

ENTHEON BIOMEDICAL CORP.

MANAGEMENT DISCUSSION AND ANALYSIS

For the three and six months ended May 31, 2024 and 2023

ENTHEON BIOMEDICAL CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
For the three and six months ended May 31, 2024 and 2023

OVERVIEW

The following management discussion and analysis (“MD&A”) of the financial position of Entheon Biomedical Corp. (“Entheon” or the “Company”), and results of operations prepared as of July 4, 2024, should be read in conjunction with the condensed interim consolidated financial statements for the three and six months ended May 31, 2024 and 2023. All amounts are stated in Canadian dollars unless otherwise indicated. These condensed interim consolidated financial statements together with this MD&A are intended to provide investors with a reasonable basis for assessing the financial performance of the Company.

Entheon is a biotechnology research and development company interested in treating addiction and substance use disorders, incorporated under the Canadian Business Corporations Act (the “CBCA”). Entheon is the result of a three-cornered amalgamation, completed on November 5, 2020. See below under the heading “*Corporate Structure*”.

Additional information relating to the Company, including the Company’s most recent Annual Information Form, is available under the Company’s profile on SEDAR at www.sedar.com.

FORWARD LOOKING STATEMENTS

The information provided in this report contains forward-looking statements within the meaning of applicable Canadian securities legislation, including, without limitation, statements concerning future events or future performance with respect to the Company’s project; business approach and plans, and business transactions including business partnerships and consultancy engagements and the expected benefits therefrom. Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. In some cases, forward-looking statements are preceded by, followed by or include words such as “may”, “will”, “would”, “could”, “should”, “believes”, “estimates”, “projects”, “potential”, “expects”, “plans”, “intends”, “anticipates”, “targeted”, “continues”, “forecasts”, “designed”, “goal”, or the negative of those words or other similar or comparable words.

In making the forward-looking statements in this MD&A, the Company has applied several material assumptions including, but not limited to, the assumption that: whether the Company will continue to be in compliance with regulatory requirements; possible events, conditions or financial performance that is based on assumptions about future economic conditions and courses of action; general economic, financial market, regulatory and political conditions in which the Company operates.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Entheon to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements including, without limitation: the Company’s history of net losses and negative cash flows from operations and expectation of future losses and negative cash flows from operations; risks related to the ability to obtain financing needed to fund the continued development of the Company’s business; risks related to the Company’s failure to retain key personnel and hire additional personnel needed to develop its business; the Company’s ability to manage anticipated and unanticipated costs; and general risks and uncertainties related to the Company’s prospects and business strategy, as well as those factors discussed in the section entitled “*Risk Factors*.”

ENTHEON BIOMEDICAL CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
 For the three and six months ended May 31, 2024 and 2023

Although management of Entheon believes that the assumptions made and the expectations represented by such statements are reasonable, there can be no assurance that a forward-looking statement herein will prove to be accurate. In addition, although the Company has attempted to identify important factors that could cause actual achievements, events or conditions to differ materially from those identified in the forward-looking statements, there may be other factors that cause achievements, events or conditions not to be as anticipated, estimated or intended. Many of the foregoing factors are beyond the Company's ability to control or predict. These forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and the Company does not assume any obligation to update forward-looking statements, except as required by applicable securities laws, if circumstances or management's beliefs, expectations or opinions should change. For the reasons set forth above, forward-looking statements are inherently unreliable, and investors should not place undue reliance on forward-looking statements.

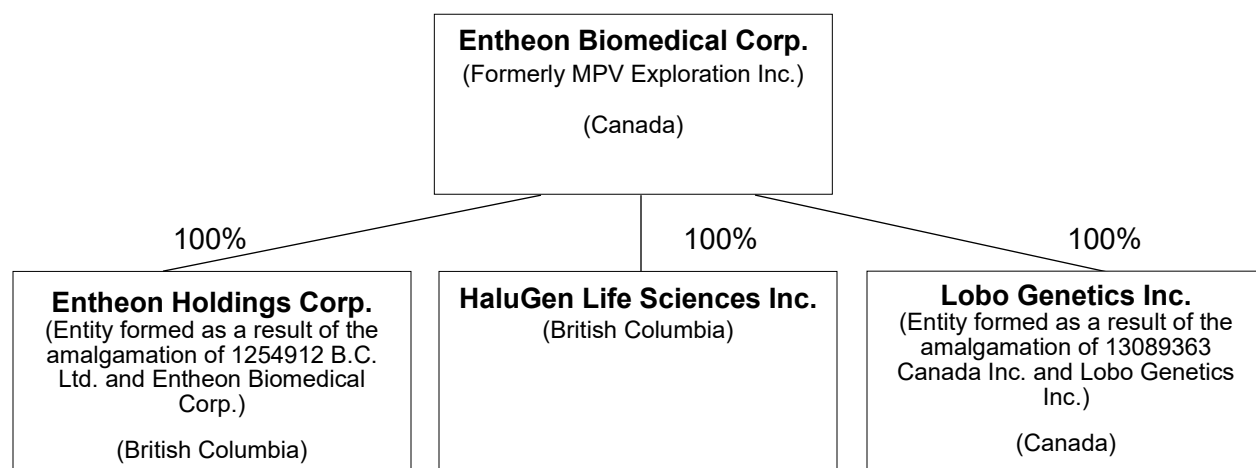
CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated on April 6, 2010, pursuant to the CBCA under the name "M.P.V. Explorations Inc./Explorations M.P.V. Inc." On October 23, 2018, the Company changed its name to "MPV Exploration Inc." The head office of the Company is located at Suite 720 – 999 West Broadway Vancouver, British Columbia, V5Z 1K5 and the registered office is located at 10th Floor, 595 Howe Street, Vancouver, British Columbia V6C 2T5.

Intercorporate Relationships

As of the date hereof, the Company has three wholly owned subsidiaries, which are reflected in the organization chart below:



ENTHEON BIOMEDICAL CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
For the three and six months ended May 31, 2024 and 2023

DESCRIPTION OF BUSINESS

The Company is a biotechnology research and development company interested in treating addiction and substance use disorders.

Entheon RX

Entheon RX focused on the development of therapeutic drugs using DMT as pharmacological benchmark.

EBRX-101 refers to the DMT Phase I safety and proof of concept clinical study in humans. On July 8, 2022, the Company completed the sale of EBRX-101 to Cybin IRL Limited ("Cybin IRL"), a subsidiary of Cybin Inc. pursuant to an asset purchase agreement for a purchase price of CAD\$1,000,000. In connection with the transaction, Cybin IRL has assumed all accrued liabilities and accounts payable associated with EBRX-101.

EBRX-101, now named CYB004-E, was being conducted in the Netherlands at the Centre for Human Drug Research, a leading independent foundation specializing in innovative early-stage clinical drug research, in 50 healthy volunteers who smoke (cigarettes/nicotine users). In connection with closing of the transaction, the Company entered into a consulting services agreement with Cybin IRL for a period of 12 months and a fee to the Company of up to CAD\$480,000 pursuant to which the Company provided ongoing support to CYB004-E. The Company also entered into a data licensing agreement with Cybin IRL, which permitted the Company to have access to certain clinical trial data to support its Entheon IQ program.

The consulting contract was terminated on April 28, 2023, as services had been fully rendered and fees payable by Cybin to the Company were accelerated as a result of the early termination.

RESULTS OF OPERATIONS

Entheon's total assets as at May 31, 2024 were \$335,381 (November 30, 2023 - \$401,077), a decrease of \$65,696. The decrease was primarily due to the use of \$192,996 in cash in operations offset by the private placement financing of \$147,500. Entheon's current liabilities as at May 31, 2024 was \$41,550 (November 30, 2023 - \$85,326), a decrease of \$43,776, primarily due to the payment of accounts payable. Entheon had cash and equivalents at May 31, 2024, in the amount of \$299,137 (November 30, 2023 - \$344,633) and working capital of \$288,831 (November 30, 2023 - \$315,751). The decrease in cash was primarily due to funding operations and the decrease in working capital was primarily due to the decrease in cash and other receivables offset by the private placement financing of \$147,500.

ENTHEON BIOMEDICAL CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
For the three and six months ended May 31, 2024 and 2023

Summary of quarterly results

	May 31, 2024	Feb 29, 2024	Nov 30, 2023	Aug 31, 2023	May 31, 2023	Feb 28, 2023	Nov 30, 2022	Aug 31, 2022
	\$	\$	\$	\$	\$	\$	\$	\$
Total revenue	-	-	-	-	130,323	120,000	120,000	69,864
Net income (loss)	(94,563)	(74,858)	(73,564)	(94,856)	(35,992)	(95,589)	(5,841,132)	458,193
Income (loss) per share	(0.01)	(0.01)	(0.01)	(0.02)	(0.01)	(0.02)	(0.99)	0.08
Income (loss) per share (fully-diluted)	(0.01)	(0.01)	(0.01)	(0.02)	(0.01)	(0.02)	(0.99)	0.08
Cash	299,137	249,921	344,633	381,809	478,560	490,913	680,166	248,385
Working capital	288,831	235,893	310,751	379,294	460,288	495,481	589,572	524,139
Total assets	335,381	291,903	401,077	430,865	574,324	671,214	769,222	6,689,208
Total non-current financial liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

The variability of net loss during the quarterly results is mainly due to the expenses described above in the “*Results of Operations*” section. As a result of the commercialization of HaluGen’s Psychedelics Genetic Test and Lobo’s Cannabis Genetic Test Kits, the Company began generating sales revenue during 2021. Additionally, as a result of a consulting services agreement with Cybin IRL in connection with the sale of EBRX-101, the Company began generating consulting revenue on July 8, 2022 until April 28, 2023.

For the three months ended May 31, 2024

Entheon recorded a net loss of \$94,563 or \$0.01 per share for the three months ended May 31, 2024, compared to a net loss of \$35,992 or \$0.01 per share for the three months ended May 31, 2023. Revenue was \$nil compared to \$130,323 due to consulting revenue from Cybin following the sale of EBRX-101. Operating expenses decreased by \$58,801 due to lower general and administrative expenses due to lower corporate activities following the discontinuation of product sales; and share based compensation was lower as there were no stock options granted during the year.

For the six months ended May 31, 2024

Entheon recorded a net loss of \$169,420 or \$0.03 per share for the six months ended May 31, 2024, compared to a net loss of \$131,622 or \$0.02 per share for the six months ended May 31, 2023. Revenue was \$nil compared to \$250,323 due to consulting revenue from Cybin following the sale of EBRX-101. Operating expenses decreased by \$210,317 due to lower general and administrative expenses due to lower corporate activities following the discontinuation of product sales; and share based compensation was lower as there were no stock options granted during the year.

ENTHEON BIOMEDICAL CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
For the three and six months ended May 31, 2024 and 2023

Milestones and Business Objectives

Set out below is an update to the Company's milestones:

Milestone	Update
DMT Assay Development	Analytical method development using DMT drug substance from Psygen Labs was completed at LUMC, the clinical pharmacy located in the Netherlands in Q2 2021. Additional validation of these assays was performed using the Ofichem-supplied non-GMP certified DMT drug substance which was received by LUMC in September 2021 and using the Ofichem-supplied GMP certified DMT drug substance which was shipped to LUMC in November 2021. Stability studies will be ongoing for at least 6 months, concurrent with the Phase I Study. As at the date hereof, Entheon had expended \$Nil towards the milestone leaving EUR€66,050 remaining. On July 8, 2022, Cybin IRL assumed all accrued liabilities and accounts payable associated with the DMT Study and this milestone has been removed.
Developing the DMT Protocol and Conducting the Phase I Study (EBRX-101)	The DMT Protocol has been completed and submitted as part of the clinical trial application to the Dutch Ethics Committee, and is largely based on the details of continuous intravenous administration of DMT fumarate to humans. The DMT Protocol synopsis was finalized in June 2021 and an initial draft of the full DMT Protocol was received by the Company in late September 2021. The second draft of the full DMT Protocol was sent to CHDR for review by its Scientific Advisory Board on October 12, 2021; the Scientific Advisory Board has completed their review and has provided their endorsement of the second draft. The Company submitted its regulatory package to the Dutch ethics committee on January 3, 2022. and received approval on January 28, 2022. The Phase I Study based on the DMT Protocol commenced with the first patient dosed in March 2022. As at the date hereof, Entheon had expended EUR€437,933 and CDN\$6,237 towards the completion of this milestone, leaving EUR€705,555 and CDN\$66,808 remaining. On July 8, 2022, Cybin IRL assumed all accrued liabilities and accounts payable associated with the DMT Study and this milestone has been removed.

LIQUIDITY AND CAPITAL RESOURCE

Entheon had cash and cash equivalents on May 31, 2024, in the amount of \$299,137 and working capital of \$288,831 in order to meet short-term business requirements. During the six months ended May 31, 2024, Entheon had the following changes in cash flow:

Cash used in Operating Activities

Entheon's cash used in operating activities for the six months ended May 31, 2024, was \$192,996 compared to Entheon's cash used in operating activities for the six months ended May 31, 2023 of \$201,606, a decrease of \$8,610. The decrease in operating expenses was offset by the decrease in consulting revenue with Cybin.

Cash used in Investing Activities

Entheon's had no investing activities for the six months ended May 31, 2024 and 2023.

ENTHEON BIOMEDICAL CORP. MANAGEMENT DISCUSSION AND ANALYSIS

For the three and six months ended May 31, 2024 and 2023

Cash provided by Financing Activities

Entheon's cash provided by financing activities for the six months ended May 31, 2024 was \$147,500 as the Company closed a private placement by issuing 2,950,000 units at \$0.05 for \$147,500. Each unit was comprised of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.10 for a period of 5 years. An officer of the Company subscribed for 100,000 units generating gross proceeds of \$5,000. There were no financing activities for the six months ended May 31, 2023.

In order to continue as a going concern and meet its corporate objectives, Entheon will require additional financing through debt or equity issuances or other available means. Although Entheon has been successful in the past in obtaining financing, there is no assurance that Entheon will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to Entheon. Should Entheon identify a suitable asset or business acquisition, it would be required to raise additional capital to finance the transaction.

Entheon requires positive working capital to be able to continue its operations and have sufficient funds to satisfy maturing short-term obligations. Upcoming operational expenses include management and consulting fees, office expenses and professional fees.

The extent of Entheon's liquidity is dependent upon, among other things, its ability to: (a) complete subsequent debt or equity financings or obtain other sources of funding; (b) adequately manage its cash on hand; and (c) reduce costs and expenses. The aforementioned factors indicate the existence of material uncertainties which may cast significant doubt on Entheon's ability to continue as a going concern. Additionally, economic downturns, changes in legislation or policies that affect Entheon and changes in the industry in which Entheon operates, in each case as discussed in more detail under the heading "*Risk Factors*", are, among others, circumstances that may affect Entheon's liquidity.

This MD&A does not discuss adjustments or accompanying information that would be required if the going concern assumption is not an appropriate basis for preparation of the financial statements related to this MD&A. These adjustments could be material.

SHARE CAPITAL

As at May 31, 2024, Entheon has the following outstanding securities:

- (i) Common Shares: 8,858,926
- (ii) Warrants: 2,950,000 generating proceeds of \$295,000 expiring April 18, 2029
- (iii) Stock options: 140,000 generating proceeds of \$879,000
- (iv) RSUs: 115,000

As at and at the date hereof, Entheon has the following outstanding securities:

- (i) Common Shares: 8,858,926
- (ii) Warrants: 2,950,000 generating proceeds of \$295,000 expiring April 18, 2029
- (iii) Stock options: 140,000 generating proceeds of \$879,000
- (iv) RSUs: 115,000

On February 20, 2024, the Board of Directors of the Company authorized a 10:1 share consolidation.

Entheon has obtained its capital funding through debt and equity financings.

ENTHEON BIOMEDICAL CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
For the three and six months ended May 31, 2024 and 2023

RELATED PARTY TRANSACTIONS

Key management personnel comprise the Company's Board of Directors, Chief Executive Officer, Chief Financial Officer and Chief Science Officer. Key management personnel compensation is comprised of the following:

	For the three months ended		For the six months ended	
	May 31, 2024	May 31, 2023	May 31, 2024	May 31, 2023
	\$	\$	\$	\$
Payroll, consulting fees, and other benefits	43,665	72,402	72,165	188,882

As at May 31, 2024, \$824 (November 30, 2023 - \$659) was due to directors and officers and companies controlled by directors and officers. The amounts are unsecured, non-interest bearing, due on demand and included in accounts payable and accrued liabilities. The share-based compensation for these related parties totaled \$nil for the three and six months ended May 31, 2024 (three and six months ended May 31, 2023 - \$nil and \$1,014 respectively).

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Significant estimates and judgements

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates. 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 for prospectively in the period in which the estimates are revised. Significant areas requiring the use of management estimates include:

- i) The determination of discount rate and effective interest rates on liability and equity components of the convertible notes. Changes in these assumptions could materially affect the recorded amounts.
- ii) The determination of fair value of investments in convertible notes and equity securities requires valuation techniques. In applying the valuation techniques management makes maximum use of market inputs wherever possible, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, company-specific information is considered when determining whether the fair value of an investment in convertible notes or equity securities should be adjusted upward or downward at the end of each reporting period. In addition to company-specific information, the Company will take into account trends in general market conditions and the share performance of comparable publicly-traded companies when valuing investments in convertible notes and equity securities.

ENTHEON BIOMEDICAL CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
For the three and six months ended May 31, 2024 and 2023

- iii) The valuation of options and warrants requires estimation and assumptions for valuation techniques. Changes in such assumptions and estimates could materially impact the recorded amounts.
- iv) Amortization of intangible assets are dependent upon estimates of useful lives, which are determined through the exercise of estimates. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

Significant judgments

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

- i) The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its projects and working capital requirements and whether there are events or conditions that may give rise to significant uncertainty.
- ii) The determination of whether a business combination or an asset acquisition involves judgment regarding whether the acquiree meets the definition of business under IFRS 3. The application of the Company's accounting policy for business combinations requires management to make certain judgments on a case-by-case basis as to the determination of the accounting method of an acquisition to determine if the assets acquired meet the definition of a business requiring the acquisition method of accounting for a business combination or an asset acquisition when applying the optional asset concentration test.
- iii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts.

FINANCIAL RISK MANAGEMENT

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk, and market risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company has exposure to credit risk through its cash and cash equivalents. The Company manages credit risk, in respect of cash, by maintaining the majority of cash at highly rated financial institutions.

The Company's maximum exposure to credit risk at the end of any period is equal to the carrying amount of these financial assets as recorded in the statement of financial position. At May 31, 2024 and November 30, 2023, no amounts were held as collateral.

ENTHEON BIOMEDICAL CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
For the three and six months ended May 31, 2024 and 2023

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows required by its operating, investing and financing activities. The Company had cash and equivalents at May 31, 2024, in the amount of \$299,137 and working capital of \$288,831 in order to meet short-term business requirements. Accounts payable have contractual maturities of approximately 30 to 90 days or are due on demand and are subject to normal trade terms.

Market risk

Market risk consists of interest rate risk, foreign currency risk and price risk. These are discussed further below.

Interest rate risk

Interest rate risk consists of two components:

- i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
- ii) To the extent that changes in prevailing market rates differ from the interest rates on the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

In management's opinion, the Company is not exposed to significant interest rate risk as the risk is primarily on cash and cash equivalents.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is not subject to significant foreign exchange risk.

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk.

The Company is not exposed to any significant price risk.

Capital Management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue the research and development of psychedelic compounds.

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares, sell assets, reduce debt or increase its debt. The capital of the

ENTHEON BIOMEDICAL CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
For the three and six months ended May 31, 2024 and 2023

Company comprises the shareholders' equity. The Company is not subject to any externally imposed capital requirements.

Classification of financial instruments

Fair Values and Classification

The Company's financial instruments consist of cash and cash equivalents, investment in convertible notes, investments in equity securities, accounts payable and convertible notes. Financial instruments are classified into one of the following categories: FVTPL, FVTOCI, or amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category
Cash and restricted cash	FVTPL
Accounts payable	Amortized cost

ADDITIONAL INFORMATION

Off-Balance Sheet Arrangements

As at May 31, 2024, and up to the current date, Entheon had no off-balance sheet arrangements.

Legal Proceedings

As at the date hereof, management was not aware of any legal proceedings involving Entheon.

Contingent Liabilities

As at May 31, 2024 and up to the current date management was not aware of any outstanding contingent liabilities relating to Entheon's activities.

RISK FACTORS

In addition to the risks described herein, reference is made to the section entitled "Risk Factors" in the Listing Statement, which is incorporated herein by reference. The risks described herein are not the only risks faced by Entheon and security holders of Entheon. Additional risks and uncertainties not currently known to Entheon, or that Entheon currently deems immaterial, may also materially and adversely affect its business. The business, financial condition, revenues or profitability of Entheon could be materially adversely affected by any of the risks set forth in this MD&A, in the documents incorporated by reference or such other risks. The trading price of the Common Shares could decline due to any of these risks and investors could lose all or part of their investment. This MD&A contains forward-looking statements that involve risks and uncertainties. Entheon's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by Entheon described below and elsewhere in this MD&A. No inference should be drawn, nor should an investor place undue importance on, the risk factors that are included in this MD&A as compared to those included in the documents incorporated by reference herein, as all risk factors are important and should be carefully considered by a potential investor.

ENTHEON BIOMEDICAL CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
For the three and six months ended May 31, 2024 and 2023

Limited operating history

The business of Entheon began in June 2019 and has yet to generate any significant revenue. Entheon is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that Entheon will ever be able to generate significant revenue or will be successful in achieving a return on shareholders' investment. Entheon's ultimate success will depend on its operating ability and ability to generate cash flow from sales of HaluGen's Psychedelics Genetic Test. Investors should consider Entheon's likelihood of success in light of the early stage of operations.

Entheon will require substantial additional funding, which may not be available to it on acceptable terms, or at all, and, if not so available, may require Entheon to delay, limit, reduce or cease its operations

Entheon has used the proceeds from its previous equity offerings, and Entheon intends to use the proceeds from any possible future offerings, to, among other uses, engaging scientific and clinical advisors, filing patent applications, establishing key relationships, and conducting further research. Developing pharmaceutical solutions, including conducting preclinical studies both in vitro and in vivo and clinical trials, is expensive. Entheon will require substantial additional future capital in order to complete clinical development.

Entheon will continue to require substantial additional capital to continue its clinical development and commercialization activities. Entheon is unable to estimate the actual amount of funding it will require to complete research and development and commercialize its products under development.

The amount and timing of Entheon's future funding requirements will depend on many factors, including but not limited to:

- whether its plan for clinical trials will be completed on a timely basis and, if completed, whether Entheon will be able to publicly announce results from its clinical trials in accordance with its announced milestones;
- whether Entheon is successful in obtaining interest for possible co-development and licensing out partners;
- the progress, costs, results of and timing of its clinical trials and also of its preclinical studies;
- the outcome, costs and timing of seeking and obtaining Health Canada, EMA, FDA and any other regulatory approvals;
- the costs associated with securing and establishing commercialization and manufacturing capabilities;
- its ability to maintain, expand and enforce the scope of its intellectual property portfolio, including the amount and timing of any payments Entheon may be required to make, or that it may receive, in connection with the licensing, filing, prosecution, defense and enforcement of any patents or other intellectual property rights;
- its need and ability to hire additional management and scientific and medical personnel;
- the effect of competing psychedelic therapeutic products;
- its need to implement additional internal systems and infrastructure, including financial and reporting systems;
- as applicable, research grant terms that change over time or whose terms Entheon is unable to meet;
- its ability to attract and retain competent staff;

ENTHEON BIOMEDICAL CORP. MANAGEMENT DISCUSSION AND ANALYSIS

For the three and six months ended May 31, 2024 and 2023

- changes in the political and economic environment in the jurisdictions in which Entheon operates;
- the economic and other terms, timing of and success of any collaboration, licensing or other transactions into which Entheon may enter in the future.

Entheon expects that it will need to raise additional funds in the future.

Entheon may seek additional funding through a combination of equity offerings, debt financings, government or other third-party funding, commercialization, marketing and distribution transactions and other collaborations, strategic alliances and licensing transactions. Additional funding may not be available to Entheon on acceptable terms or at all. In addition, the terms of any financing may adversely affect the holdings or the rights of Entheon securityholders. In addition, the issuance of additional Entheon Shares, or the possibility of such issuance, may cause the market price of the Entheon Shares to decline. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities.

If Entheon is unable to obtain funding on a timely basis, it may be required to significantly curtail one or more of its research or development programs and/or incur financial penalties. Entheon also could be required to seek funds through transactions with collaborative partners or otherwise that may require Entheon to relinquish rights to some of its technologies or psychedelic therapeutic products or otherwise agree to terms unfavourable to Entheon.

Entheon has a limited operating history and expects a number of factors to cause its operating results to fluctuate on an annual basis, which may make it difficult to predict the future performance of Entheon

Entheon is a research and development biomedical company with a limited operating history. Entheon's operations to date have been focused on developing its Dosing Strategies, conducting in-house research, preparing proprietary dose forms of psychedelic molecules into an FDA, EMA and Health Canada approval model for eventual development of authorized Dosing Strategies for future use in clinical trials, developing clinical trials protocols, filing patent applications and establishing key relationships. Entheon has yet to commence clinical trials for the psychedelic therapeutic products in its pipeline and has yet to receive approvals from regulatory agencies.

Consequently, any predictions made about Entheon's future success or viability may not be as accurate as they could be if Entheon had a longer operating history or approved products on the market. Entheon's operating results are expected to significantly fluctuate from quarter-to-quarter or year-to-year due to a variety of factors, many of which are beyond its control. Factors relating to Entheon's business that may contribute to these fluctuations include:

- delays in the commencement, enrolment and timing of preclinical and clinical trials;
- difficulties in identifying patients suffering from its target indications;
- the success of its clinical trials through all phases of clinical development;
- its ability to attract and retain talented and experienced people;
- competition from existing products or new products that continue to emerge;
- the ability of patients or healthcare providers to obtain coverage or sufficient reimbursement for its products;
- its ability to adhere to clinical trial requirements directly or with third parties such as CROs;
- its dependency on third-party manufacturers to manufacture products and key ingredients;
- its ability to establish or maintain collaborations, licensing or other transactions;

ENTHEON BIOMEDICAL CORP. MANAGEMENT DISCUSSION AND ANALYSIS

For the three and six months ended May 31, 2024 and 2023

- its ability to defend against any challenges to its intellectual property including, claims of patent infringement;
- its ability to enforce its intellectual property rights against potential competitors;
- its ability to attract and retain key personnel to manage its business effectively;
- a biological or chemical effect that Entheon does not predict;
- adverse economic circumstances;
- potential liability claims; and

Accordingly, the results of any historical quarterly or annual periods should not be relied upon as indications of future operating performance.

Entheon is preparing to conduct important preclinical and clinical trials in Europe. The risks associated with conducting research and clinical trials abroad could materially adversely affect Entheon's business. Currently, clinical trials are planned at the Centre for Human Drug Research in Leiden, the Netherlands. Additional sites in Europe and elsewhere are currently being evaluated for preclinical trials and subsequent studies.

Entheon has never been profitable, it has only one product approved for commercial sale, and to date it has not generated any significant revenue. As a result, Entheon's ability to reduce its losses and reach profitability is unproven, and thus, Entheon may never achieve or sustain profitability.

April 5, 2021, Entheon, through its wholly-owned subsidiary HaluGen, launched its Psychedelics Genetic Test for sale on HaluGen's online platform and has only begun generating revenue from this product. Entheon has not yet submitted any psychedelic therapeutic solutions for approval by regulatory authorities in Canada, the European Union, the United States or elsewhere.

To date, Entheon has devoted most of its financial resources to research and development, including drug discovery research, preclinical development activities and clinical trial preparation, as well as corporate overhead. Entheon has not generated any significant revenues from product sales. Entheon expects to continue to incur losses for the foreseeable future and expects these losses to increase as Entheon continues to add infrastructure and personnel to support its continuing product development efforts. Entheon anticipates that any such losses could be significant for the next several years. As a result of the foregoing, Entheon expects to continue to experience net losses and negative cash flows for the foreseeable future. These net losses and negative cash flows have had, and will continue to have, an adverse effect on Entheon's stockholders' equity and working capital.

Because of the numerous risks and uncertainties associated with pharmaceutical solution development, Entheon is unable to accurately predict the timing or amount of increased expenses or when, or if, Entheon will be able to achieve profitability. The amount of future net losses will depend, in part, on the rate of future growth of its expenses and its ability to generate revenues.

Entheon has minimal sales, marketing or distribution experience and it will have to invest significant resources to develop those capabilities or enter into acceptable third-party sales and marketing transactions

Entheon has minimal sales, marketing or distribution experience. To develop sales, distribution and marketing capabilities, Entheon will have to invest significant amounts of financial and management resources. For psychedelic therapeutic products where Entheon decides to perform sales, marketing

ENTHEON BIOMEDICAL CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
For the three and six months ended May 31, 2024 and 2023

and distribution functions itself or through third parties, it could face a number of additional risks, including that Entheon or its third-party sales collaborators may not be able to build and maintain an effective marketing or sales force. If Entheon uses third parties to market and sell its solutions, it may have limited or no control over their sales, marketing and distribution activities on which its future revenues may depend.

Protection and enforcement of Entheon's intellectual property in all jurisdictions it operates in

Entheon's success will depend in part upon its ability to protect Entheon's intellectual property interests in Canada, the United States and Europe and upon the nature and scope of the intellectual property protection it receives. The ability to compete effectively and to achieve partnerships will depend on Entheon's ability to operate without infringing on the proprietary rights of others. Additionally, there is no assurance that Entheon's pending patent applications will be approved in a form that will be sufficient to protect its intellectual property interests in Canada, the United States and Europe.

The patent positions of pharmaceutical companies can be highly uncertain and involve complex legal, scientific and factual questions for which important legal principles remain unresolved. Patents issued to Entheon may be challenged, invalidated or circumvented. To the extent Entheon's intellectual property, including licensed intellectual property, offers inadequate protection in any of the jurisdictions in which it intends to operate in, or is found to be invalid or unenforceable, Entheon is exposed to a greater risk of direct competition. If Entheon's intellectual property does not provide adequate protection against its competitors' products, Entheon's competitive position could be adversely affected, as could its business, financial condition and results of operations. Both the patent application process and the process of managing patent disputes can be time consuming and expensive, and the laws of some foreign countries may not protect Entheon's intellectual property rights to the same extent as do the laws of Canada and the United States. Entheon will be able to protect its intellectual property from unauthorized use by third parties only to the extent that its intellectual property interests, key products, and any future products are covered by valid and enforceable intellectual property rights in each jurisdiction in which it operates in.

Entheon may incur substantial costs as a result of litigation or other proceedings relating to patent and other intellectual property rights

Entheon may from time to time seek to enforce its intellectual property rights against infringers when it determines that a successful outcome is probable and may lead to an increase in the value of the intellectual property. If Entheon chooses to enforce its patent rights against a party, then that individual or company has the right to ask the court to rule that such patents are invalid or should not be enforced. Additionally, the validity of its patents and the patents it has licensed may be challenged if a petition for post grant proceedings such as inter-partes review and post grant review is filed within the statutorily applicable time with the Canadian Intellectual Property Office, the United States Patent and Trademark Office or the European Patent Office. These lawsuits and proceedings are expensive and would consume time and resources and divert the attention of managerial and scientific personnel even if Entheon were successful in stopping the infringement of such patents. In addition, there is a risk that the court will decide that such patents are not valid and that Entheon does not have the right to stop the other party from using the inventions. There is also the risk that, even if the validity of such patents is upheld, the court will refuse to stop the other party on the ground that such other party's activities do not infringe its intellectual property rights.

ENTHEON BIOMEDICAL CORP.
MANAGEMENT DISCUSSION AND ANALYSIS

For the three and six months ended May 31, 2024 and 2023

If Entheon is not able to adequately prevent disclosure of trade secrets and other proprietary information, the value of its proprietary information could be significantly diminished

Entheon relies on trade secrets to protect its proprietary information, especially where it does not believe patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. Entheon relies in part on confidentiality agreements with its employees, consultants, outside scientific collaborators, sponsored researchers and other advisors to protect its trade secrets and other proprietary information. These agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. In addition, others may independently discover its trade secrets and proprietary information. Costly and time-consuming litigation could be necessary to enforce and determine the scope of its proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect its competitive business position.

Entheon will need to expand its operations and increase the size of its company, and it may experience difficulties in managing growth

As of the date hereof, Entheon has 1 full-time employees and 2 consultants and part-time contractors. To meet its obligations as a public company, Entheon may need to increase its general and administrative capabilities. Entheon's management, personnel and systems currently in place may not be adequate to support this future growth. If Entheon is unable to successfully manage this growth and increased complexity of operations, our business may be adversely affected.

Internal controls

Effective internal controls are necessary for Entheon to provide reliable financial reports and to help prevent fraud. Although Entheon will undertake a number of procedures and will implement a number of safeguards, in each case, in order to help ensure the reliability of its financial reports, including those imposed on Entheon under Canadian securities law, Entheon cannot be certain that such measures will ensure that Entheon will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm Entheon's results of operations or cause it to fail to meet its reporting obligations. If Entheon or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in Entheon's consolidated financial statements and materially adversely affect the trading price of the Entheon Shares.

Management of Entheon will ensure the accounting cycle, payroll administration, operational activities, and financial reporting controls to assess internal control risks and to ensure proper internal control is in place. One of the deficiencies in internal control is the lack of segregation of accounting duties due to the limited size of Entheon. However, the threat of this deficiency is considered immaterial as management has taken effective measures to mitigate this weakness.

The potential risk that flows from the identified deficiencies and weaknesses is the risk of potential fraud. However, the risk of fraud is considered low as management anticipates taking a number of measures as stated above to mitigate the potential risk of fraud, including without limitation: (i) all purchase and payment, including payroll, must be authorized by management; (ii) all capital expenditures must be preapproved by the Board; (iii) all source documents in any other language other than English must be translated and scanned for accounting entries and recordkeeping

ENTHEON BIOMEDICAL CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
For the three and six months ended May 31, 2024 and 2023

purposes; (iv) and almost all of Entheon's cash will be deposited with a Canadian bank in Vancouver, Canada. Bank statements of Entheon will be reviewed by the CFO of Entheon regularly.

The Board will continue to monitor the operations of Entheon, evaluate the internal controls, and develop measures in the future to mitigate any potential risks and weaknesses.

Changes in legislation, regulations and guidelines

Entheon's operations are subject to various laws, regulations and guidelines relating to, among other things, drug research, development, marketing practices, health and safety, the conduct of operations and clinical trials. In addition to Health Canada, EMA and FDA restrictions on the marketing of pharmaceutical solutions, several other types of state and federal laws have been applied to restrict certain marketing practices in the pharmaceutical and medical industries in recent years, as well as consulting or other service agreements with physicians or other potential referral sources. While to the knowledge of management, Entheon is currently in compliance with all such laws, changes to applicable laws, regulations and guidelines may cause adverse effects to its operations. The risks to the business of Entheon represented by this or similar risks are that they could significantly reduce the addressable market for Entheon's solutions and could materially and adversely affect the business, financial condition and results of its operations.

Psychedelic regulatory risks

Successful execution of the Company's strategy is contingent, in part, upon compliance with regulatory requirements from time to time enacted by governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of psychedelic therapeutic products. The psychedelic therapy industry is a new and emerging industry with ambiguous existing regulations and uncertainty as to future regulations; the Company cannot predict the impact of the ever-evolving compliance regime in respect of this industry. Similarly, the Company cannot predict the time required to secure all appropriate regulatory approvals for its future products, or the extent of testing and documentation that may, from time to time, be required by governmental authorities. The impact of compliance regimes, any delays in obtaining, or failure to obtain regulatory approvals may significantly delay or impact the development of markets, its business and products, and sales initiatives and could have a material adverse effect on the business, financial condition and operating results of the Company.

The Company will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties or result in restrictions on the Company's operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, financial condition and operating results of the Company.

Third party risk with respect to preclinical studies and clinical trials

Entheon will rely on foreign contract research organizations, including CHDR, to conduct its preclinical and clinical development activities. Preclinical activities include toxicological and pharmacological assays as well as in vivo studies using specific disease models. Clinical development activities include trial design, regulatory submissions, patient recruitment, trial monitoring, data management and analysis, and safety monitoring. If there is any dispute or disruption in Entheon's relations with CHDR or other third parties, Entheon's active development programs will face delays. Although Entheon does

ENTHEON BIOMEDICAL CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
For the three and six months ended May 31, 2024 and 2023

not anticipate any risk specific to CHDR's foreign jurisdiction (being the Netherlands), if they or other third parties fail to perform as expected or if their work fails to meet regulatory requirements, Entheon's testing could be delayed, cancelled or rendered ineffective.

Entheon may not be able to manage its business effectively if it is unable to attract and retain key personnel and consultants

Entheon may not be able to attract or retain qualified management, finance, scientific and clinical personnel and consultants due to the intense competition for qualified personnel and consultants among biotechnology, pharmaceutical and other businesses. If Entheon is not able to attract and retain necessary personnel and consultants to accomplish its business objectives, it may experience constraints that will significantly impede the achievement of its development objectives, its ability to raise additional capital and its ability to implement its business strategy.

Entheon is highly dependent on the development, regulatory, commercialization and business development expertise of its management team, key advisors and consultants. If Entheon loses one or more of its executive officers or key advisors or consultants, its ability to implement its business strategy successfully could be seriously harmed. Any of its executive officers or key advisors or consultants may terminate their engagement at any time. Replacing executive officers, key advisors and consultants may be difficult and may take an extended period of time because of the limited number of individuals in Entheon's industry. Competition to hire and retain employees and consultants from this limited pool is intense, and Entheon may be unable to hire, train, retain or motivate these additional key personnel and consultants. Entheon's failure to retain key personnel or consultants could materially harm its business.

Insurance and uninsured risks

Entheon's business is subject to a number of risks and hazards generally, including adverse clinical trial results, accidents, labour disputes and changes in the regulatory environment. Such occurrences could result in damage to assets, personal injury or death, environmental damage, delays in operations, monetary losses and possible legal liability.

Entheon's insurance will not cover all the potential risks associated with its operations. Entheon may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards encountered in the operations of Entheon is not generally available on acceptable terms. Entheon might also become subject to liability for pollution or other hazards which may not be insured against or which Entheon may elect not to insure against because of premium costs or other reasons. Losses from these events or any significant uninsured liability may require Entheon to pay substantial amounts, which would adversely affect its financial position and results of operations.

Entheon may be materially adversely affected in the event of cyber-based attacks, network security breaches, service interruptions, or data corruption

Entheon relies on information technology to process and transmit sensitive electronic information and to manage or support a variety of business processes and activities. Entheon uses technology systems to record, process, and summarize financial information and results of operations for internal reporting purposes and to comply with regulatory financial reporting, legal, and tax requirements. Entheon's

ENTHEON BIOMEDICAL CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
For the three and six months ended May 31, 2024 and 2023

information technology systems, some of which are managed by third-parties, may be susceptible to damage, disruptions or shutdowns due to computer viruses, attacks by computer hackers, failures during the process of upgrading or replacing software, databases or components thereof, power outages, hardware failures, telecommunication failures, user errors or catastrophic events. Although Entheon has developed systems and processes that are designed to protect proprietary or confidential information and prevent data loss and other security breaches, such measures cannot provide absolute security. If its systems are breached or suffer severe damage, disruption or shutdown and Entheon is unable to effectively resolve the issues in a timely manner, its business and operating results may significantly suffer and it may be subject to litigation, government enforcement actions or potential liability. Security breaches could also cause Entheon to incur significant remediation costs, result in product development delays, disrupt key business operations, and divert attention of management and key information technology resources.

Litigation

Entheon may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which Entheon becomes involved be determined against Entheon such a decision could adversely affect Entheon's ability to continue operating and the market price for the Entheon Shares and could use significant resources. Even if Entheon is involved in litigation and wins, litigation can redirect significant company resources.

Conflicts of interest

Certain of the directors and officers of Entheon are engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such directors and officers of Entheon may become subject to conflicts of interest. The CBCA provides that in the event that a director or senior officer has a material interest in a transaction or agreement or proposed transaction or agreement that is material to an issuer, the director or senior officer must disclose his interest in such contract or agreement and a director must refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the CBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the CBCA. To the management of Entheon's knowledge, as at the date hereof there are no existing conflicts of interest between Entheon and a director or officer of Entheon except as otherwise disclosed in the Listing Statement.

Psychedelic Regulatory Risks and Risks of Violations of Law

Psychedelic therapy is a new and emerging industry with ambiguous existing regulations and uncertainty as to future regulations. Certain psychedelics may be illegal substances other than when used for scientific or medical purposes. As such, new risks may emerge, and management may not be able to predict all such risks or be able to predict how such risks may result in actual results differing from the results contained in any forward-looking statements. This industry is subject to extensive controls and regulations, which may significantly affect the financial condition of market participants. The marketability of any product may be affected by numerous factors that are beyond the control of the Company and cannot be predicted, such as changes to government regulations, including those relating to taxes and other government levies which may be imposed. Changes in government levies, including taxes, could reduce Entheon's earnings and could make future capital investments or operations uneconomic. The psychedelic therapy industry is also subject to numerous legal

ENTHEON BIOMEDICAL CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
For the three and six months ended May 31, 2024 and 2023

challenges, which may significantly affect the financial condition of market participants and which cannot be reliably predicted.

Some of the Company's planned business activities, while believed to be compliant with applicable laws in the jurisdictions in which the Company operates, may be illegal or become illegal in such jurisdictions. If the Company's historical current or future operations were found to be in violations of any such laws the Company may be subject to enforcement actions in such jurisdictions including but not limited to penalties, including criminal and significant civil monetary penalties, damages, fines, imprisonment, exclusion from participation in government programs, injunctions, or refusal to allow the Company to enter into certain contracts, any of which could adversely affect the Company's ability to operate its business and its results of operation.

Local, provincial and federal laws and regulations governing psychedelics are broad in scope and subject to evolving interpretations, which could require the Company to incur substantial costs associated with bringing the Company's operations into compliance. In addition, violation of these laws or allegations of such violations could disrupt the Company's operations and result in a material adverse effect on its financial performance. It is beyond the Company's scope to predict the nature of any future change to existing laws, regulations, policies, interpretations or applications, nor can the Company determine what effects such changes, when and if promulgated, could have on the Company's business.