

PR TECHNOLOGY INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2022

(EXPRESSED IN CANADIAN DOLLARS)

The Management Discussion and Analysis ("MD&A") of PR Technology Inc. (the "Company", or "PRTI") is prepared as of April 3, 2024 and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2022 of PRTI, 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 cause 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 head office and registered office of the Company is located at 555-409 Granville Street, Vancouver BC V6C 1T2.

On May 27, 2021, the Company completed an asset transfer arrangement with a company under common control, whereby it acquired patents of wireless power transfer technology and obtained control over its wholly-owned subsidiary, PRT Korea Inc. As a result of this acquisition, the Company is a technology company with a portfolio of intellectual properties in the wireless power transmission ("WPT") technology industry and engaging in research and

development of low frequency resonant WPT. The Company was listed on Canadian Securities Exchange ("CSE") under the ticker of "PRT". On May 9, 2023, the Company's shares were halted from trading on CSE due to a FFCTO issued from BCSC. On August 3, 2023, CSE granted an extension of the filing deadline 90-day from August 3, 2023, on November 10, 2023, a further extension for filing deadline was granted till February 9, 2024, and again on February 9, 2024, a further extension of filing deadline was granted till to May 9, 2024.

On January 25, 2024, the BCSC granted the company a partial revocation order (a "Partial Revocation Order") of the FFCTO to allow the Company to complete a private placement of up to 5 million common shares at a price of \$0.10 per share. On February 8, 2024, pursuant to a partial revocation order issued by BCSC, the Company closed the first tranche of private placement for gross proceeds of \$200,000 through issuance of 2,000,000 common shares of the Company at a price of \$0.10 per share to PRH Co., Ltd, a control party of the Company.

The management is focused on the Company's continuous disclosure obligations and plans to apply for CTO full revocation.

CORPORATE HIGHLIGHTS

Highlights of the Company's activities during the year ended December 31, 2022, and up to the date of the MD&A:

- On January 17, 2022, the Company granted options to acquire a total of 789,222 common shares of the Company to certain officers, directors, employees, and consultants of the Company at the exercise price of \$1.80 per share for a period of three years, subject to vesting requirements.
- In January 2022, the Company contracted with an agency to coordinate the launch and marketing of the wireless LED light for a LEGO toy on the crowdfunding platform Kickstarter in the United States.
- On May 31, 2022, Mr. Neon Jun (James) Ryu was appointed as Chief Operating Officer and a director of the Company.
- In June 2022, Mr. Doug Blakeway, Mr. Sean Peasgood and Mr. Sean Kim resigned from Board Director of the Company. Mr. Brian Causey resigned as Chief Financial Officer and Corporate Secretary of the Company. Mr. James Ryu was appointed as Chief Financial Officer and Corporate Secretary.
- On July 17, 2022, PRTK, a subsidiary of the issuer, was selected by bidding for the nation's national project in KOREA. The contents of the national project are research and development to make upgraded products related to existing factory automation wireless power transmission, and the research will be developed with the support of the state for three years until June 2024.
- In August 2022, Mr. Chang Guk Kim resigned as Chief Executive Officer and a Board Director of the Company and Mr. Jong In Park resigned as a Board Director of the Company.
- on January 17, 2023, the Company launched the Bandibul on Kickstarter. Bandibul is the world's first LEDs for LEGOs powered by wireless power transmission.
- On January 27, 2023, the Company's auditor MNP LLP resigned as auditor for the Company.
- On May 8, 2023, British Columbia Securities Commission (the "BCSC") issued a CTO against the Company as a result of not filing its audited financial statements and MD&A for fiscal year 2022 by the filing deadline of April 30, 2023, as required under the applicable Canadian securities law.
- On June 27, 2023, the Company appointed Adam Sung Kim Ltd as the Company's auditor.
- On July 5, 2023, the Company appointed James Ryu as Chief Executive Officer on an interim basis, and Mr. Seok Min Kang and Mr. Seok Hyun Oh to its Board of Directors.
- On September 12, 2023, the Company appointed Shim & Associates LLP to replace Adam Sung Kim Ltd as the Company's auditor.
- On November 16, 2023, CSE granted the Company an extension of filing deadline for its audited financial statements and MD&A for fiscal year 2022, along with interim financial statements for period ended March 31, June 30, and September 30, 2023, to February 9, 2024.
- On January 2, 2024, the Company appointed Mr. Ki Hun Chung and Mr. Sunsik So to its Board of Directors.

- On January 12, 2024, the Company has applied BCSC for a partial revocation of the failure-to-file cease trade order (the "FFCTO") that was issued by BCSC against the Company on May 8, 2023.
- On January 25, 2024, BCSC has issued an order partially revoking the FFCTO that issued by BCSC against the Company on May 8, 2023. The Company applied for the partial revocation order seeking permission to complete a non-brokered private placement of up to five million shares of the Company at a price of \$0.10 per share for aggregate gross proceeds of up to \$500,000. The Company intends to proceed to complete the prepare and file all outstanding financial statements and continuous disclosure records, pay all outstanding related fees and penalties, and to continue operations until it can apply for and receive a full revocation of the FFCTO and Ontario CTO. All common shares issued pursuant to the private placement will be subject to a hold period of four months and a day from the closing date of the private placement.
- On February 8, 2024, the Company closed the first tranche of private placement for gross proceeds of \$200,000 through issuance of 2,000,000 common shares of the Company at a price of \$0.10 per share to PRH Co., Ltd, a control party of the Company.

SELECTED FINANCIAL INFORMATION

The following financial data is derived from the Company's audited financial statements years ended December 31, 2022, 2021, and 2020.

	As at December 31, 2022	As at December 31, 2021	As at December 31, 2020
Expenses			
Other income (expenses)	\$ (761,676)	\$ (4,087)	\$ 12,299
Total loss and comprehensive loss	3,576,372	3,199,810	1,845,855
Basic and diluted loss per share	\$ (0.30)	\$ (0.54)	\$ (18,982.92)
Financial Position			
Total current assets	\$ 56,471	\$ 610,624	\$ 2,601,350
Total non-current assets	\$ 49,071	\$ 1,358,127	\$ 1,886,089
Total current liabilities	\$ 1,141,184	\$ 280,430	\$ 387,179
Total non-current liabilities	\$ 80,591	\$ 75,436	\$ 330,179
Shareholder's (deficiency) equity	\$ (1,116,233)	\$ 1,612,885	\$ 3,770,081

SUMMARY OF QUARTERLY RESULTS

The following table summarized selected financial data reported by the Company for the previous quarters:

Quarter ended	December 31, 2022 (\$)	September 30, 2022 (\$)	June 30, 2022 (\$)	March 31, 2022 (\$)
Cash	39	286	19,357	98,485
Total assets	105,542	1,095,872	1,319,329	1,562,398
Total liabilities	1,221,775	978,601	921,268	593,025
Net loss	1,215,604	472,536	757,943	965,191
Loss per share (basic and diluted)	0.12	0.04	0.07	0.09

Quarter ended	December 31, 2021 (\$)	September 30, 2021 (\$)	June 30, 2021 (\$)	March 31, 2021 (\$)
Cash	494,695	1,165,853	1,601,724	2,002,484
Total assets	1,968,751	2,787,767	3,370,675	3,970,729
Total liabilities	355,866	427,452	431,066	841,627
Net loss	1,193,100	583,364	952,283	668,538
Loss per share (basic and diluted)	0.11	0.05	0.10	0.15

RESULTS OF OPERATIONS

For the year ended December 31, 2022

Significant items that contributed to the net loss and comprehensive loss for the year ended December 31, 2022, and December 31, 2021 were as follows:

- Consulting fees of \$300,206 (2021- \$702,169)
- Professional fees of \$205,014 (2021- \$412,382)
- Payroll expenses of \$387,558 (2021- \$560,736)
- Research and development costs of \$185,202 (2021- \$596,813)
- Share-based compensation of \$847,254 (2021 - \$219,503)
- Impairment \$764,950 (2021 - \$Nil)

During the year ended December 31, 2022, the Company reported a net loss of \$3,411,274, an increase of \$13,989 from a net loss of \$3,397,285 in the same period in 2021. Operating loss decreased to \$2,649,598 from \$3,393,198 in the prior year.

This reduction in operating loss was largely due to decreased consulting fees, professional fees, and payroll expenses, which fell by \$401,963, \$207,368, and \$173,150, respectively. These reductions were primarily the result of more efficient operations. Furthermore, the Company incurred a decrease in research and development costs by \$411,611, and travel by \$72,136 attributed to constrained funding. Those decreased costs were partially offset by an increase in share-based compensation, a non-cash item, by \$627,751 compared to 2021. The Company also recorded impairment of \$764,950 during the year ended December 31, 2022.

For the three months ended December 31, 2022

Significant items that contributed to the net loss and comprehensive loss for the three months ended December 31, 2022, and December 31, 2021 were as follows:

- Consulting fees recovery of \$54,119 (2021- expense of \$366,901)
- General and administrative expense of \$17,628 (2021- recovery of \$110,978)
- Research and development costs of \$6,264 (2021- \$409,500)
- Payroll expenses of \$79,423 (2021- recovery of \$24,259)
- Impairment \$764,950 (2021 - \$Nil)

During the three months ended December 31, 2022, the Company reported a net loss of \$1,215,604, an increase of \$22,504 from a net loss of \$1,193,100 in the same period in 2021. Operating loss decreased to \$455,432 from \$1,201,770 in the prior year.

This reduction in operating loss was largely due to decreased consulting fees and research and development costs, which fell by \$421,020 and \$403,236, respectively. These reductions were primarily the result of more efficient operations. Those decreased costs were partially offset by an increase in general and administrative expense by \$128,606 and payroll expenses by \$103,682 compared to 2021. The Company also recorded impairment of \$764,950 during the three months ended December 31, 2022.

DISCLOSURE OF OUTSTANDING SHARE DATA

The Company's authorized share capital consists of an unlimited number of common voting shares without par value.

As at the date of the MD&A, there are:

- 13,256,001 commons shares outstanding
- 710,221 stock options outstanding and 710,221 stock options exercisable

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2022, the Company had cash of \$39 (December 31, 2021 - \$494,695).

As at December 31, 2022, the Company had working capital deficiency \$1,084,713 (December 31, 2021 - \$330,194 working capital surplus)

Management believes that its ability to continue as a going concern is highly dependent upon its capacity to secure equity financing. The Company's operations are significantly influenced by factors such as capital market environment, supply chain, inflation, geographic stability, and overall global business environment. Due to volatile nature of equity markets, ongoing global economic uncertainty, cost pressures and competitive international business landscape, management continually evaluates emerging technologies and equity markets to maintain sufficient liquidity for supporting the company's growth strategy.

OFF-BALANCE SHEET ARRANGEMENTS

As at December 31, 2022, the Company had no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Key management personnel are those people who have authority and responsibility for planning, directing and controlling the activities of the Company. The Company has determined that its key management personnel are the members of the Company's current and former Board of Directors and its executive officers who were granted cash compensation.

Key management personnel include executive officers and directors. During the year ended December 31, 2022 below are the transactions incurred with related parties:

	Year Ended December 31, 2022		Year Ended December 31, 2021	
Service and consulting fees	\$	33,847	\$	352,463
Salaries		201,540		220,040
Share-based compensation		292,897		335,031
Provision for severance liabilities		-		5,951
Purchase vehicles		-		43,824
Loans to related parties		-		16,434

PR Technology Inc.
Management's Discussion and Analysis
For the year ended December 31, 2022

Purchase from related parties		-		27,295
Total transactions with related parties	\$	528,284	\$	1,001,038

Amounts due to related parties		As at December 31, 2022		As at December 31, 2021
Accounts payable	\$	140,650	\$	87,292
Payables due to asset transfer		-		77,711
Borrowings from related parties		1,078		-
Total due to related parties	\$	141,728	\$	165,003

Amounts due from related parties		As at December 31, 2022		As at December 31, 2021
Loan receivable	\$	-	\$	10,660
Amounts receivable		-		5,138
Total due from related parties	\$	-	\$	15,798

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 December 31, 2022, there were no proposed transactions with the Company.

CRITICAL ACCOUNTING ESTIMATES & CHANGES IN ACCOUNTING POLICIES

The Company's significant accounting policies are disclosed in the audited consolidated financial statements and notes thereto for the year ended December 31, 2022.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash, receivables, trade payables and accrued liabilities, lease liabilities, provision for severance liabilities, and defined employment benefit liabilities. The carrying amounts of current assets and current liabilities approximate their fair value due to their short period to maturity. The carrying amounts of the long-term liabilities approximate fair value as these liabilities bear interest at variable market rates. It is the 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 a few business activities since its inception;
- b) the Company does not have a history of earnings, nor does it plan on paying any dividends in the near future as it focuses on generating revenue.
- c) There can be no assurance that the Company will generate significant revenue.
- d) 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.

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 significant 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.

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 brand 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.

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 from 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

None of the Company's directors and officers currently serves as directors and/or officers of other companies involved in similar industries to the Company. However, it is possible that certain directors and officers may serve for other companies involved in similar industries to the Company and conflict could arise for such directors and officers in the future. 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.

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;
- 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.

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.

Additional Information

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

List of Directors and Officers

Neon Jun (James) Ryu, President, CEO, Interim CFO, Director, Corporate Secretary
Seok Min Kang, Director
Seok Kyun Oh, Director
Ki Hun Chung, Director
Sunsik So, Director