PR TECHNOLOGY INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

NINE-MONTHS ENDED SEPTEMBER 30, 2021

(EXPRESSED IN CANADIAN DOLLARS)

The Management Discussion and Analysis ("MD&A") of PR Technology Inc. (the "Company", or "PRT"") is prepared as of November 26, 2021 and should be read in conjunction with the unaudited financial statements for the period ended September 30, 2021 and the audited financial statements and notes thereto for the year ended December 31, 2020 and the period from April 23, 2019 (date of incorporation) to December 31, 2019 of PRT, which were prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts referred to in this MD&A are expressed in Canadian dollars, unless otherwise noted.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute forward-looking statements. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "designed", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. In making the forward-looking statements included in this MD&A, the Company has made various material assumptions, including, but not limited to: (i) obtaining any regulatory approvals; (ii) assumptions regarding general business and economic conditions; (iii) the Company's ability to successfully develop its products; (iv) that the Company's current positive relationships with third parties will be maintained; (v) the availability of financing on reasonable terms; (vi) the Company's ability to attract and retain skilled employees and consultants; (vii) assumptions regarding market competition; (viii) the products and technology offered by the Company's competitors and (ix) the Company's ability to protect patents and proprietary rights.

These statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements. Based on current available information, the Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that those expectations will prove to be correct. The forward-looking statements in this MD&A are expressly qualified by this statement, and readers are advised not to place undue reliance on the forward-looking statements.

New risk factors may arise from time to time and it is not possible for management of the Company to predict all of those risk factors that could case actual results to differ materially from the forward looking information, including market and business conditions, the company's ability to successfully implement its business plan, or raise sufficient capital, change to government policies, currency fluctuations, weather conditions, competition, the company's ability recruit and retain key executives and assistive personnel, and other risks. Although the statements contained in this MD&AD are based upon what management believe to be reasonable assumptions, the company cannot assure investors that actual result will be consistent with these statements. The company does not undertake to update forward looking information at any particular time whether as a result of new information, future events or otherwise, except as required by law.

DESCRIPTION OF BUSINESS

PR Technology Inc. (the "Company") was incorporated pursuant to the provisions of the Business Corporation Act (British Columbia) on April 23, 2019. The principal business of the Company will be to identify and evaluate assets or businesses with a view to potentially acquire them or an interest therein by completing a purchase transaction, or by any concomitant transaction to facilitate a Canadian public listing. The head office and registered office of the Company is located at 1001, 1166 Alberni St., Vancouver British Columbia, V6E 3Z3.

DESCRIPTION OF BUSINESS

In May 2021, the Company completed an asset transfer between its former parent company, Power Republic Corp, which was primarily focused on developing WPT systems in the automobile industry for RGVs used on the factory floor in manufacturing faculties. The Company's RGV WPT technology is based on the magnetic resonance technology and includes transmitters ("Tx") and receivers ("Rx"). The receivers are installed on the RGVs and the transmitters are installed at certain locations along the rail lines. The power is automatically transferred along the rail lines where transmitters are installed. This removes the need for wired charging of the RGVs resulting in improved productivity and reduced wear and tear.

Recently, the Company engaged in discussions with an automobile manufacturer in Korea to apply its WPT products in its manufacturing facility. The Company supplied sets of Tx and Rx samples to the manufacturer to test in the manufacturer's facility in Korea. The test samples were applied to RGVs in the manufacturer's automation facility and the results were positive. The Company demonstrated its products for members of the management of the manufacturer in both its domestic and overseas facilities. The Company and the manufacturer have executed a non-disclosure agreement and a non-binding letter of intent.

On November 2, 2021, PRT Korea ("PRTK"), a subsidiary of the Company, received its first commercial order from the automobile manufacturer in Korea for 50 Tx and 50 Rx for use in at the automobile manufacturer's domestic plant in Korea. In addition, on November 2, 2021, PRTK entered into a strategic alliance agreement with a primary vendor of the automobile manufacturer in Korea pursuant to which the parties agree to share information and cooperate with respect to generating future sales of the Company's WPT products for use in the domestic plants and an overseas plant of the Korean automobile manufacturer. The Company considers this to be a significant step towards receiving future purchase orders from this customer for its WPT products.

The novel coronavirus ("COVID-19") outbreak was declared a pandemic by the World Health Organization on March 11, 2020. This has resulted in significant economic uncertainty and governments worldwide are enacting emergency measures to contain the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global financial markets have experienced significant volatility and weakness as a consequence of this economic uncertainty. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the effectiveness of interventions by governments and central banks. The full extent of the impact on the Company's future financial results is uncertain given the length and severity of these developments cannot be reliably estimated.

SELECTED FINANCIAL INFORMATION

The comparative information shown on this MD&A have been prepared using the carve-out financial information that reflects the financial position, results from operations and cash flows of the assets that were transferred to the Company in May 2021.

The following table provides a brief summary of the Company's financial operations:

	September 30, 2021	December 31, 2020
Financial Position		
Total current assets	$ 1,231,264	$ 2,601,350
Total non-current assets	$ 1,556,503	$ 1,886,089
Total current liabilities	$ 346,309	$ 387,179
Total non-current liabilities	$ 81,143	$ 330,179
Shareholder's equity	$ 2,360,315	$ 3,770,181

SELECTED FINANCIAL INFORMATION

	Nine months ended September 30, 2021	Nine months ended September 30, 2020	Three months ended September 30, 2021	Three months ended September 30, 2020
Loss & Comprehensive Loss				
Revenue	$ 8,204	$ -	$ 2,728	$ -
Cost of sales	$ 7,905	$ -	$ 2,541	$ -
Expenses	$ 2,220,790	$ 1,334,891	$ 581,349	$ 435,165
Operating loss	$ (2,220,491)	$ (1,334,891)	$ (581,162)	$ (435,165)
Non-operating income (expenses)	$ (5,808)	$ (9,902)	$ (2,202)	$ (4,593)
Net loss	$ (2,226,299)	$ (1,344,793)	$ (583,364)	$ (439,758)
Foreign exchange gain (loss)	$ (6,578)	$ (6,188)	$ 4,070	$ 1,124
Comprehensive loss	$ (2,232,877)	$ (1,350,979)	$ (579,294)	$ (438,634)
Net loss per share (Basic & diluted)	$ (0.05)	$ (13,447.93)	$ (0.01)	$ (4,397.58)

SUMMARY OF QUARTERLY RESULTS

The Company has not previously prepared quarterly financial information for all quarters. The information below is from the periods previously prepared, with the periods prior to September 30, 2021, prepared on a carve-out basis, as discussed above.:

Quarter ended	**September 30, 2021**	**June 30, 2021**	**September 30, 2020**	**June 30, 2020**
Cash	$ 1,165,853	$ 1,601,724	$ 108,591	$ 191,089
Total assets	$ 2,787,767	$ 3,370,675	$ 2,058,721	$ 2,292,468
Total liabilities	$ 427,452	$ 431,066	$ 1,051,216	$ 1,224,043
Revenue	$ 2,728	$ 2,110	$ -	$ -
Net loss	$ (583,364)	$ (617,015)	$ (439,758)	$ (432,296)
Loss per share (basic and diluted)	$ (0.01)	$ (0.02)	$ (4,397.58)	$ (4,322.96)

RESULTS OF OPERATIONS

As of September 30, 2021, the Company has a positive working capital balance of $884,955 (December 31, 2020 – $ 2,206,445), and for the nine months then ended, cash flows used in operations of $ 1,261,308 (2020 - $1,122,837) and a net loss of $ 2,226,299 (2020 - $1,344,793). The increased loss is primarily due to the effect of business combination, which has resulted in greater operations for the Company.

As of September 30, 2021, the current assets of the Company consist of cash on hand of $1,165,853 (December 31, 2020 - $ 2,588,801), various receivables of $43,513 (December 31, 2020 - $4,951), and prepaid expenses of $21,898 (December 31, 2020 - $7,598). The Company also carries a variety of non-currents assets including deposits of $101,077 (December 31, 2020 - $86,628), equipment of $ 329,893 (December 31, 2020 - $383,105), intangible assets of $ 1,025,250 (December 31, 2020 - $1,307,874), and right-of-use assets of $100,283 (December 31, 2020 - $108,482). As of September 30, 2021, the Company has accounts payable of $272,882 (December 31, 2020 - $ 221,807), defined benefit liabilities of $52,293 (December 31, 2020 - $nil), and lease liability of $99,277 (both current and non-current portion (December 31, 2020 - $114,906). The loans payable of $274,262 and severance obligation of $103,383 as at December 31, 2020 were not transferred to the Company as part of the asset transfer completed in May 2021.

During the nine months ended September 30, 2021, the Company had a gradual increase of $ 35,409 in amortization and depreciation expense to $ 476,249 (September 30, 2020 - $440,840) due to a lower asset book value being depreciated, which was slightly offset by additions to right of use assets and equipment.

During the nine months ended September 30, 2021, the Company had a decrease in general and administrative expenses of $117,856 to $88,268 (September 30, 2020 - $206,124). The decrease was due to decrease in operations since the business combination and asset transfer.

During the nine months ended September 30, 2021, the Company had an increase in professional fees of $436,364 to $436,364 (September 30, 2020 - $nil). The increase was due to fees incurred due to the business combination, asset transfer and listing process.

During the nine months ended September 30, 2021, the Company had a slight decrease in research and development of $7,200 to $191,924 (September 30, 2020 - $184,724).

During the nine months ended September 30, 2021, the Company had an increase in salaries and wages of $95,092 to $598,295 (September 30, 2020 - $503,203). The increase was due to increased operations from the business combination, asset transfer and listing process.

ADDITIONAL DISCLOSURE FOR VENTURE CORPORATION WITHOUT SIGNIGICANT REVENUE

The following table sets forth a breakdown of material components of the Company for the nine months ended September 30, 2021.

Classification		Nine months ended September 30, 2021	Nine months ended September 30, 2020	Note
Additions to Intangible assets arising from development	RGV	-	-	There were not any development costs related to intangible assets in 2021.
	Wireless charger	-	$2,298	
	Drone	-	-	
	Others	-	-	
	Sub-total	-	$2,298	

ADDITIONAL DISCLOSURE FOR VENTURE CORPORATION WITHOUT SIGNIGICANT REVENUE

Classification		Nine months ended September 30, 2021	Nine months ended September 30, 2020	Note
Expenses research & development costs	RGV	$76,093	$112,538	The most of research and development costs were incurred by lab operation and labors and the total costs were slightly changed.
	Wireless charger	57,035	24,062	
	Drone	-	24,062	
	Others	57,035	24,062	
	Sub-total	$190,163	$184,724	
General & administrative expenses		$237,204	$206,124	The Company continued to proceed the listing process to be listed on CSE and the general and administrative expenses were increased.
Salaries, wages & employee benefits		$518,358	$503,203	The Company had a slight increase in salaries and wages due to increased operations from the business combination and asset transfer.

DISCLOSURE OF OUTSTANDING SHARE DATA

Authorized:

Unlimited number of voting Common Shares

Issued: Common Shares

	As at September 30, 2021	As at November 26, 2021
Number of common shares issued	96,480,000	101,304,000
Subscription receipts to Columbia Capital	4,824,000	Nil
Total number of options to purchase	Nil	4,824,000

The Company issued a total of 100 common shares to Power Republic Corp. in Korea at a price of $1.00 per share when the Company was incorporated on April 23rd, 2019. Then, Power Republic Corp., transferred its entire shares of the Company to PR Korea Co., Ltd in Korea on December 3rd, 2020 and PR Korea Co. is the only shareholder of the Company as of December 31st, 2020. In May 2021, PR Korea Co. surrendered its 100 shares of the Company pursuant to the asset transfer agreement between the Company and PR Korea Co and the Company issued 96,480,000 common shares to, or in trust for, the shareholders of Power Republic Corp. in Korea in exchange for the assets held by PR Korea Co.

DISCLOSURE OF OUTSTANDING SHARE DATA

In addition, the Company issued a subscription receipt certificate to Columbia Capital Inc., as an advisory success fee, (i) 5% of the Company's issued and outstanding shares, which is expected to be 4,824,000 shares and (ii) a purchase option to acquire another 4,824,000 shares exercisable for a period of two years from the listing date at an exercise price equal to the greater of the market closing price on the first day of trading or the 15-day average closing price on the first 15 calendar days, starting from the first day of trading. Subject to approval by the regulatory, PR Technology plans to be listed on CSE and its subsidiary, PRT Korea will be an operating company to manage business and R&D in Korea whereas the rest of related entities; Power Republic and PR Korea will be dissolved.

LIQUIDITY AND CAPITAL RESOURCES

As at of September 30, 2021, the Company had cash and cash equivalent of $1,165,853 (December 31, 2020 - $ 2,588,801).

OFF-BALANCE SHEET ARRANGEMENTS

As at September 30, 2021, the Company had no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Key management personnel include executive officers and directors. During the nine-months ended September 30, 2021, key management compensation totaled $116,910 (September 30, 2020 - $118,350). As at September 30, 2021, defined benefit liability owing to key management personnel totaled $10,735. As at December 31, 2020 provision for severance indemnities owing to key management personnel totaled $ 30,865.

Due to related parties:

	September 30, 2021	December 31, 2020
Due to shareholder and director	$ 1,000	$ 1,000
	$ 1,000	$ 1,000

The amounts due to related parties are due on demand, unsecured and bear no interest.

Transactions with related parties are incurred in the normal course of business and initially recorded at fair value.

PROPOSED TRANSACTIONS

As at September 30, 2021, there were no proposed transactions with the Company, other than those discussed in the "Subsequent Events" note of the financial statements as at, and for the period ended September 30, 2021.

CRITICAL ACCOUNTING ESTIMATES & CHANGES IN ACCOUNTING POLICIES

The Company's significant accounting policies are disclosed in the combined financial statements and notes thereto for the period ended September 30, 2021.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, receivables, account payables and accrued liabilities, long-term debt. Notes payable and amounts due to related parties The carrying amounts of current assets and liabilities approximate their fair value due to their short period to maturity. The carrying value of long-term debt approximates fair value due to the market rate of interest attached to the debt. It is management's opinion that the Company is not exposed to significant credit, interest, or currency risks arising from these financial instruments except as otherwise disclosed.

RISKS AND UNCERTAINTIES

The Company has a limited history of existence. There can be no assurance that the Company will be able to obtain adequate financing to continue. The following risk factors should be given special consideration when evaluating an investment in any of the Company's securities:

a) the Company has had no business activity and has not acquired any material assets since its inception other than cash;
b) the Company does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends until at least after the completion of significant transactions.
c) There can be no assurance that the Company will be able to identify a suitable business transaction.
d) even if a proposed transaction is identified, there can be no assurance that the Company will be able to successfully complete the transaction;
e) the proposed transaction is to be financed in all or part by the issuance of additional securities by the Company and this may result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of the Company;
f) the success of the Company is dependent upon the efforts and abilities of its management team and the loss of any member of the management team could have a material adverse effect upon the business and prospects of the Company. In such event, the Company will seek satisfactory replacements but there can be no guarantee that appropriate personnel may be found.

In addition, the shareholders of the Company and potential investors in the Company should now consider the following risk factors of PRT Korea Ltd. and all the other information contained in this MD&A when evaluating the Company and its common shares

An investment in the Company's shares involves a number of risks, many of which are beyond its control. The risks and uncertainties set out below are all of the known risks, which are deemed to be material to the Company's business or the results of its operations. Additional risks and uncertainties of which the Company is currently unaware or that are deemed immaterial may also adversely affect the Company's business, financial condition, results of operations, cash flows and prospects.

Covid-19

The novel coronavirus ("COVID-19") outbreak was declared a pandemic by the World Health Organization on March 11, 2020. This has resulted in significant economic uncertainty and governments worldwide are enacting emergency measures to contain the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global financial markets have experienced significant volatility and weakness as a consequence of this economic uncertainty. The duration and impact of the COVID-19 outbreak is unknown as this time, as is the effectiveness of interventions by governments and central banks. The full extent of the impact on the Company's future financial results is uncertain given the length and severity of these developments cannot be reliably estimated.

RISKS AND UNCERTAINTIES *(continued)*

Reliance on Management

The Company relies on key employees and staff members. The success of the Company will be dependent upon the ability, expertise, judgment, discretion and good faith of its senior management and key personnel. Any loss of the services of such individuals could have a material adverse effect on the Company's business, operating results or financial condition.

Operating History

The Company has a limited history of operations. 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 in light of the Company's early stage of operations. There is no likelihood of material revenue for a significant period of time based on the early stage of business.

Negative operating cash flow

The Company currently has a negative operating cash flow and may continue to have that for the foreseeable future. The Company's failure to achieve profitability and positive operating cash flows could have a material adverse effect on the Company's financial condition and results of operations.

Insufficient capital and financing requirements

The Company does not currently have any revenue producing products and may, from time to time report a working capital deficit. The Company will require substantial additional capital. When such additional capital is required, the Company will need to pursue various financing transactions or arrangements, including, debt financing, equity financing or other means. Additional financing may not be available when needed or, if available, the terms of such financing might not be favourable to us and might involve substantial dilution to existing shareholders. The Company may not be successful in locating suitable financing transactions in the time period required or at all, may not obtain the capital required by other means. A failure to raise capital when needed would have a material adverse effect on the Business, and may require the Company to delay, limit, reduce, or cease operations. Any future issuance of Common Shares to raise required capital will likely be dilutive to shareholders. In addition, debt and other mezzanine financing may involve a pledge of assets and may be senior to interests of equity holders. The Company may incur substantial costs in pursuing future capital requirements, including investment banking fees, legal fees, accounting fees, securities law compliance fees, printing and distribution expenses and other costs. The ability to obtain needed financing may be impaired by such factors as the capital markets (both generally and in the mining industry in particular), the Company's status as a new enterprise with a limited history, and/or the loss of key management personnel.

Development of the business of the Company

The development of the Business and its ability to execute on its expansion opportunities described herein will depend, in part, upon the amount of additional financing available. Failure to obtain sufficient financing may result in delaying, scaling back, eliminating or indefinitely postponing expansion opportunities and the business of the Company's current or future operations. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be acceptable to the Company. In addition, there can be no assurance that future financing can be obtained without substantial dilution to existing shareholders.

RISKS AND UNCERTAINTIES *(continued)*

Management of Growth

The Company initially intends to outsource its production to third party manufacturers. After achieving a certain level of sales, the Company plans to establish its own manufacturing facilities. The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Inability to protect intellectual property

The Company's success is heavily dependent upon its intangible property and technology. The Company relies upon copyrights, patents, trade secrets, unpatented proprietary know-how and continuing innovation to protect the intangible property, technology and information that are considered important to the development of the business. The Company relies on various methods to protect its proprietary rights, including confidentiality agreements with consultants, service providers and management that contain terms and conditions prohibiting unauthorized use and disclosure of confidential information. Third parties may attempt to copy or replicate intangible property, technology or processes. There can be no assurances that the steps taken by the Company to protect its intangible property, technology and information will be adequate to prevent misappropriation or independent third-party development of the Company's intangible property, technology or processes. It is likely that other companies can duplicate a production process similar to the Company's. To the extent that any of the above would occur, revenue could be negatively affected, and in the future, the Company may have to litigate to enforce its intangible property rights, which could result in substantial costs and divert management's attention and other resources.

The Company's ability to successfully implement its business plan depends in part on its ability to obtain, maintain and expand its intellectual property portfolio. If the Company's efforts to protect its intellectual property are unsuccessful or inadequate, or if any third party misappropriates or infringes on its intellectual property, the value of its technology and brand may be harmed, which could have a material adverse effect on the Company's business and might prevent its technology and brad from achieving or maintaining market acceptance.

Internal Controls

Effective internal controls are necessary for the Company to provide reliable financial reports and to help prevent fraud. Although the Company 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 the Company under Canadian securities law, the Company cannot be certain that such measures will ensure that the Company 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 the Company's results of operations or cause it to fail to meet its reporting obligations. If the Company or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Company's consolidated financial statements and materially adversely affect the trading price of the Common Shares.

RISKS AND UNCERTAINTIES *(continued)*

Breach of confidentiality

While discussing potential business relationships or other transactions with third parties, the Company may disclose confidential information relating to the business, operations or affairs of the Company. Although confidentiality agreements are to be signed by third parties prior to the disclosure of any confidential information, a breach of such confidentiality agreement could put the Company at competitive risk and may cause significant damage to its business. The harm to the Company's business form a breach of confidentiality cannot presently be quantified but may be material and may not be compensable in damages. There can be no assurance that, in the event of a breach of confidentiality, the Company will be able to obtain equitable measures, such as injunctive relief from a court of competent jurisdiction in a timely manner, if at all, in order to prevent or mitigate any damage to its business that such a breach of confidentiality may cause.

Conflicts of Interest

Certain of the Company's directors and officers also serve as directors and/or officers of other companies involved in in similar industries to the Company [NTD: Company to confirm]. Consequently, there is a possibility that a conflict could arise for such directors and officers. Any Company-related decision made by any of these directors and officers involving the Company should be made in accordance with their duties and obligations to deal fairly and in good faith and to act in the best interests of the Company and its shareholders, however there can be no assurance that such conflicts will not adversely affect the Company.

Legal claims and other contingencies

There are no legal claims or proceedings filed against the Company. However, there is a possibility that the Company and its subsidiaries may become parties to lawsuits and claims arising in the ordinary course of business which could adversely affect the Business. Such lawsuits could result in significant costs and the outcome of such lawsuits could have a material negative impact on the Company's financial position, operating results, or the Company's ability to continue to carry on its business activities.

Difficult to forecast sales

The Company must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition.
As at the date of this MD&A, there are no formal agreements in place for the sale of the Company's products, which increases the risk inherent in the Company's financial projections. There is no guarantee that the Company will achieve sufficient sales revenue to sustain its operations.

Industry risks

Wireless power transmission technology is an advanced technology. The standardization of WPT technology and larger power transmission could be found to have a negative impact on the human body. This may affect the commercialization of WPT technology.

RISKS AND UNCERTAINTIES *(continued)*

Competition

The Company will likely face intense competition from other companies, some of which have long operating histories and more financial resources and marketing experience than the Company. Increased competition by larger and better financed competitors could materially and adversely affect the proposed business, financial condition and results of operations of the Company. Because of the early stage of the industry in which the Company operates, the Company expects to face additional competition from new entrants. To remain competitive, the Company will require a continued investment in facilities and research and development to be able to compete on costs. The Company may not have sufficient resources to maintain marketing, sales and patient support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of the Company.

If the Company is unable to continually innovate and increase efficiencies, its ability to attract new customers may be adversely affected.

In the area of innovation, the Company must be able to develop new products that appeal to its customers. This depends, in part, on the technological and creative skills of its personnel and on its ability to protect its intellectual property rights. The Company may not be successful in the development, introduction, marketing, and sourcing of new products, that satisfy customer needs, achieve market acceptance, or generate satisfactory financial returns.

Economic conditions in Korea

PRT Korea Ltd. is incorporated in Korea and most of the Business is currently carried out in Korea. As a result, the Company is subject to political, economic, legal and regulatory risks specific to Korea. Developments that could have an adverse impact on Korea's economy include:

- declines in consumer confidence and a slowdown in consumer spending;
- deterioration in economic or diplomatic relations between Korea and its trading partners or allies, including deterioration resulting from territorial or trade disputes or disagreements in foreign policy (such as the ongoing trade disputes with Japan);
- adverse conditions or developments in the economies of countries and regions that are important export markets for Korea, such as China, the United States, Europe and Japan, or in emerging market economies in Asia or elsewhere, including as a result of deteriorating economic and trade relations between the United States and China and increased uncertainties resulting from the United Kingdom's exit from the European Union;
- the occurrence of severe health epidemics in Korea and other parts of the world, such as the ongoing COVID-19 pandemic;
- adverse changes or volatility in foreign currency reserve levels, commodity prices (including oil prices), exchange rates (including fluctuation of the Canadian dollar, U.S. dollar, Euro or Japanese Yen exchange rates or revaluation of the Chinese Yuan, as well as the impact from the United Kingdom's exit from the European Union on the value of Korean Won), interest rates, inflation rates or stock markets;
- increased sovereign default risk in select countries and the resulting adverse effects on the global financial markets;
- a deterioration in the financial condition or performance of small- and medium-sized enterprises and other companies in Korea due to the Korean government's policies to increase minimum wages and limit working hours of employees;
- investigations of large Korean business groups and their senior management for possible misconduct;
- a continuing rise in the level of household debt and increasing delinquencies and credit defaults by retail and small- and medium-sized enterprise borrowers in Korea;

RISKS AND UNCERTAINTIES *(continued)*

- the economic impact of any pending free trade agreements or changes in existing free trade agreements; social and labor unrest;
- decreases in the market prices of Korean real estate;
- decrease in tax revenue coupled with a substantial increase in the Korean government's expenditures for fiscal stimulus measures, unemployment compensation and other economic and social programs that would lead to an increased Korean government budget deficit;
- financial problems or lack of progress in the restructuring of Korean business groups, other large troubled companies, their suppliers or the financial sector;
- loss of investor confidence arising from corporate accounting irregularities or corporate governance issues at certain Korean companies;
- increases in social expenditures to support an aging population in Korea or decreases in economic productivity due to the declining population size in Korea;
- geo-political uncertainty and the risk of further attacks by terrorist groups around the world;
- natural or man-made disasters that have a significant adverse economic or other impact on Korea or its major trading partners;
- political uncertainty or increasing strife among or within political parties in Korea;
- hostilities or political or social tensions involving oil producing countries in the Middle East and Northern Africa and any material disruption in the global supply of oil or sudden increase in the price of oil;
- increased reliance on exports to service foreign currency debts, which could cause friction with Korea's trading partners;
- the continued growth of the Chinese economy, to the extent its benefits (such as increased exports to China) are outweighed by its costs (such as competition in export markets or for foreign investment and the relocation of manufacturing bases from Korea to China);
- political or social tensions involving Russia and any resulting adverse effects on the global supply of oil or the global financial markets; and
- an increase in the level of tensions or an outbreak of hostilities between North Korea and Korea or North America.

Foreign Currency Risk

The Company is subject to foreign currency exchange risk which may negatively impact its competitiveness, net sales, net earnings and cash flow driven by movements of the Canadian dollar relative to other currencies. A weakening of the currencies in which the Company generates sales relative to the currencies in which costs are denominated may have a material adverse effect on the Company's net earnings and cash flow. The use of different currencies exposes the Company to the risk of foreign currency fluctuations, which are affected by a number of factors that are beyond the control of the Company. These factors include economic conditions in the relevant country and elsewhere and the outlook for interest rates, inflation and other economic factors. Foreign currency fluctuations may also affect the Company's ability to achieve sales growth. A weakening of foreign currencies in which the Company generates sales relative to the Canadian dollar would decrease its net sales. Accordingly, its reported net earnings may be negatively affected by changes in foreign exchange rates.

Financial instability in other countries

As most of the Business is currently carried out in Korea, the Company may be affected by the impact of financial instability in countries other than Korea. The Korean market and economy are influenced by economic and market conditions of other countries, particularly emerging market countries in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has adversely affected the Korean economy.

RISKS AND UNCERTAINTIES *(continued)*

Foreign Countries and Political Risk

Most of the Business is carried out in Korea and the Company may expand operations into other foreign countries, where operating activities may be affected in varying degrees by political instability and changes in government regulations such as tax laws, business laws and environmental laws, affecting the Company's business in that country. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business, or if significant enough, may make it impossible to continue to operate in the country. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, foreign exchange restrictions, export controls, consumer protection, income taxes and environmental legislation.

Tensions with North Korea

As most of the Business is currently carried out in Korea, the Company is subject to the impact of the tensions between the Republic of Korea and North Korea. Relations between the Republic of Korea and North Korea have been tense throughout Korea's modern history. The level of tension between the two Koreas has fluctuated and may increase or change abruptly as a result of current and future events. In recent years, there have been heightened security concerns stemming from North Korea's nuclear weapons and long-range missile programs and increase uncertainty regarding North Korea's actions, particularly in light of possible response from the international community. There can be no assurance that the level of tension will not escalate further in the future.