December 31, 2023, the Company recently launched website and e-commerce store for its Nara brand, available at nara.care, was put on hold. The Nara e-commerce platform was designed to offer curated information about natural supplements and lifestyle products, all tailored to feedback provided by consumers through the Nara app and DNA reports. Upon re-launch, the Nara proprietary DNA-based mental health report is available now to consumers via the updated Nara website. The Company expects to follow this update with two additional DNA reports; one covering general physical wellness, and the other women's health.

During the year ended December 31, 2023, the Company made available the Nara Plant Library on the Nara app as a resource to provide science-backed information about natural remedy alternatives to pharmaceutical drugs. Additionally, the Nara app now complies with US Federal Trade Commission ("FTC") guidelines.

#### *Clinical Decision Support Platform for Health Practitioners*

Targeted customers of the MUJN clinical decision support system will be health practitioners that are interested in tracking progress with natural remedy treatments for mental health conditions by analyzing symptoms, and indication specific protein/genetic biomarkers in a patient's biological samples.

The Company is developing the MUJN DSS to provide health practitioners with access to user health data, and the ability to: track patient natural medicine treatments, track patient symptoms, order MUJN biomarker diagnostics and eventually track prognosis using data analytics. In addition, MUJN will receive new patient referrals via Nara's referral access to alternative care providers. The Company plans to launch the MUJN clinical platform in Canada by the fourth quarter of 2024 with planned updates to be released each quarter and expansion into the United States thereafter. The Company anticipates that the clinic platform will be used by a variety of health-practitioners including medical doctors, naturopathic doctors, pharmacists, herbalists and counselors.

The clinic platform will eventually allow access and analyze data from pharmacogenomics, biomarker, nutrigenomics and ethnobotany research, together with data from an individual's genome sequence (whole genome, whole exome or single nucleotide polymorphisms), an individual's protein biomarkers and gut microbiome profile. By aggregating and curating health data from active and passive sources, the MUJN clinic platform translates data into concise, actionable insights for a health practitioner that provide targeted information for effective treatment of patients using a variety of alternative treatments.

Many alternative remedy compounds contain active ingredients that bind to and activate key receptors in the body. One of the challenges of using natural treatments is the differential individual patient dose responses, change in tolerance within individual patients and the inability to effectively monitor patients undergoing treatment effectively in a quantitative manner. Monitoring a patient's biomarker levels,

determining appropriate dosing and confirming efficacy will assist in driving appropriate usage and demand for alternative treatments.

Underpinning the Company's MUJN platform will be the scalable Excelar digital health platform acquired by the Company that provides:

- A secure data capture and analytics platform;
- Proven privacy & security compliance data management;
- Electronic health/medical records integration;
- Cross linking and integration of data across patient continuum of care; and
- User consent support for research data and data sharing for clinical referrals.

During the year ended December 31, 2023, the Company, through its subsidiary MUJN, commenced a Vitamin D health assessment service and has also launched a corporate website at mujn.ai. The Company introduced the MUJN biomarker assessment platform at Vancouver-based Empower Health Wellness Centre. This first service provides Empower Health practitioners with rapid in-clinic access to patient Vitamin D assessments. Vitamin D deficiency is a global public health problem affecting over one billion people, regardless of age, ethnicity or location.

Our strategy is to continue to expand MUJN Diagnostic's health services beyond the initial Vitamin D assessments to include rapid in-clinic access to a panel of mental health patient point-of-care biomarker assessments.

During the year ended December 31, 2023, the Company, through its subsidiary MUJN, launched its BDNF (brain-derived neurotrophic factor) mental health biomarker health assessment service and completed its first sale of the point-of-care test marketed to health clinics in Canada.

### ***Proprietary Protection***

We protect our intellectual property rights through a combination of patents, trademarks and trade secret laws as well as contractual provisions. The Company uses non-disclosure agreements with business partners, prospective customers, and other relationships where disclosure of proprietary information may be necessary. We also use such agreements with our employees and consultants which assign to us all intellectual property developed in the course of their employment or engagement. We also secure from such individuals obligations to execute such documentation as is reasonably required by the Company to evidence our ownership of such intellectual property.

We have filed trademark applications in Canada covering the word marks "Nara", "Nustasis", "PanGenomic", and "PlantGx" and trademark applications in Canada and the United States covering the word marks "Mindleap" and "Future of Inner Wellness".

The Company uses machine learning primarily for predictive analytics and personalization of mental health support resources for the end user. A significant portion of our proprietary technology focuses on data collection and data normalization including data categorization and labeling.

The Nara consumer app collects a diverse set of user data including user demographic profile information, lifestyle data such as alcohol and substance use as well as mental health risk factors relating to the user's health conditions such as specific chronic diseases. The app captures standardized GAD7 anxiety and PHQ9 depression questionnaire data, as well as normalized user journey data including mood, sleep, and cognition, and tracks changes in the user parameters over time. User medication regimen data includes anti-anxiety, anti-depression, as well as other pharmaceutical medications, and natural treatments. The predictive personalization model is augmented by user feedback based on support resources that the user found useful, shared, or liked. Community-based supported resources are curated leveraging machine learning models using sentiment analysis.

The Company's data model domains also include multi-dimensional biomarkers such as gene, protein, metabolite, and microbiome. As our system uses a multi-domain approach, the machine learning model being developed uses a distributed machine learning approach to overlay and enhance the personalization based on available user data.

As a result of the acquisition of the LivNao IP on March 16, 2022, the Company also has rights to pending patent claims from an international Patent Cooperation Treaty application filed in January 2021 (the "LivNao PCT Application"), bearing the Publication Number WO/2021/144652 and International Application Number PCT/IB2021/000013, for a "Mental Health Management Platform" (the "LivNao Patent Claims"). The LivNao Patent Claims are related to "systems and methods for monitoring an individual's behaviour, via passive collection of data associated with the individual, and determining a mental health status of the individual based on such behaviour". The Company expects that the LivNao Patent Claims will support the intellectual property rights of the Nara App, as such claims relate to planned product enhancements that will enable passive data collection from the mobile phones of Nara App users.

As a result of the acquisition of Mindleap on December 9, 2022, the Company through its subsidiary, Mindleap, has rights to pending patent claims from a USPTO patent application filed in 2021 bearing the Application Number 63/149913 and an international Patent Cooperation Treaty application filed in 2022 (the "Mindleap PCT Application"), bearing the Publication Number WO 2022/174342 A1 and International Application Number PCT/CA2022/050226, for a "Method Of Generating A Recommendation For Improving A User's Mental Health" (the "Mindleap Patent Claims"). The Company expects that the Mindleap Patent Claims will support the intellectual property rights of the Mindleap app.

## **FUTURE PLANS**

The Company through its subsidiary, MUJN, will focus on generating revenue from monthly subscription fees and one-time fees paid by health practitioners for access to the PGx platform and diagnostic tests, which will provide treatment analytics. Revenue is also expected to be earned by the Company's subsidiary, PTC, from monthly subscription fees and one-time fees paid by consumers for access to premium services on the Nara app. The Company subsidiary, Mindleap, is expected to launch a marketing campaign and generate subscription and fee sharing revenue from Mindleap's app users and health specialists.

## **PROPOSED TRANSACTIONS**

In the normal course of business, management actively targets sources of additional financing through alliances with financial entities or other business and financial transactions which would assure continuation of the Company's operations and technology programs.

Subsequent to the year ended December 31, 2023, the Company signed a non-binding letter of intent with Crescita Capital LLC ("Crescita Capital") for a \$5 million equity drawdown facility ("Equity Drawdown Facility").

Under the proposed non-revolving Equity Drawdown Facility, PHI will have three years to utilize the \$5 million for general working capital purposes and strategic acquisitions. PHI can draw down funds from the Equity Drawdown Facility from time to time during the three year term at PHI's discretion by providing a notice to Crescita Capital. In consideration for advances made by Crescita Capital under the Equity Drawdown Facility, PHI will allot and issue units to Crescita Capital at an issue price equal to the greater of 85% of the average closing bid price of PHI's common shares on the CSE during the 10 trading days immediately prior to the closing date of each drawdown and the minimum issue price permitted by the CSE (the "Issue Price"). Each unit issued under the Equity Drawdown Facility will be comprised of one common share and one-half of one common share purchase warrant (a "Warrant"). Each Warrant will be exercisable for three years from the date of issue at an exercise price equal to the greater of 125% of the Issue Price and the minimum exercise price permitted by the CSE.

Upon the execution of a definitive agreement for the Equity Drawdown Facility, PHI will be required to pay a commitment fee to Crescita Capital equal to 6% of the total commitment (\$300,000), payable in cash or Common Shares at a deemed price equal to the greater of \$0.04 per common share and the minimum price

permitted by the CSE. PHI will also be required to pay the legal fees of Crescita Capital up to a maximum of \$26,000.

The proposed Equity Drawdown Facility is subject to the execution of a definitive agreement and the customary conditions precedent for transactions of this nature, including, the approval of the CSE if required under its rules and policies.

## SELECTED ANNUAL INFORMATION

The following table sets out selected information for and as of the years indicated. The financial information is derived from the Company's consolidated financial statements.

	December 31, 2023 \$	December 31, 2022 \$	December 31, 2021 \$
Total revenue	-	-	-
Net loss	(2,972,914)	(11,994,328)	(2,649,322)
Net loss per share, basic and fully diluted	(0.30)	(2.19)	(1.30)
Total assets	71,478	504,142	2,576,928
Total non-current financial liabilities	-	-	-
Dividends declared	-	-	-

The fluctuation of the total assets over the years indicated above relates to the acquisition of intangible assets during the 2021 year that were impaired during the year ended 2022 due to the uncertainty of timing and amount of future economic benefits. In addition, cash decreased from 2022 to 2023 due to payments relating to the operating expenses funded during the year.

## DISCUSSION OF OPERATIONS

For the year ended December 31, 2023, the Company incurred a net loss and comprehensive loss of \$2,972,914 (2022 - \$11,994,328). The decrease in the net loss was due to a slowdown in operations during the year ended December 31, 2023 due to the Company not yet generating any revenue and relying on the current market conditions. The Company completed its listing on the CSE during the year ended December 31, 2022, and completed its listing on the AQSE during the year ended December 31, 2023. Details of material expenses are as follows:

- advertising and promotion of \$280,612 (2022 - \$495,694) primarily relating to a service agreement entered into whereby the service provider would launch a strategic digital marketing campaign to build brand recognition and awareness and to gain access to potential customers, vendors and partners;
- consulting fees of \$839,794 (2022 - \$954,847) relates to various services pertaining to potential business ventures including consulting fees to related parties (see section "Related Party Disclosures" below). The decrease was primarily due to two former directors no longer providing consultants services;
- professional fees of \$297,459 (2022 - \$269,364) relating to accounting and legal work primarily relating to the long form prospectus, listing on the CSE and the AQSE, warrant repricing and standard regulatory compliance;
- transfer agent and filing fees of \$134,139 (2022 - \$64,914) increased due to the CSE and AQSE listings;

- research and development of \$253,784 (2022 - \$534,113) relating to consulting fees for developing the Company's products using machine learning functionality to enable predictive analytics and personalization of mental health support resources;

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
	\$	\$
<i>App for Consumers</i>		
Mindleap Consulting	49,939	-
Recovery in R&D (Mindleap)	(779)	-
Nara Consulting	81,535	534,113
Recovery in R&D (Nara)	(242)	-
<i>Clinical Decision Support Platform for Health Practitioners</i>		
MUJN Consulting	123,331	-
<b>Total</b>	<b>253,784</b>	<b>534,113</b>

- wages and benefits of \$681,432 (2022 - \$522,767) relating to the hiring of management as outlined in the long form prospectus and employees for development resource, market analysts and research and development;
- Non-cash share-based compensation of \$166,300 (2022 - \$616,786) relating to the value of performance warrants and stock options vested during the period, and the incremental fair value of certain warrants modified during the period;
- Non-cash impairment of intangible assets of \$Nil (2022 - \$8,361,114) due to the uncertainty of timing and amount of future economic benefits and in 2021 due to the transaction price of the PTC net assets acquired being different from the fair value; and
- Non-cash impairment of loan receivable of \$37,345 (2022 - \$Nil) due to the uncertainty of collectability of the loan.

#### **Fourth Quarter**

The Company incurred a net loss and comprehensive loss of \$552,871 (2022 - \$9,364,744) for the three months ended December 31, 2023. The decrease in the net loss was due to a slowdown in operations because of the Company not yet generating any revenue and relying on the current market conditions compared to the increase in operating activities as result the CSE listing in the prior period.

Details of material expenses are as follows:

- advertising and promotion of \$204,748 (2022 - \$130,957) primarily relating to a service agreement entered into whereby the service provider would launch a strategic digital marketing campaign to build brand recognition and awareness and to gain access to potential customers, vendors and partners. The increase is due to the reclassification for presentation purpose from consulting fees to advertising and promotion;
- consulting fees of \$167,695 (2022 - \$213,910) relating to various services pertaining to potential business ventures including consulting fees to related parties (see section "Related Party Disclosures" below). The increase was primarily due to the addition of a consultant to perform services with respect to the development of the Company's operations and business during the period ended December 31, 2023;
- professional fees of \$23,288 (2022 - \$41,159) relating to accounting and legal work primarily relating to standard regulatory compliance compared to the long form prospectus and listing on the CSE in 2022;
- rent of \$Nil (2022 - \$1,000) for a short-term office space. The reduction resulted in the cancellation of the short-term office space;
- transfer agent and filing fees of \$6,279 (2022 - \$30,519) relating to the decrease in the issuance of shares;

- research and development of \$30,580 (2022 - \$64,385) relating to consulting fees for developing the Company's products using machine learning functionality to enable predictive analytics and personalization of mental health support resources;

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
	\$	\$
<hr/>		
<i>App for Consumers</i>		
Recovery in R&D (Mindleap)	(250)	
Nara Consulting	1,371	64,385
<i>Clinical Decision Support Platform for Health Practitioners</i>		
MUJN Consulting	29,459	-
<b>Total</b>	<b>30,580</b>	<b>64,385</b>

- wages and benefits of \$73,182 (2022 - \$210,039) relating to the hiring of management as outlined in the long form prospectus and employees for development resource, market analysts and research and development. During the month of June 30, 2023, following a slowdown in operations, the Company laid off employees;
- Non-cash share-based compensation of \$(1,200) (2022 - \$199,672) relating to the value of performance warrants and stock options vested during the period, and the incremental fair value of certain warrants modified during the period;
- Non-cash impairment of intangible assets totaling \$Nil (2022 - \$8,361,133) due to the uncertainty of timing and amount of future economic benefits and in 2021 due to the transaction price of the PTC net assets acquired being different from the fair value;
- Non-cash impairment of loan receivable of \$37,345 (2022 - \$Nil) due to the uncertainty of collectability of the loan.

## SUMMARY OF QUARTERLY RESULTS

The following table sets out selected quarterly financial information derived from the Company's consolidated financial statements prepared in accordance with IFRS.

<b>Period</b>	<b>Total revenue</b>	<b>Loss and comprehensive loss for the period</b>	<b>Net loss per share, basic and fully diluted</b>
	\$	\$	\$
December 31, 2023	-	(552,871)	(0.05)
September 30, 2023	-	(400,382)	(0.10)
June 30, 2023	-	(961,441)	(0.10)
March 31, 2023	-	(1,058,220)	(0.10)
December 31, 2022	-	(9,364,744)	(1.60)
September 30, 2022	-	(1,000,462)	(0.20)
June 30, 2022	-	(807,790)	(0.20)
March 31, 2022	-	(821,332)	(0.20)

Over the past eight quarters, comprehensive losses ranged from a high of \$9,364,744 in the last quarter of the fiscal year ended in 2022 to a low of \$400,382 in the third quarter of the fiscal year ended in 2023.

Significant expenses during the quarter ended March 31, 2022 include professional fees of \$66,270, advertising and promotion of \$133,307, consulting fees of \$235,500, research and development of \$159,554, and share-based compensation of \$135,104. Overall net loss was lower than the previous quarter as a result of no assets meeting the impairment test, which was offset with higher operating costs resulting from the PGT acquisition, the cost incurred during the quarter in connection with the long form

prospectus and listing on the CSE, and a non-cash share-based compensation charge being incurred to reflect the fair value relating to the period.

Significant expenses during the quarter ended June 30, 2022 include professional fees of \$90,627, advertising and promotions of \$67,297, consulting fees of \$258,009, research and development of \$191,590 and share-based compensation of \$67,111. Overall net loss remained consistent with the previous quarter due to the PGT operating costs, the cost incurred during the quarter in connection with the long form prospectus and listing on the CSE, and a non-cash share-based compensation charge being incurred to reflect the fair value relating to the period.

Significant expenses during the quarter ended September 30, 2022 include professional fees of \$71,308, advertising and promotions of \$164,130, consulting fees of \$237,428, research and development of \$118,584, wages and benefits of \$140,720 and share-based compensation of \$214,899. Overall net loss increased from the previous quarter due to the filing of the long form prospectus and listing on the CSE.

Significant expenses during the quarter ended December 31, 2022 include professional fees of \$41,159, advertising and promotions of \$130,957, consulting fees of \$223,910, research and development of \$64,385, wages and benefits of \$210,039 and share-based compensation of \$199,672. Overall net loss increased from the previous quarter due to the impairment of the intangible assets. In accordance with IAS 36 Impairment of Intangible Assets ("IAS 36"), the Company recognized an impairment loss on intangible assets of \$8,361,114: comprised of \$7,435,114 for Mindleap, \$76,000 for LivNao and \$850,000 for the Nara and MUJN intangible assets. Pursuant to IAS 36, a primary impairment indicator existed for each of the intangible assets, wherein there was uncertainty that the Company will be sufficiently certain to meet the probability of future economic benefits in a timely manner and the amounts of the future economic benefit. This was due to the Company not yet generating income on the related intellectual properties. The Company does not foresee any impact to the Company's operations and future performance resulting from the impairment of these intangible assets.

Significant expenses during the quarter ended March 31, 2023 include professional fees of \$110,114, advertising and promotions of \$45,568, consulting fees of \$288,296, research and development of \$159,984 and share-based compensation of \$61,605. Overall net loss was lower than the previous quarter as a result of no assets meeting the impairment test, the cost incurred during the quarter in connection with the listing on the AQSE subsequent to the period, the acquisition of Mindleap in the previous quarter and a non-cash share-based compensation charge being incurred to reflect the fair value relating to the period.

Significant expenses during the quarter ended June 30, 2023 include professional fees of \$148,795, consulting fees of \$272,105, research and development of \$64,868, wages and benefits of \$206,851 and share-based compensation of \$87,088. Overall net loss was slightly lower than the previous quarter as a result of no assets meeting the impairment test, the cost incurred in connection with the listing on the AQSE in the previous periods, no acquisition and a non-cash share-based compensation charge being incurred to reflect the fair value relating to the period.

Significant expenses during the quarter ended September 30, 2023 include consulting fees of \$111,698 and wages and benefits of \$158,203. Overall net loss was slightly lower than the previous quarter as a result of a slowdown in operations because of the Company not yet generating any revenue and relying on the current market conditions.

Significant expenses during the quarter ended December 31, 2023 include advertising and promotion of \$204,748, consulting fees of \$167,695, research and development of \$30,580, and wages and benefits of \$73,182. Overall net loss was slightly lower than the previous quarter as a result of a slowdown in operations because of the Company not yet generating any revenue and relying on the current market conditions.

## **LIQUIDITY**

During the year ended December 31, 2023, the Company has not generated any revenues. The Company started the year with a working capital deficiency of \$234,882. As at December 31, 2023, the Company had

a working capital deficiency of \$2,155,116 and an accumulated deficit of \$17,954,436. The Company's performance was as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>	
	<b>\$</b>	<b>\$</b>	<b>Change</b>
Cash used in operating activities	(1,568,065)	(2,782,546)	1,214,481
Cash used in investing activities	(3,142)	(52,129)	48,987
Cash provided by financing activities	1,495,241	1,574,579	(79,338)

### **Operating Activities**

Operating activities generated a net cash outflow of \$1,568,065 (2022 - \$2,782,546). The use of cash decrease is primarily attributable to a slowdown in operations.

### **Investing Activities**

Investing activities consisted of the purchase of equipment totaling \$3,142 during the year ended December 31, 2023 compared to the purchase of equipment totaling \$6,005, cash acquired of \$1,023 and costs incurred of \$47,147 in connection with the acquisition of Mindleap during the year ended December 31, 2022.

### **Financing Activities**

The cash inflow relates to proceeds received from units issued, warrants exercised and loans and repayment of loans.

On January 19, 2023, the Company issued 141,500 units at \$1.50 per unit for gross proceeds of \$312,250. The Company also issued 66,667 units at \$1.50 per unit to settle a loan payable of \$100,000. Each unit consisted of one common share of the Company and one share purchase warrant. Each share purchase warrant is exercisable at \$3.00 per common share expiring on January 19, 2025, subject to the Company's right to accelerate the expiry date of such warrant if the closing price of the common shares is equal to or greater than \$6.00 per share for 10 consecutive trading days. In connection with the issuance, the Company incurred share issuance costs of \$6,858.

On November 15, 2023, the Company issued 213,849 units with fair value of \$121,980 to settle accounts payable of \$106,924 resulting on a loss on settlement of \$15,056. Each unit consisted of one common share and one share purchase warrant exercisable at \$0.50 per common share expiring on August 31, 2025. The fair value of \$47,133 for the share purchase warrants was determined using the Black-Scholes option pricing model and the following assumptions: expected volatility of 147%, expected lif of 1.79 years, risk-free rate of 4.52%, no dividends, and no forfeitures.

On November 15, 2023, the Company issued 350,081 common shares with a fair value of \$122,528 to settle accounts payable of \$175,040 owed to a company controlled by the CTO of the Company resulting in a gain on settlement of \$52,512.

During the year ended December 31, 2023, the Company issued a total of 267,220 common shares upon the exercise of share purchase warrants at \$1.00 per share for proceeds of \$267,220.

During the year ended December 31, 2023, the Company issued a total of 20,000 common shares upon the exercise of share purchase warrants at \$3.00 per share for proceeds of \$60,000.

On March 16, 2022, the Company issued 50,000 common shares with a fair value of \$75,000 pursuant to the LivNao Agreement.

On July 7, 2022, the Company issued 736,600 units at \$1.50 per unit for gross proceeds of \$1,104,900. Each unit consisted of one common share of the Company and one share purchase warrant. Each share purchase warrant is exercisable at \$3.00 per common share expiring on July 7, 2024, subject to the Company's right to accelerate the expiry date of such warrant if the closing price of the common shares is



equal to or greater than \$6.00 per share for 10 consecutive trading days. In connection with the issuance, the Company incurred share issuance costs of \$9,657.

On November 23, 2022, the Company entered into a loan agreement with an arm's length party for \$101,771 (US\$75,000). The loan bears interest at 8% per annum and is due on or before December 31, 2022. The loan was repaid on January 19, 2023.

On March 6, 2023, the Company entered into a loan agreement with an arm's length party for \$100,000. The loan bears interest at 8% per annum and was due and payable on June 30, 2023. The loan is still outstanding as of December 31, 2023.

On March 8, 2023, the Company entered into a loan agreement with an arm's length party for \$50,000. The loan bears interest at 8% per annum and was due and payable on June 30, 2023. The loan is still outstanding as of December 31, 2023.

On March 28, 2023, the Company entered into a loan agreement with an arm's length party for \$50,000. The loan bears interest at 8% per annum and was due and payable on June 30, 2023. The loan is still outstanding as of December 31, 2023.

On March 28, 2023, the Company entered into a loan agreement with an arm's length party for \$200,000. The loan bears interest at 8% per annum and was due and payable on June 30, 2023. The loan is still outstanding as of December 31, 2023.

On May 8, 2023, the Company entered into a loan agreement with an arm's length party for \$100,000. The loan bears interest at 8% per annum and was due and payable on June 30, 2023. The loan is still outstanding as of December 31, 2023.

On August 1, 2023, the Company entered into a loan agreement with an arm's length party for \$100,000. The loan bears interest at 8% per annum and was due and payable on September 30, 2023. The loan is still outstanding as of December 31, 2023.

On September 15, 2023, the Company entered into a loan agreement with an arm's length party for \$26,527 (US\$20,000). The loan bears interest at 8% per annum and is due and payable on February 28, 2024.

On October 10, 2023, the Company entered into a loan agreement with an arm's length party for \$338,219 (US\$255,000). The loan bears interest at 8% per annum and is due and payable on February 28, 2024. The loan is still outstanding as of December 31, 2023.

Subsequent to the year ended December 31, 2023, the Company received a total of \$47,000 in loans from arm's length parties. The loans bear interest at 8% per annum and is due and payable on August 31, 2024.

The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing through debt or equity. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors may cast significant doubt on the Company's ability to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

## **RELATED PARTY DISCLOSURES**

As at the Report Date, the directors, officers and management of the Company are as follows:

Maryam Marissen, CEO, President and Director

Robert Nygren, Executive Chair and Director

Francisco Kent Carasquero, Director

Vincent Lum, CEO and President of MUJN, Former Director and former CEO and President of PHI

Tammy Gillis, Chief Financial Officer (“CFO”), Treasurer and Secretary  
Kaidong Zhang, Chief Scientific Officer (CSO”)

During the year ended December 31, 2023, Colin Quon was appointed Chief Technology Officer (“CTO”) of MUJN and ceased his role as CTO of the Company. Mr. Quon's focus as CTO of MUJN will be on the development of the MUJN Diagnostic Support System. The independent directors, Peter Green and Jonathan Lutz, tendered their resignations effective July 12, 2023.

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and includes both executive and non-executive directors, and entities controlled by such persons. The Company considers all Directors and Officers of the Company to be key management personnel.

The following are the remuneration of the Company's related parties:

	Year ended	
	December 31, 2023	December 31, 2022
	\$	\$
CEO, for wages	150,000	60,000
CFO, for consulting fees	75,000	41,000
Executive Chair and Director, for wages	150,000	70,000
CSO, for wages	58,543	41,250
Company controlled by CTO, for consulting fees	27,500	60,000
Company controlled by the Executive Chair, for consulting fees	–	80,000
Company controlled by a director and former CEO, for consulting fees	–	79,500
Company controlled by the CTO, for advertising and promotion	–	35,587
Company controlled by the CTO, for research and development	70,749	449,182
Company controlled by the CSO, for consulting fees	–	70,000
Company controlled by a former director, for consulting fees	30,000	52,500
Company controlled by a former director, for director's fees	30,000	17,500
Former director, for consulting fees	30,000	52,500
Former director, for director's fees	30,000	25,000
Former VP Finance, for consulting fees	–	90,000
Former CEO, for wages	150,000	60,000
Share-based compensation	116,718	511,565
	918,510	1,795,584

Amounts due to related parties are non-interest bearing, unsecured and due on demand.

	December 31, 2023	December 31, 2022
	\$	\$
CEO	72,500	7,500
CFO	26,250	–
CTO of MUJN	–	1,043
Companies controlled by the CTO of MUJN	13,125	110,272
CSO	15,865	4,125
Executive Chair and company controlled by the Executive Chair	156,500	74,150
Company controlled by a former Director	31,500	17,500
Former director	67,250	31,000
Former director and former CEO	69,500	(3,000)
	452,490	242,590

## ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new standards, and amendments to standards and interpretations are effective for the year ended December 31, 2023. Furthermore, a number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended December 31, 2023, and have not been early adopted in preparing the consolidated financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

## OUTSTANDING SHARE DATA

The authorized share capital of the Company consists of unlimited common shares without par value and unlimited number of Class B preferred shares without par value. As at the Report Date, there were 31,999,068 (December 31, 2023 – 10,496,748) common shares.

As at the Report Date the following stock options were outstanding:

	<b>Exercise Price</b>	<b>Expiry Date</b>
	\$	
145,000	1.50	December 27, 2024
100,000	2.30	September 6, 2025
12,000	2.30	December 9, 2025
<u>257,000</u>		

During the year ended December 31, 2023, the board of directors approved a reduction of the exercise price of certain warrants from \$3.00 per common share to \$2.00 per common share. As at the Report Date the following share purchase warrants were outstanding:

	<b>Exercise Price</b>	<b>Expiry Date</b>
	\$	
1,800,000	2.00	December 9, 2024
200,000	3.00	December 9, 2024
133,333	2.00	December 23, 2024
208,167	2.00	January 19, 2025
300,000	1.50	July 1, 2025
213,849	0.50	August 31, 2025
21,502,320	0.20	May 27, 2026
<u>24,357,669</u>		

## CAPITAL RESOURCES

The Company has not yet realized profitable operations and it has relied on non-operational sources of financing to fund operations. The ability of the Company to achieve its objectives, meet its ongoing obligations and recover its investments in assets will depend on management's ability to successfully execute its business plan, achieve profitable operations and obtain additional financing, if or when required. There is no assurance that these initiatives will be successful.

## CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the general operations of the Company and facilitate the liquidity needs of its operations. 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. The Company defines capital to include its working capital position, share capital, and accumulated deficit.

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 in the Company's approach to capital management during the year ended December 31, 2023. The Company is not subject to externally imposed capital requirements.

## **FINANCIAL INSTRUMENTS**

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity, credit, foreign exchange rate, and interest rate. Where material, these risks are reviewed and monitored by the Board of Directors.

### **Credit Risk**

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counter-party default on its obligation. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents and loans receivable. The Company minimizes its credit risk associated with its cash and cash equivalents by dealing with major financial institutions in Canada. The carrying amount of financial assets represents the maximum credit exposure.

### **Foreign Exchange Rate Risk**

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is not exposed to any significant foreign exchange rate risk.

### **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 not exposed to interest rate risk as it does not have any assets or liabilities that are affected by changes in interest rates.

### **Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company manages liquidity risk by maintaining sufficient cash balances and adjusting its operating budget and expenditure. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term and other specific obligations.

### **Fair Values**

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on 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. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which includes cash and cash equivalents, amounts receivable (except GST receivable), loan receivable, accounts payable and accrued liabilities, amounts due to related

parties, and loans payable, approximate their carrying values due to the relatively short-term maturity of these instruments.

## **RISK AND UNCERTAINTIES**

Risk is inherent in all business activities and cannot be entirely eliminated. Our goal is to enable the Company's business processes and opportunities by ensuring that the risks arising from our business activities, the markets and political environments in which we operate is mitigated. The risks and uncertainties described in this section are considered by management to be the most important in the context of the Company's business. The risks and uncertainties described are not inclusive of all the risks and uncertainties the Company may be subject to and other risks may apply.

### ***Limited operating history.***

The Company has a limited history of operations and is considered a start-up company. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of the Company's success must be considered remote in light of its early stage of operations.

### ***Negative operating cash flow.***

Although the Company expects to become profitable, there is no guarantee that will happen, and the Company may never become profitable. The Company currently has a negative operating cash flow and may continue to have that for the foreseeable future. To date, the Company has not generated significant or recurring revenues and the Company expects significant capital investment will be required to begin earning revenue. As a result, the Company expects its net losses from operations to worsen. The Company's ability to generate additional revenues and potential to become profitable will depend largely on its ability to develop, manufacture and market our products. There can be no assurance that any such events will occur or that the Company will ever become profitable. Even if the Company does achieve profitability, the Company cannot predict the level of such profitability. If the Company sustains losses over an extended period of time, the Company may be unable to continue its business.

### ***Additional financing.***

The Company has no source of operating cash flow to fund all of its operational needs and will require significant additional financing to continue its operations. There can be no assurance that such financing will be available at all or on favourable terms. Failure to obtain such additional financing could result in delay or indefinite postponement of the Company's deployment of its products. Additional financing may dilute the ownership interest of the Company's shareholders at the time of the financing, and may dilute the value of their investment.

### ***Uncertainty of additional capital.***

The Company anticipates expending substantial funds to carry out the development, introduction, distribution and production of its products. The Company will require additional funds for these purposes through one or more public or private equity financings, by taking on debt financing, or from other sources. No assurance can be given that such additional funds will be available on acceptable terms or at all. If such funds are unavailable or are only available at a prohibitive cost, the Company may have to significantly curtail its product development program or seek funds through financing alternatives that may require the Company to sell its rights to certain products or certain marketing territories. Any additional equity financing may result in dilution to existing shareholders.

***General venture company risks.***

An investment in the Company's securities should be considered highly speculative due to the nature of the Company's business, the early stage of its deployment, its current financial position and ongoing requirements for capital. An investment in the Company's securities should only be considered by those persons who can afford a total loss of investment, and is not suited to those investors who may need to dispose of their investment in a timely fashion. Investors should consult with their own professional advisors to assess the legal, financial and other aspects of an investment in the Company's securities.

The Company's actual financial position and results of operations may differ materially from the expectations of the Company's management.

The Company's actual financial position and results of operations may differ materially from management's expectations. The Company's revenue, net income and cash flow may differ materially from the Company's projected revenue, net income and cash flow. The process for estimating the Company's revenue, net income and cash flow requires the use of judgment in determining the appropriate assumptions and estimates. These estimates and assumptions may be revised as additional information becomes available and as additional analyses are performed. In addition, the assumptions used in planning may not prove to be accurate, and other factors may affect the Company's financial condition or results of operations.

***Staffing challenges.***

The recruitment and retention of qualified professionals to develop products, as well as sales, marketing and financial professionals, is critical to the Company's future success. Employee turnover rates can be high and competition for experienced personnel is high. The Company's failure to attract and retain professionals may prevent or hinder its ability to pursue the business plan and grow its business.

***Managing growth.***

If the business plan is successful, the Company may experience significant growth in a short period of time and encounter potential scaling issues. The Company's financial, management and operating resources may not expand sufficiently to adequately manage growth. Costs may increase disproportionately if rapid growth is not manageable, and future revenues may stop growing or decline and the Company may face dissatisfied customers. Failure to manage growth may adversely impact the Company's business and the value of the shareholders' investment.

***Failure to successfully integrate acquired businesses and other assets.***

The consummation and integration of acquired businesses or other assets into the Company may be complex and time consuming and, if such businesses and assets are not successfully integrated, the Company may not achieve the anticipated benefits, cost-savings or growth opportunities. Such acquisitions and other arrangements, even if successfully integrated, may fail to further the Company's business strategy as anticipated, expose the Company to increased competition or other challenges with respect to its products or geographic markets, and expose the Company to additional liabilities associated with an acquired business, technology or other asset or arrangement.

***Discretion and uncertainty of use of available funds.***

Although the Company has set out its intended use of available funds, these intended uses are estimates only and subject to change. While management does not currently contemplate any material variation, management does retain broad discretion in the application of such proceeds. The results and the effectiveness of the application of the funds are uncertain. The failure by the Company to apply these funds effectively could have a material adverse effect on its business, including the Company's ability to achieve its stated business objectives. In addition, the Company may use the funds in ways that a shareholder may not consider desirable.

***Consumer discretionary spending.***

The Company's business is affected by general economic conditions as its products are discretionary, and the Company depends, to a significant extent, upon a number of factors relating to discretionary consumer spending. These factors include economic conditions and perceptions of such conditions by consumers, employment rates, the level of consumers' disposable income, business conditions, interest rates, consumer debt levels and availability of credit.

***Development of software products.***

To execute the business plan, the Company must develop software products. If the technologies are not accepted in the marketplace, or if the technologies are not brought to market in a timely manner, this could materially and adversely impact the Company.

The Company's future success depends on the ability to maintain a competitive position with respect to technological advances. Competitors may develop products that are more effective or develop products faster, which could in turn render the Company's technology obsolete or non-competitive.

There can be no assurance that there is a market for the Company's products, or of the size of the market or the market's acceptance of our products. Sales outcomes are based upon a variety of factors which cannot be assured. If the Company fails to successfully develop and commercialize the Company's products, or if the products are not accepted by the market, the Company's business prospects will suffer.

***Health data and security breaches.***

The Company's products involve access to user health data and other confidential and private information, including credit and debit card numbers and other personally identifiable information. The Company believes that it is taking reasonable steps to protect the security, integrity and confidentiality of the information the Company collects, uses, stores and discloses, but there is no guarantee that inadvertent or unauthorized data access or use will not occur despite prevention efforts. In the future, attempts may be made to disable the Company's systems or breach the security of its systems. It is generally difficult to recognize techniques to obtain unauthorized access to personal information, confidential information and/or the systems on which such information are stored and/or to sabotage systems until they are launched against a target, as they frequently change. As a result, the Company may be unable to anticipate these techniques or to implement adequate preventative measures.

The market perception of the Company's security measures could be harmed if an actual or perceived security breach occurs. The Company could also lose Nara App and PlantGx Platform users and/or suffer other negative consequences to its business. A security breach could cause the loss or corruption of data, which could harm our business. Any failure to maintain the security of our systems could result in loss of personal information and/or other confidential information, damage to our reputation and relationships with users, early termination of contracts with users and other business losses, indemnification of our users, financial penalties, litigation, regulatory investigations and other significant liabilities. In the event of a major third-party security incident, we may incur losses in excess of their insurance coverage.

***Innovations in genomic reporting.***

The Company expects to encounter intense competition from companies that provide reports based on a user's genomic data. Many of the Company's competitors have substantially greater financial, technical, research, marketing, sales, service and other resources than the Company, and may develop products that are superior to those of the Company. Competitors may succeed in obtaining patent protection for their products before the Company obtain patent protection for similar inventions. If the Company's competitors develop products that have greater market attraction than the Company's or that render the Company's products obsolete or non-competitive, the Company's business will suffer.

***Intellectual property.***

The Company relies on the trade secret and other intellectual property laws of Canada, the United States and the other countries where it intends to do business to protect its intellectual property rights. The Company may be unable to prevent third parties from using its intellectual property without its authorization. The unauthorized use of the Company's intellectual property could reduce any competitive advantage that it has developed, reduce its market share or otherwise harm its business. In the event of unauthorized use of the Company's intellectual property, litigation to protect and enforce the Company's rights could be costly, and the Company may not prevail.

In addition to the PCT Application, the Company intends to rely 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 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 product development or a 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 its 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 operation.

***Natural health treatments.***

The Company's products provide users with information about natural plant medicine treatments, some of which may be regulated as controlled or restricted substances in various jurisdictions. The Company's Nara App users may suffer physical or mental harm or legal consequences as a result of following such information, and may seek redress from the Company, despite the Company's use of product disclaimers.

***Regulation of medical devices.***

The Company's products provide users with information about natural plant medicine treatments. If national health regulators, such as the US Food & Drug Administration or Health Canada, assess that the Company's products make health claims, the Company may be subject to medical device regulations. The "software as a medical device" and "prescription digital therapeutics" fields are relatively new, and there is insufficient clarity as to how such digital health products will be regulated. An adverse finding from a health regulator may render the Company's products unmarketable in the applicable jurisdiction, until such time as the Company can develop conforming products. The Company intends to be responsive to any health regulator requests.

***Current Global Financial Condition***

Current global financial conditions have been subject to increased volatility and turmoil. These factors may affect the Company's ability to obtain equity financing in the future or, if obtained, to do so on terms favourable to the Company. If these increased levels of volatility and market turmoil continue, the Company's operations as well as the trading price of its common shares could be adversely affected.



***Benefit company.***

The Company is a benefit company under the recently enacted benefit company provisions of the BCA. A benefit company is a new type of for-profit company that must include a “benefit statement” in its notice of articles and a “benefit provision” in its articles. The “benefit statement” is a statement in the notice of articles that “this company is a benefit company and, as such, is committed to conducting its business in a responsible and sustainable manner and promoting one or more public benefits”. The Company’s “benefit provision” in the Articles is to “to improve the health and wellness of people by providing a technology platform that identifies plant-based solutions tailored to the health profile of every individual ”.

As a benefit company the Company is required to prepare and publish an annual “benefit report” that assesses the Company’s performance in carrying out the commitments in its benefit provision against a third-party standard selected by the Company’s directors for that financial year. If the Company is not timely or are unable to provide this report, or if the report is not viewed favourably by parties doing business with the Company or regulators or others reviewing the Company’s credentials, reputation and status as a benefit company may be harmed.

As a benefit company the Company must act honestly and in good faith with a view to conducting the business in a responsible and sustainable manner, and promoting the public benefits specified in the Articles. The Company must also balance the duty to act honestly and in good faith with a view to the best interests of the company with the benefit duty. There is no assurance that the expected positive impact from being a benefit company will be realized. Accordingly, being a benefit company and complying with the Company’s related obligations could negatively impact the Company’s ability to provide the returns to its shareholders.

**INTERNAL CONTROLS OVER FINANCIAL REPORTING**

Management has designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The design of the Company’s internal control over financial reporting was assessed as of the Report Date. Based on this assessment, it was determined that certain weaknesses existed in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated for by senior management monitoring, which exists. Management will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue would also require the Company to hire additional personnel in order to provide greater segregation of duties. Since there is insufficient work at this time to warrant the additional costs, management has chosen to disclose the potential risk in its filings and proceed with increased personnel only when the budgets and work load will enable the action. The Company has attempted to mitigate these weaknesses, through a combination of extensive and detailed review by management of the financial reports, and the integrity and reputation of senior accounting personnel.

**MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL STATEMENTS**

Information provided in this MD&A, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future value for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements. Management maintains a system of internal controls to provide reasonable assurances that the Company’s assets are safeguarded and to facilitate the preparation of relevant and timely information.

**APPROVAL**

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

**OTHER**

Additional disclosures pertaining to the Company's material change reports, press releases, and other information are available on the SEDAR+ website at [www.sedarplus.ca](http://www.sedarplus.ca).