MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2025
(in Canadian Dollars, unless otherwise indicated)

DATE: May 22, 2025

Introduction

The following Management's Discussion and Analysis ("**MD&A**") of the financial condition and results of operations of MyndTec Inc. ("**MyndTec**" or the "**Company**") constitutes management's review of the factors that affected the Company's financial and operating performance for the three-month period ended March 31, 2025. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the unaudited interim financial statements of the Company for the years ended December 31, 2024, and December 31, 2023 (the "financial statements"), together with the notes thereto. Information contained herein is presented as at May 22, 2025, unless otherwise indicated.

Forward Looking Statements

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities laws (forward-looking information being collectively hereinafter referred to as "forward-looking statements"). Such forward-looking statements are based on expectations, estimates and projections as at the date of this MD&A. Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often but not always using phrases such as "expects", "is expected", "anticipates", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends", or variations of such words and phrases (including negative and grammatical variations), or stating that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements and are intended to identify forward-looking statements.

These forward-looking statements include, but are not limited to, statements and information concerning: the intentions, plans and future actions of the Company; statements relating to the business and future activities of the Company after the date of this MD&A; market position, ability to compete and future financial or operating performance of the Company after the date of this MD&A; anticipated developments in operations of the Company; the timing and amount of funding required to execute the Company's business plans; capital expenditures; the effect on the Company of any changes to existing or new legislation or policy or government regulation; the length of time required to obtain permits, certifications and approvals; the availability of labour; estimated budgets; currency fluctuations; requirements for additional capital; limitations on insurance coverage; the timing and possible outcome of litigation in future periods; the timing and possible outcome of regulatory and permitting matters; goals; strategies; future growth; the adequacy of financial resources; and other events or conditions that may occur in the future.

Forward-looking statements are based on the beliefs of the Company's management, as well as on assumptions, which such management believes to be reasonable based on information available at the time such statements were made. However, by their nature, forward-looking statements are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Certain assumptions in respect of the Company's ability to recruit and retain key talent, ability to execute on growth strategies, the impact of competition, changes in trends in the Company's industry or macroeconomic conditions, including the ongoing impacts of the COVID-19 pandemic, and any changes in laws, rules, regulations, and global standards are material assumptions made in preparing forward-looking information and management's expectations.

Forward-looking statements are subject to a variety of risks, uncertainties and other factors which could cause actual results, performance or achievements to differ from those expressed or implied by the forward-looking statements, including, without limitation, related to the following: operational risks; regulation and permitting; evolving markets; industry growth; uncertainty of new business models; speed of introduction of products and services to the marketplace; undetected flaws; risks of operation in urban areas; marketing risks; geographical expansion; limited operating history; substantial capital requirements; history of losses; reliance on management and key employees; management of growth; risk associated with foreign operations in other countries; risks associated with acquisitions; electronic communication security risks; insurance coverage; tax risk; currency fluctuations; conflicts of interest; competitive markets; uncertainty and adverse changes in the economy; reliance on components and raw materials; change in technology; quality of products and services; maintenance of technology infrastructure; privacy protection; development costs; product defects; insufficient research and development funding; uncertainty related to exportation; legal proceedings; reliance on business partners; protection of intellectual property rights; infringement by the Company of intellectual property rights; resale of shares; market for securities; dividends; and, global financial conditions.

The risk factors set out in this MD&A or in the Company's other public disclosure documents are not exhaustive of the factors that may affect any forward-looking statements of the Company. Forward-looking statements are statements about the future and are inherently uncertain. Actual results could differ materially from those projected in the forward-looking statements as a result of the matters set out in this MD&A generally and certain economic and business factors, some of which may be beyond the control of the Company. In addition, the global financial and credit markets have experienced significant debt and equity market and commodity price volatility which could have a particularly significant, detrimental and unpredictable effect on forward-looking statements. The Company does not intend, and does not assume any obligation, to update any forward-looking statements, other than as required by applicable law.

For all of these reasons, readers should not place undue reliance on forward-looking statements. Any financial outlook or future-oriented financial information in this MD&A, as defined by applicable securities laws, has been approved by the management of the Company.

Such financial outlook or future-oriented financial information is provided for the purpose of providing information about management's current expectations and plans relating to the future of the Company. Readers are cautioned that reliance on such information may not be appropriate for other purposes.

Business Overview and Going Concern Note

The Company is incorporated under the *Business Corporations Act* (Ontario) and its head office is located at 1900 Minnesota Court, Suite 122, Mississauga, Ontario, L5N 3C9. The Company became listed on the Canadian Securities Exchange (CSE) on February 16, 2022 and trades under the symbol MYTC.

The Company's financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. There is no certainty whether the Company will generate significant revenue or attain profitable operations in the near future, as it incurred a net and comprehensive loss of $227,856 and had a negative cash flow from operating activities of $196,317 for the three-month period ended March 31, 2025.

As at March 31, 2025, the Company was in default in respect of its Federal Economic Development Agency ("**FEDA**") loan payable, with a principal balance of $447,492 and a $550,000 deferred payment agreement obligation to its former law firm ("**Former Law Firm**"). The Company had a March 31, 2025 cash and cash equivalents balance of $111,775, which covers less than two months of net operating expenses, even if there is no requirement to make payments in respect of the deferred payment agreement or FEDA loan.

The Company's ability to continue as a going concern is dependent on its raising of future required capital, bringing its products to market and achieving and maintaining profitable operations. The outcome of these matters cannot be predicted at this time. As a result, there exists a material uncertainty which creates significant doubt regarding the Company's ability to continue as a going concern.

The Company has accumulated $21,154,029 of losses as of March 31, 2025, and its ability to continue as a going concern is dependent on it raising future required capital; bringing its products to market; and, achieving and maintaining profitable operations. The outcome of these matters cannot be predicted at this time. As a result, as indicated in notes 1, 2, 7, 10 and 18 of the financial statements, there exists a material uncertainty which creates significant doubt regarding the Company's ability to continue as a going concern. The Company's financial statements do not include any adjustments and classifications of assets and liabilities, which might be necessary should the Company be unable to continue its operations. Such adjustments could be material.

Corporate Strategy, Technology and Product Overview

The Company's strategic vision is to transform neurological care through the integration of artificial intelligence (AI) and advanced neurotechnology. While founded on expertise in functional electrical stimulation (FES) therapy with our MyndMove™ ("**MyndMove**") platform, we are evolving toward AI-driven solutions that can potentially enhance treatment outcomes, reduce healthcare costs, and provide more personalized care for patients with neurological disorders.

At the core of this strategy is our development of predictive AI technologies that aim to transform clinical data into meaningful insights, potentially enabling earlier, more effective interventions to improve patient outcomes. These AI initiatives are intended to complement and enhance our existing work in neuromodulation (such as FES) and our target work in neuroimaging and regenerative therapies. The overarching goal is to optimize resource use across the healthcare system, streamline clinical decision-making, and ultimately enhance the efficiency of patient care delivery.

Our research and development activities are aligned with this corporate strategy and focus on fostering innovation within neurotechnology. Leveraging our expertise in functional electrical stimulation (FES), we are pursuing opportunities to expand into treatments for neurodegenerative diseases and associated disorders. Our initial development efforts in this expansion are concentrated on chronic pain management through our early-stage MyndLink™ ("**MyndLink**") concept.

Commercialization of our products in key markets is contingent upon securing and maintaining regulatory authorizations, including clearance or approval from authorities such as the U.S. Food and Drug Administration ("**FDA**") and Health Canada ("**Health Canada**"), and obtaining CE marking conformity for access to the European market. We are subject to the comprehensive rules and registration requirements mandated by these regulatory bodies.

To assist with the Company's corporate strategy and expand its market presence and penetration, the Company may seek to establish one or more of the following strategic initiatives and ventures:

- Strategic Partnerships: Forge strategic partnerships with key opinion leaders, research institutions, and industry stakeholders to advance scientific knowledge, collaborate on research projects, and enhance product development efforts.
- Continuous Improvement: Implement a culture of continuous improvement and innovation, soliciting feedback from stakeholders and leveraging insights to refine products, processes, and business strategies.
- Launch New Product Lines: Develop and launch innovative medical devices targeting specific neurodegenerative diseases and disorders, such as for Parkinson's disease, Major Depressive Disorder (**"MDD"**), Alzheimer's disease and pain management.

- Clinical Trial Investments: Invest in robust clinical trial programs to generate clinical evidence supporting the efficacy of the Company's technologies across different neurological disorders and patient populations.
- Regulatory Strategy: Develop comprehensive regulatory strategies to navigate the regulatory approval process efficiently and expedite market entry for the Company's medical technologies.
- Market Development: Implement targeted marketing and educational initiatives to raise awareness about the Company's products among healthcare professionals, patients, and caregivers, driving adoption and utilization.
- Customer Engagement: Establish strong relationships with healthcare providers and rehabilitation centers through training programs, clinical support services, and ongoing communication to ensure optimal utilization and customer satisfaction.

MyndMove Platform

The Company has developed and is presently commercializing the MyndMove system, a patented functional electrical stimulation ("**FES**") that leverages proprietary treatment protocols that integrate neuro stimulation with a cloud-connected database. The MyndMove system was developed to apply advanced principles of neuroplasticity and FES to assist patients with paralysis of the arm, hand and lower limb to make lasting gains in the recovery of natural, voluntary movement. In Canada, the Company lends on a service fee basis and sells MyndMove directly to clinics and institutions. In the United States and Asia, the device is sold as a capital sale.

The regulatory environment for neurorehabilitation devices such as MyndMove is determined by the device's level of risk and bringing these non-invasive devices to market involves prior regulatory clearance in respective markets. In the U.S., FES devices fall under the regulatory purview of the FDA. These devices are categorized as medical devices and are subject to regulation under the U.S. Food, Drug, and Cosmetic Act ("**FD&C Act**") and the regulations outlined in Title 21 of the Code of Federal Regulations (CFR), specifically Part 21 (Medical Devices) and Part 820 (Quality System Regulation). The FDA classifies medical devices into three classes (Class I, II, and III) based on the level of risk they pose to patients and the regulatory controls necessary to ensure their safety and effectiveness. Most FES devices are classified as Class II devices, and as a result are subject to the FDA's premarket notification requirements, commonly known as *510(k) clearance*. This process requires the manufacturer to demonstrate that the device is substantially equivalent to a legally marketed predicate device. Some FES devices may be classified as Class III devices if they pose a higher risk to patients. In such cases, premarket approval (PMA) is required, which involves a more rigorous review process to demonstrate the device's safety and effectiveness.

In Canada, the regulation of medical devices, including FES devices, is overseen by Health Canada. These devices are regulated under the Medical Devices Regulations, which are part of the Food and Drugs Act. Similar to the FDA's classification system, Health Canada categorizes medical devices into four classes (Class I, II, III, and IV) based on their risk level. Most FES devices are classified as Class II or III devices in Canada, depending on their intended use and risk level. Class II devices typically require a medical device license (MDL) application, while Class III devices may require a more in-depth review process. Health Canada assesses the safety, effectiveness, and quality of medical devices through its review process before granting market authorization.

Both the FDA and Health Canada require manufacturers to adhere to stringent quality management systems, conduct appropriate testing and clinical studies, and comply with labeling and post-market surveillance requirements to ensure the safety and effectiveness of electrical stimulation devices in North America. Additionally, manufacturers must stay updated with any changes or updates to regulatory requirements to maintain compliance.

MyndMove is considered a Class II device in the U.S. and Canada and is cleared by the FDA and licensed by Health Canada for the treatment of upper body paralysis for stroke and spinal cord injury patients. In July 2024, Health Canada approved the expanded use of the MyndMove system for therapy on lower limbs.

MyndMove is indicated for the following uses[1]:

FDA-Cleared Indication[2]	**Health Canada-licensed Indication[3]**
Functional electrical stimulation (**FES**)	
• Improvement of arm and hand function and active range of motion in stroke and SCI patients with hemiplegia due to stroke or upper limb paralysis resulting from C3-T1 spinal cord injury.	
Neuromuscular Electrical Stimulation (**NMES**) for general rehabilitation for:	
• maintenance and/or increase of **arm and hand** range of motion,	• maintenance and/or increase of range of motion
• prevention and/or retardation of disuse atrophy,	
• increase in local blood circulation,	
• reduction in muscle spasm, and	
• re-education of muscles.	
MyndMove can only be administered by Occupational or Physical Therapy professionals that have completed MyndMove training by MyndTec on the use of the MyndMove system.	

The Company discontinued the distribution of the MyndStep system, a FES device for use in restoring lower limb function, in Canada and the United States effective November 1, 2024. The Company made the decision to discontinue the MyndStep system after consideration of the increasing challenges related to the regulatory and the financial burden in connection with supplier oversight and in view of the MyndMove system's expanded indication (initially in Canada). Consequently, the Company recorded a $21,630 obsolescence expense in the three-month period ended March 31, 2025. In view of the MyndMove system, including its recent expanded indication for lower limb function in Canada, and its efforts on advancing innovative neuroimaging, neuromodulation and regenerative technologies, the Company does not view the discontinuation of the MyndStep system as having a material impact to its business.

Neuroregeneration Research

The Company has secured an exclusive license agreement with the University of Toronto ("U of T") for intellectual property relating to the use of biphasic electrical stimulation to potentially influence the migration of neural progenitor cells ("NPCs"). The licensed concepts pertain to directing NPCs toward damaged brain areas to explore possibilities for promoting neural regeneration in conditions such as stroke, brain and spinal cord injuries, and degenerative diseases like Parkinson's and Alzheimer's. U of T retains rights for research and educational use.

Foundational Research (Prior to Licensing)

The licensed technology is based on foundational research previously conducted at U of T. Initial preclinical studies in mice demonstrated that specific biphasic electrical stimulation protocols could influence the migration direction of endogenous NPCs. Subsequent related research explored the role of calcium signaling in this process and indicated that electrical fields could also influence human NPCs (in vitro) and affect NPC proliferation and specialization in animal models. This prior research by U of T established the scientific premise underlying the licensed intellectual property.

[1] In addition to being available in the U.S. and Canada, MyndMove is available in Malaysia under Registration GB8907023-128917

[2] Commercially available in the U.S. under 510(k) Nos. K170564 and K212149

[3] Marketed in Canada under medical device licenses 93158 and 106501

Potential Application Concept for Parkinson's Disease

Leveraging the licensed technology concept, the Company is exploring potential future applications, including for Parkinson's disease, a condition characterized by the loss of dopamine-producing neurons. Current treatments primarily manage symptoms. The concept licensed from U of T involves investigating the use of targeted electrical stimulation to potentially direct NPCs towards affected brain regions. A hypothetical therapeutic approach, which the Company may consider exploring in the future, could involve integrating NPC-related biology, advanced neuroimaging (e.g., MRI, fMRI, DTI), AI for analysis, and targeted electrical stimulation, potentially delivered via existing Deep Brain Stimulation (DBS) systems.

Areas Requiring Future Research & Development

Should the Company decide to proceed with development based on this licensed concept, significant research and development would be required. Key areas demanding investigation would likely include:

- **Biphasic Stimulation:** Optimization of stimulation waveforms and parameters, potentially exploring personalization based on patient data and investigating closed-loop control concepts.
- **Predictive Imaging and Biomarkers:** Development of predictive models using imaging and other data, identification of relevant biomarkers, and integration of multimodal data sources.

Planned Preclinical Evaluation Strategy

Prior to committing to significant development, and contingent upon securing adequate financing, the Company anticipates that an initial step would involve preclinical evaluation using established models. The Adeno-Associated Virus (AAV) Synuclein mouse model, which replicates aspects of Parkinson's pathology like alpha-synuclein accumulation, is considered a relevant platform for such initial studies. This model allows for the testing of therapeutic concepts targeting Parkinson's-related morphology and enables monitoring of factors like NPC migration in a controlled setting relevant to the disease. Its recognized advantages include disease relevance for Parkinson's mechanisms, suitability for testing therapeutic interventions, potentially accelerated research timelines compared to some other models, and compatibility with biomarker analysis and comprehensive assessments.

Current Status and Contingencies

To date, the Company has not commenced development work on this neuroregeneration technology concept.

Pursuing the exploration and potential future development of this technology, including the planned preclinical studies using the AAV Synuclein model, is **entirely contingent upon the Company securing sufficient additional financing.** Furthermore, any potential future success depends on numerous factors, including demonstrating technical feasibility, navigating complex biological challenges, attracting and retaining specialized talent, and establishing clinical and commercial viability. There is no guarantee that the Company will proceed with development or that any future efforts in this area will be successful.

Competitive Overview

The Company faces competition from established and start-up medical device companies actively working on developing innovative FES solutions for rehabilitation, including through the use of advanced AI. With respect to the Company's MyndMove platform, these entities often focus on specific aspects of FES technology, such as improving stimulation techniques, enhancing user interfaces, or optimizing rehabilitation protocols. Some of these companies include:

- Bioventus LLC (including the H200 Wireless Hand Rehabilitation and L300 Go Foot Drop Systems)
- Restorative Therapies, Inc. (including the RT300 FES systems and the Xcite Clinical Stations)
- Odstock Medical Limited (including the Odstock Dropped Foot Stimulator Pace)
- Medtronic PLC (including FES systems as part of their neuromodulation portfolio)
- AxioBionics, LLC (including the Walkaide FES system)
- Ottobock SE & Co. KGaA and Shenzen XFT Medical Limited

Other institutes working on FES research include:

- The Cleveland FES Center, a collaborative research consortium that develops, advances and evaluates FES technologies for various applications, including rehabilitation.
- Tecnalia, a research and technology organization that collaborates with industry partners and academic institutions to advance the development of FES systems for rehabilitation.
- University of Miami's The Miami Project to Cure Paralysis focused on spinal cord injury and paralysis, with significant research dedicated to FES for restoring movement and function.
- National Rehabilitation Hospital's FES and Neuromodulation Laboratory focused on developing FES-based interventions for rehabilitation, with particular emphasis on individuals with spinal cord injuries and stroke.
- The Cleveland FES Center, a leader in FES research, focusing on developing FES technologies to restore function in individuals with neurological impairments.

Overall, the FES market is dynamic and evolving, with ongoing advancements in technology, research, and clinical applications driving competition and innovation. Companies and organizations in this space continually strive to develop more effective and accessible FES solutions to improve the lives of individuals with neurological impairments. As a result, along with the increased use of AI in healthcare, the Company anticipates new technologies and devices to come to market in the near future including from the company's listed above and others.

Product Development

MyndLink: AI Decision Support for Spinal Cord Stimulation (SCS)

In line with our strategy to integrate AI for predictive insights, building on our established expertise in neuromodulation technologies with MyndMove, the Company is in the early stages of developing MyndLink, an innovative machine learning-based clinical decision support ("**CDS**") system for chronic pain management in patients considering spinal cord stimulation ("**SCS**"). On November 11, 2024, the Company secured an exclusive license to related technology covered by US Patent Application No. 18/566,695 developed at Albany Medical College by Dr. Julie Pilitsis and Dr. Amir Hadanny.

This initiative supports our commitment to advancing neurostimulation through personalized, data-driven solutions. MyndLink aims to empower healthcare practitioners by improving patient selection for SCS therapy. By better identifying patients likely to respond positively to SCS, the technology seeks to enhance treatment outcomes, potentially reduce healthcare costs associated with unsuccessful treatments, and optimize the use of SCS therapy.

- Ongoing Development & Initial Findings: Initial development focused on predictive models using clinical and psychological variables from 150 patients. The top-performing model demonstrated promising results, achieving 86% accuracy in identifying high responders to SCS, with high precision (100%) suggesting effectiveness in helping to rule out non-responders. Key predictive factors identified included pain duration, psychological scores, and anatomical pain distribution. While initial results are encouraging, the study highlighted limitations such as sample size and data imbalance. Further data augmentation, model refinement, and ongoing clinical validation through hospital deployment are planned to enhance model sensitivity and generalizability. The Company is seeking funding to support this next stage of development and validation.

- Addressing Unmet Needs in SCS: SCS is an established neuromodulation annually technique where an implanted device aims to interrupt pain signals. While over 50,000 devices are implanted[22], treatment outcomes can be inconsistent, with estimates suggesting up to 30-40% of treatments may fail[19] or provide suboptimal relief due challenges in patient selection and treatment customization. Chronic pain affects approximately 50 million Americans[23], significantly impacting quality of life. Amidst the opioid crisis, SCS offers an important non-pharmacological alternative, but improving patient selection is critical to maximizing its benefit[24]. MyndLink directly targets this unmet need.
- Market Opportunity: The neurostimulation device market, including SCS, is substantial and growing, driven partly by the demand for non-opioid pain solutions. Furthermore, the AI in healthcare market is rapidly expanding as data-driven CDS systems become increasingly integral to personalized medicine. We believe innovations like MyndLink, aimed at improving patient-specific outcomes in SCS, represent a significant market opportunity.
- Regulatory Outlook: Based on current U.S. FDA guidance, MyndLink is anticipated to qualify as non-device clinical decision support software, potentially exempting it from 510(k) premarket notification requirements. In Canada, we anticipate the technology would be classified as a Class II medical device. Timelines for market authorization in these jurisdictions are estimated to range from 1 to 6 months following completion of necessary development, validation, and application processes, and are subject to regulatory review.
- Anticipated Development Plan: The MyndLink development plan includes data preparation and initial modeling (Q1 2025), model optimization (Q2 2025), and deployment strategy planning (Q3 2025). Strategic clinical deployment for validation is targeted for Q4 2025 through Q1 2026, potentially leading to a limited commercial launch targeted for the first half of 2026. This timeline is subject to various factors, including development progress, validation results, funding availability, and specific regulatory requirements.

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Intellectual Property, Licensing and Technology Development

Intellectual Property Strategy

Supporting the Company's corporate strategy is its intellectual property ("**IP**") strategy, which includes:

- **Patent Portfolio Development**: Develop a robust portfolio of patents to protect the company's innovations in medical device technology, particularly in the fields of neuromodulation, neuroimaging, regenerative therapies and AI for neurological disorders.
- **Patent Filing Strategy**: Implement a proactive patent filing strategy to capture key innovations and protect valuable intellectual property assets.
- **Licensing and Collaboration**: Explore opportunities for licensing IP and technology to or from third parties or engaging in collaborative partnerships to leverage complementary technologies, expand market reach, and generate additional revenue streams. This may involve out-licensing non-core IP or acquiring IP from external sources to help strengthen the company's product portfolio.
- **Trade Secrets Protection**: Implement robust trade secrets protection measures to safeguard confidential information, proprietary know-how, and technical expertise that may not be suitable for patent protection.
- **IP Due Diligence**: Conduct regular IP due diligence assessments and in conjunction with all merger, acquisitions, or licensing transactions, to evaluate the strength/value of intellectual property assets, identify potential risks or liabilities and identify strategic opportunities.

Technology License – Diagnosis and Outcome Optimization

On November 11, 2024, the Company entered into an exclusive patent license agreement with Albany Medical College for a machine learning-based decision support system. The technology covered by the patent application developed by Dr. Julie Pilitsis and Dr. Amir Hadanny, is designed to improve clinical decision-making in SCS by predicting long-term patient outcomes, thus enabling more personalized treatments. Albany Medical College retains rights for research and academic use, while the Company has gained exclusive commercial rights in return for the payment of royalties and meeting development milestones.

Technology License – Neuroregeneration

On May 23, 2024, the Company announced it secured an exclusive license from the University of Toronto for technology and intellectual property related to the use of neurostimulation and cell migration aimed at neural tissue regeneration. This technology is focused on treating brain and spinal cord injuries, as well as central nervous system disorders such as Parkinson's disease, Alzheimer's disease, and stroke. As consideration for the license, the University will receive royalties on net sales, and the Company will cover certain patent costs. The University retains rights to use the technology for research and educational purposes.

The licensed technology utilizes biphasic electrical stimulation to promote the migration of neural progenitor cells (NPCs) to damaged brain areas, aiding in neural connection restoration. Pre-clinical tests have shown this method can influence NPC survival and migration, offering flexibility and potentially reducing risks compared to traditional stimulation methods. This licensed technology aligns with the Company's MyndMove™ technology, which has demonstrated success in improving post-stroke function but addresses an unmet need for reversing disabilities caused by neurological diseases.

Technology License – Repair of Neural Structural Damage

The Company has a license with the UHN directed at technology designed to treat neural structural damage caused by central nervous system diseases and which enables the control of user devices through brain signal analysis., The Company has recently enhanced its intellectual property portfolio through the issuance of U.S. patent no. 11,955,217. The granted patent aligns with the Company's strategic focus on neurological treatments, particularly in addressing conditions like stroke.

Discussion of Operations

The Company has limited revenues from MyndMove device sales in Canada, the U.S. and Malaysia. The primary types of revenue that are earned from MyndMove include capital sales and treatment *pay per use fees*, from treatment clinics that use the Company's MyndMove devices.

The sales cycle for MyndMove is long and many hospitals and clinics require a device evaluation period, to build proficiency and workflow integrations. Hospitals and clinics are under pressure, given reductions in reimbursement, to provide positive patient outcomes and remain profitable. In this environment, the product market fit is even more important. The Company has also seen increased competition from many different companies that have entered the market or are planning to enter the market.

Research and Development Expenses and Incentives

Research and development expenses consist primarily of employee-related expenses, contractor and consultant fees and corporate overhead allocations for the design, development and management of the Company's products and treatment tracking platform. The Company will continue to focus its research and development efforts on adding new protocols and clinical applications designed to expand the portfolio of clinical functionalities of the platform. In the past, these expenses have been reduced by Canadian federal SR&ED tax credits. As of February 16, 2022, when the Company became publicly listed, it has qualified for limited cash refundable SR&ED credits.

2025 and 2024 Corporate Press Releases

Private Offerings / Equity Financings

On February 13, 2024, the company completed the third tranche of its non-brokered private placement as part of its continuing effort to raise capital for operations and growth.

On March 19, 2024, the company completed the fourth tranche of its private placement to support commercialization and general business operations.
On May 27, 2024, the company completed the fifth tranche of its non-brokered private placement to raise additional capital for commercialization, research and development, and corporate initiatives.

On June 24, 2024, the company completed the sixth tranche of the private placement, reinforcing its financial resources to fund strategic plans.

On August 12, 2024, the company completed the seventh tranche of the private placement. The funds were directed toward working capital, sales, and marketing.

On October 1, 2024, the company announced a new non-brokered private placement as part of its capital raise strategy to fund commercialization and strategic development.

On October 7, 2024, the company issued a correction to the previously published October 1 press release, clarifying terms of the announced offering.

On October 23, 2024, the company completed the first tranche of the new non-brokered private placement. The funds were allocated to general corporate purposes including business development and working capital.

On December 12, 2024, the company completed the second tranche of the new private placement, continuing to attract investment in support of its product and business development roadmap.

On January 23, 2025, the company completed the third tranche of the new private placement. This raised additional funds to support strategic and operational goals.

On January 30, 2025, the company announced a new non-brokered private placement to raise capital for the commercialization of its MyndMove platform, development of its AI and neuroregeneration technologies, and general working capital.

Licensing Agreements

On April 9, 2024, the company announced that its brain activity technology, licensed from University Health Network (UHN), had been awarded a U.S. patent, enhancing its intellectual property position in neurorehabilitation.

On May 23, 2024, the company entered into a license agreement with the University of Toronto, securing exclusive rights to neuroregeneration technology using biphasic stimulation to promote neural repair in stroke, brain injury, spinal cord injury, and neurodegenerative diseases.

On November 11, 2024, the Company entered into an exclusive license agreement with Albany Medical College for technology related to a machine learning-based decision support system for spinal cord stimulation for the treatment of pain which is the subject of pending U.S. Patent Application No. 18/566,695 (Publication No. US 2024/0282459).

Product Milestones / Regulatory Approvals

On August 7, 2024, the company announced it would showcase the MyndMove System at the Dearborn 2024 Para Dance Sport International Competition and celebrated an updated Health Canada license. This regulatory milestone allowed the MyndMove System to be used for lower limb rehabilitation in addition to upper limb therapy.

Legal Proceedings

On January 22, 2024, the company disclosed that it had been served with a statement of claim and announced its intention to vigorously defend itself in the matter.

Details on the Company press releases may be accessed at https://myndtec.com/investor-relations/press-release/.

Significant Financial Transactions and Highlights

2025 Financings

2025 Private Placement

On January 23, 2025, the Company closed a non-brokered private placement (the "**January 2025 Private Placement**") of 258,506 units at $0.75 per unit, with two of its largest existing shareholders for a total subscription price of $193,880. Each uinit under the January 2025 Private Placement was comprised of one common share and one warrant. The warrants have an exercise price of $0.90 per warrant and expire on January 23, 2028.

2025 Private Placement Offer

On January 30, 2025, the Company announced a non-brokered private placement offer (the "**January 2025 Offering**") of up to 7,500,000 Units at $0.20 per Unit, to raise aggregate gross proceeds to the Company of $1,500,000. Each unit under the January 2025 Offering shall be comprised of one common share and one-half warrant. The warrants will have an exercise price of $0.24 per warrant and will expire three years following the applicable closing date of the offer.

2024 Financings

On February 13, 2024, March 19, 2024, May 27, 2024, June 24, 2024, August 12, 2024, October 23, 2024 and December 24, 2024 the Company completed total private placements (the "**2024 Private Placements**") of units at $0.75 per unit, with its two largest shareholders for a total of $958,422. Each unit under the 2024 Private Placements was comprised of one common share and one warrant. The warrants have an exercise price of $0.90 per warrant and expire three years from the date of issuance.

Under the 2024 Private Placements, the subscribers received 1,277,897 common shares of the Company and 1,277,897 warrants to acquire common shares of the Company at $0.90. The warrants expire three years after the respective issue dates. Of the $881,790 in net proceeds, $137,519 was allocated to the value of the warrants, based on a Black Scholes valuation of the warrants with an exercise price of $0.90; a weighted average estimated $0.31 value of common shares; a weighted-average volatility rate of 85.86%; an expected 3-year life for the warrants; and a weighted-average risk-free interest rate of 3.53%.

Financial Events Occurring after the Reporting Date

2025 Financings

On April 23, 2025, the Company closed a non-brokered private placement (the "**April 2025 Private Placement**") of 692,736 Units, at $0.20 per unit, with the Company's largest existing shareholder for a total subscription price of $138,547. Each unit under the April 2025 Private Placement was comprised of one common share and one-half warrant. The warrants have an exercise price of $0.24 per warrant and expire on April 23, 2028.

On May 22, 2025, the Company closed a non-brokered private placement (the "**May 2025 Private Placement**") of 697,023 units at $0.20 per unit with the Company's largest existing shareholder, for a total subscription price of $139,405. Each unit under the May 2025 Private Placement was comprised of one common share and one-half warrant. The warrants have an exercise price of $0.24 per warrant and expire on May 22, 2028.

Selected Financial Information

The following selected financial information is derived from the Company's financial statements prepared in accordance with International Financial Reporting Standards ("**IFRS**").

March 31, 2025, March 31, 2024 and December 31, 2024 Financial Information

	Twelve Months Ending		Year Ebded
	31-Mar-25	31-Mar-24	31-Dec-24
	$	$	$
Total assets	265,620	527,445	313,569
Current liabilities	1,501,564	`394635	1,514,505
Non-current liabilities	30,789	54,417	36,938
Working capital (deficit)	(1,273,912)	(974,884)	(1,244,995)
Revenue	96,319	69,141	111,434
Gross Margin	56,609	34,824	4,856
Expenses	284,465	327,664	1,252,263
Net loss	(227,856)	(292,840)	(1,247,407)
Net loss per share, basic and diluted	(0.01)	(0.01)	(0.05)

Annualized Summary of Quarterly Results for the year ending March 31, 2025

	$'000				
	Quarterly				Annual
For the Period Ended	June 2024	September 2024	December 2024	March 2025	March 2025
Total Assets	429	347	266	266	266
Revenue for the Period	18	12	13	96	139
Loss for the period	(336)	(296)	(322)	(228)	(1,182)
Loss per share	(0.02)	(0.01)	(0.01)	(0.01)	(0.05)

Annualized Summary of Quarterly Results for the year ending March 31, 2024

	$'000				
	Quarterly				Annual
For the Period Ended	June 2023	September 2023	December 2023	March 2024	March 2024
Total Assets	756	666	555	527	527
Revenue for the Period	22	56	21	69	168
Loss for the period	(895)	(83)	(365)	(293)	(1,636)
Loss per share	(0.03)	(0.00)	(0.02)	(0.01)	(0.06)

Three-month Period Ended March 31, 2025 Compared to the Same Period Ended March 31, 2024 ("Comparable Period")

Statement of Comprehensive Loss

	March 31, 2025 Three Months Ended	
	2025	2024
Revenue	**$ 96,319**	**$ 69,141**
Cost of sales	39,710	34,317
Gross margin	**56,609**	**34,824**
Expenses		
General and administration	197,107	207,690
Research and development	49,212	57,544
Quality and regulatory assurance	-	454
Selling and marketing	-	420
Share-based compensation	6,955	31,143
Interest and accretion expense	10,298	5,041
Depreciation and amortization	6,091	11,145
Public listing costs	14,802	14,227
Total operating expenses	284,465	327,664
Net and comprehensive loss	**$ (227,856)**	**$ (292,840)**

Commentary Respecting the Three-month Period Ended March 31, 2025

For the three-month period ended March 31, 2025, the Company reported a net comprehensive loss of $227,856 compared to a net comprehensive loss of $292,840 for the Comparable Period, a decrease in net comprehensive loss of $64,984. This decreased in loss is due to a $21,785 gross margin increase; a $10,583 decrease in general and administration; an $8,332 decrease in research and development; a $454 decrease in regulatory assurance expenses; a $420 decrease in selling and marketing; a $24,188 decrease in share-based compensation; and, a $5,054 decrease in depreciation and amortization – offset by a $5,257 increase in interest and accretion expense and a $575 increase in public listing costs.

Year-to-date Revenue and Gross Margin

Revenue increased $27,178 or 15.7%, due to three MyndMove units sold to Malaysia compared to two in 2024.

Gross margin increased $21,785 from $34,824 in 2024 to $56,609 in 2024 due to the additional MyndMove sale and lower costs of product for those sales, given one of the units sold in 2025 was already fully written off.

Operating Expenses

Total operating expenses decreased $43,199 or 13.2%, as noted above and in the following:

General and administrative expenses decreased $10,583, from $207,690 to 197,107 – due $16,130 to a inventory purchase deposit written off in 2024; a $9,870 reduction in directors and officers insurance; and, $4,984 in other cost reductions – offset by an $8,401 increase in additional rent, which is related to the capitalization of the Company's previous office rental contract; and, a $12,000 increase in in-house legal costs.

Research and development expenses decreased $8,332, from $57,444 to $ $40,212. – due to lower patent expenses.

Quality and regulatory assurance costs decreased $454.

Selling and marketing costs decreased $420 to $nil.

Non-cash share-based compensation expense decreased $24,188, from $31,143 to $6,955 - due to a limited number of options issued since 2023.

Depreciation and amortization decreased $5,054, from $11,145 to $6,091 - due to the termination of amortization expense, related to the Company's previous office rental contract that was discontinued in 2024 (this variance is offset by the additional rent variance described above).

The $5,257 increase in interest and accretion expenses relates primarily to an increase in 2025 accretion expense on the FEDA loan.

Public listing costs increased $575, from $14,227 to $14,802.

Disclosure of Outstanding Security Data

The Company is authorized to issue an unlimited number of common shares. The table below lists the securities outstanding as at December 31, 2023, December 31, 2024 and May 22, 2025:

	As At		
	December 31, 2024	March 31, 2025	May 22, 2025
Common Shares	25,277,228	25,535,734	26,925,493
Common Share Purchase Warrants	7,637,344	7,895,850	8,590,729
Options	997,500	1,097,500	1,097,500

Liquidity and Capital Resources

As at March 31, 2025, the Company had negative working capital of $1,273,912 (December 31, 2024 – negative working capital of $1,244,995 and March 31, 2024 - negative working capital of $974,884); and a cash and cash equivalents balance of $111,775 (December 31, 2024 - $117,476). The Company is not subject to any externally imposed capital requirements.

At March 31, 2025, the Company's negative working capital includes $715,652 of deferred payment agreement and disputed expenses payable and the $447,492 FEDA loan that the Company is unable to settle in cash, without a new public capital raise. Although Management believes it is not in the best interest of these debtors to attempt to enforce payment of these debts, as indicated in notes 1, 2, 7, 10 and 18 of the financial statements, these obligations create material uncertainty that the Company can complete a new financing.

Assuming there is no demand for payment of the deferred payment agreement or FEDA loan, the Company's March 31, 2025 cash balance covers less than 30 days of operating expenses. As referenced on page 13 hereof, the Company received funds and accepted subscription offers under the April 2025 Private Placement for $138,547 and the May 2025 Private Placement for $139,405 and this will cover operating expenses until June 23, 2025.

There is unlikely to be significant capital spending for the twelve months ending March 31, 2026.

2025 and 2024 financing transactions

See page 12 of this MD&A for details in respect of the Company's private placement financings completed in the three-month period ended March 31, 2025, in which $193,880 of net proceeds were raised.

See page 12 of this MD&A for details in respect of the Company's private placement financings completed in the year ended December 31, 2024, in which $958.422 of net proceeds were raised.

Funding Requirements

Working capital requirements for the twelve months ended March 31, 2026 are anticipated to be funded by the Company's March 31, 2025 working capital and future financings completed in 2025 and/or 2026 that have not yet been defined.

As at March 31, 2025, the Company is not anticipating an ongoing profit from operations in the immediate term, therefore it is dependent on its ability to obtain equity or debt financing for growth. In addition to the closing of the April 2025 Private Placement and the May 2025 Private Placement, the Company will need to raise additional capital by June 23, 2025. Otherwise, the Company will need to terminate all of its Employees on or about June 23, 2025.

Critical Judgments Used in Applying Accounting Policies

The preparation of the financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Application of the Company's accounting policies in compliance with IFRS requires the Company's management to make certain judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates are based on management's best knowledge of current events and actions the Company may undertake in the future. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. In the event that actual results differ from assumptions made, this could result in a material adjustment to the carrying amounts of assets and liabilities,

The following are the critical judgments, apart from those involving estimations, that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

- ***Going concern***
  Judgement is required in determining if disclosure of a material uncertainty related to events or conditions which cast significant doubt on the Company's ability to continue as a going concern is required.

  The estimates used by management in reaching this conclusion are based on information available as of the date of these financial statements were authorized for issuance and included an internally generated cash flow forecast. Accordingly, actual results could differ from those estimates and resulting variances may be material to management's assessment.

  As indicated in notes 1, 2, 7, 10 and 18 of the financial statements, a material uncertainty exists which creates significant doubt regarding the Company's ability to continue as a going concern. These financial statements do not include any adjustments or re-classifications of assets and liabilities, which might be necessary should the Company be unable to continue its operations. Such adjustments could be material.

- ***Stock options and warrants***
  The Company uses the Black-Scholes valuation model to determine the fair value of stock option awards granted and warrants granted in conjunction with the share capital subscriptions. The fair value of the warrants granted in conjunction with the issuance of convertible debentures were determined using the Black Scholes model. Estimates are required for inputs to this model including the fair value of the underlying shares, the expected life of the option, volatility, expected dividend yield, forfeiture rates and the risk-free interest rate. Variation in actual results for any of these inputs will result in a different value of the share option realized from the original estimate. The assumptions and estimates used are further outlined in the share capital note.

- ***Fair value of financial instruments***
  The individual fair values attributable to the different components of a financing transaction, notably loans and borrowings and convertible debentures are determined using valuation techniques. The Company uses judgment to select the methods used to make certain assumptions and in performing the fair value calculations in order to determine the values attributable to each component of a transaction at the time of their issuance. When determining the discount rate used to estimate the fair value of government loans, the Company considers market conditions and other internal and external factors as well as third-party financing agreements entered into by the Company. In determining the fair value of the HTX loan, the Company uses judgment to estimate the future loan repayments based on projected future revenue. These valuation estimates could be significantly different because of the use of judgment and the inherent uncertainty in estimating the fair value of these instruments that are not quoted in an active market.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, an effect on the results of operations or financial condition of the Company.

Valuation of Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

- ***Financial assets***
  On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income ("**FVOCI**"), or fair value through profit and loss ("**FVTPL**"). The classification of financial assets is based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

  A financial asset is measured at amortized cost if it is not designated as at FVTPL; it is held within a business model whose objective is to hold assets to collect contractual cash flows; and, its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

  The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL	Subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	Subsequently measured at amortized cost using the effective interest method, less any impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

  The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred.

- ***Financial liabilities***
  The Company initially recognizes financial liabilities at fair value on the date at which the Company becomes a party to the contractual provisions of the instrument.

  The Company classifies its financial liabilities as either financial liabilities at FVTPL or amortized cost.

Subsequent to initial recognition, other liabilities are measured at amortized cost using the effective interest method. Financial liabilities at FVTPL are stated at fair value with changes being recognized in profit or loss.
The Company derecognizes financial liability when its contractual obligations are discharged or cancelled or expire.

- ***Financial liabilities and equity instruments***
  - Classification as debt or equity
    Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.
  - Equity instruments
    An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognized at the proceeds received, net of direct issue cost.

The repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

- ***Classification of financial instruments***
  The Company classifies its financial assets and liabilities depending on the purpose for which the financial instruments were acquired, their characteristics and management intent as outlined below:

  Classifications

○ Cash and cash equivalents	Amortized cost
○ Trade and other receivables, excluding HST	Amortized cost
○ Trade and other payables, excluding HST	Amortized cost
○ FEDA Government loan	Amortized cost
○ Other long-term debt	Amortized cost

- ***Impairment of financial assets***

  An expected credit loss ("**ECL**") model applies to financial assets measured at amortized cost. The Company's financial assets measured at amortized cost and subject to the ECL model consist primarily of trade receivables. The Company applies the simplified approach to impairment for trade and other receivables by recognizing lifetime expected losses on initial recognition through both the analysis of historical defaults and a reassessment of counterparty credit risk in revenue contracts on an annual basis.

Financial Valuation Risk Factors

The Company's business is subject to certain risks, including but not restricted to risks related to: market risk for securities, future financing risks; going-concern risks; global economy risks; use of proceeds risks; volatility of the Company's share price following a listing on a public exchange and the lack of trading history for the Common Shares; increased costs of being a publicly traded company; limited operating history in an evolving industry and history of losses; lack of brand development; expectations with respect to advancement in technologies; currency fluctuations; interest rates; taxes on the Company and its products; liabilities that are uninsured or uninsurable; economic conditions, dependence on management and conflicts of interest; intellectual property rights; attracting and retaining quality employees; key personnel risk; management of growth; product and services development; expansion risk; breach of confidential information; competition within the technology industry; corporate matters; issuance of debt; third party credit; short term investments; shares reserved for issuance; credit risk; liquidity risk; interest rate risk; and described from time to time in the Company's documents filed with Canadian securities regulatory authorities; and other factors beyond the Company's control.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including interest rate risk, and foreign exchange rate risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from deposits with banks and outstanding receivables. The Company trades only with recognized, creditworthy third parties. The Company performs credit checks for all customers who wish to trade on credit terms.

The Company does not hold any collateral as security but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance.

Credit loss impairment is determined based upon review of specific accounts as the Company does not have significant historical uncollectable receivables. As of March 31, 2025, the Company had $1,486 in overdue trade receivables December 31,(2024 - $1,485).

Liquidity risk

Liquidity risk is the risk the Company will not be able to meet its financial obligations as they come due. The Company's exposure to liquidity risk is dependent on the Company's ability to raise additional financing to meet its commitments and sustain operations. The Company mitigates liquidity risk by management of working capital, cash flows, the issuance of share capital and if desired, the issuance of debt. The Company's trade and other payables are all due within twelve months from the date of the financial statements.

If unanticipated events occur that impact the Company's ability to meet its forecast and continue to fund customer acquisition cost, research and development, and administrative requirements, the Company may need to take additional measures to increase its liquidity and capital resources, including obtaining additional debt or equity financing or strategically altering the business forecast and plan. In this case, there is no guarantee that the Company will obtain satisfactory financing terms or adequate financing. Failure to obtain adequate financing on satisfactory terms could have a material adverse effect on the Company's results of operations or financial condition.

The Company is obligated to the following contractual maturities of undiscounted cash flows as at March 31, 2025:

	Payments Due			
	Less than 1 year	2 - 3 years	After 3 years	Total
Trade and other payables	$ 1,031,076	$ -	$ -	$ 1,031,076
Government loans	447,492	-	-	447,492
Other long-term debt	5,996	13,484	4,555	24,035
	$ 1,484,564	$ 13,484	$ 4,555	$ 1,502,602

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk:

- **Foreign currency risk** arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Company's primary exposure with respect to foreign currencies is from United States dollar denominated cash, trade and other receivables, and trade and other payables. As at March 31, 2025, a 1% change in the foreign exchange rates would result in a $997 impact to the financial statements (December 31, 2024 - $516).

- **Interest rate risk** is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk as at March 31, 2025 with respect to its $24,035 other long-term debt, at prime plus 2,84%, which totaled 7.79% on March 31, 2025.

- **Other price risk** is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to other price risk as at March 31, 2025 and December 31, 2024.

Fair values

The carrying values of cash, trade and other receivables excluding HST, trade and other payables excluding HST and lease obligations are considered representative of their respective fair values due to the short-term period to maturity. The government loans approximate their fair value as the interest and discount rates are consistent with the current rates offered by the Company for its loans with similar terms. The Company does not use derivative financial instruments to manage this risk.

Financial instruments recorded at fair value on the consolidated statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The Company categorizes its fair value measurements according to a three-level hierarchy. The hierarchy prioritizes the inputs used by the Company's valuation techniques. A level is assigned to each fair value measurement based on the lowest-level input significant to the fair value measurement in its entirety.
The three levels of the fair value hierarchy are defined as follows:

- **Level 1** – Unadjusted quoted prices as at the measurement date for identical assets or liabilities in active markets.
- **Level 2** – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- **Level 3** – Significant unobservable inputs that are supported by little or no market activity. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. During the period, there were no transfers of amounts between levels.

There are no financial instruments measured at fair value using level 3 inputs as at March 31, 2025 or December 31, 2024

Capital Management

The Company manages its capital with the following objectives:

- To ensure sufficient financial flexibility to achieve the ongoing business objectives, including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- To maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by Management and the Board of Directors on a regular basis.

The Company considers its capital to be shareholder equity and borrowings. Shareholder equity comprises share capital contributed surplus, and accumulated deficit, which on December 31, 2024, totaled a deficiency of $1,237,874 (2023 – deficiency of $919,780). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures and other investing and financing activities. Information is provided to the Board of Directors of the Company. The Company is not constrained by externally imposed capital requirements. The Company's capital management objectives, policies and processes have remained unchanged during the years ending December 31, 2024 and 2023.

Commitments and Contingencies

The Company is in default of its unsecured obligations to its former legal firm and the Federal Development Agency, for which it does not have the funds to repay. As of December 31, 2024, the Company's only foreseeable option to settle these $1,153,335 of obligations is to issue Company securities. Otherwise, the creditors might be inclined to commence legal proceedings. These obligations are an impediment to the Company's ability to complete future financings, which creates a material uncertainty and a going concern risk for the Company.

The Company's current lease agreement expires on July 31, 2025 and was not capitalized, because of the short-term duration of its term. Total rental costs for the four months ending July 31, 2025 are expected to be $22,366.

On August 29, 2012, the Company entered into an agreement with a health services institution whereby it granted the Company an exclusive worldwide license to commercialize certain intellectual property related to a functional electrical stimulation device and system; for which the Institution received 400,000 of the Company's common shares, with a fair value of $400,000. In addition, the Company is committed to paying a cumulative royalty on the net sales of stimulators used to treat motor dysfunction, as follows:

- 0% on the first $1,000,000 cumulative net sales;
- 4% on the cumulative net sales exceeding $1,000,000 but not greater than $7,500,000; and,
- 1% on the cumulative net sales exceeding $7,500,000.

The amount of these fees for the three-month periods ending March 31, 2025 and 2024, as well as year ending December 31, 2024, are disclosed on page 23 of this MD&A.

Related Party Transactions

During the three-month periods ending March 31, 2025 and 2025, as well as the year ended December 31, 2024, the Company recognized treatment revenues and device sales revenues from LBB Applied Technology Inc., a significant shareholder of the Company and the Company's distributor in the United States that was previously able to nominate one director, who continues to remain a director, to the Company's Board of Directors. These transactions were made in the normal course of business.

The Company has a shareholder and director, who is employed by the KITE Research Institute at UHN, an Institution over which he has significant influence and to which the Company is committed to a long-term license agreement, requiring the semi-annual payment of royalty fees. In addition, the Company has entered into contracts with this Institution to sell MyndMove devices, which have been modified for research purposes; and to purchase research and development (R&D) services.

A summary of the Company's related party transactions is as follows:

	March 31		Year Ended December 31
	2025	2024	2024
Revenue during the period ended			
Treatment fees and product sales	$ 4,250	$ 24,747	$ 43,579
	$ 4,250	$ 24,747	$ 43,579
Expenses during the period ended			
Share-based compensation for directors and senior officers	$ 4,743	$ 10,688	$ 33,081
Salaries, fees and benefits for directors and senior officers - current	87,329	85,518	338,024
License fees	3,681	2,561	3,734
	$ 95,753	$ 98,767	$ 374,839
Assets - as at the date specified			
Accounts receivable	$ -	$ 3,503	$ -
Liabilities - as at the date specified			
License fees and expenses payable	$ 89,995	$ 89,782	$ 86,314
Deferred revenue	$ 29,750	$ 46,750	$ 34,000

Related party share-based compensation for the three-month period ending March 31, 2025, includes $3,636 for Craig Leon, Director and Chief Executive Officer (2024 - $8,553) and, $1,111 for other Directors (2024 - $2,136).

Related party salaries and fees for the three-month period ending March 31, 2025, includes $66,829 for Craig Leon, Director and Chief Executive Officer (2024 - $66,768); $16,500 for Scott Franklin, Chief Financial Officer (2024 - $18,750); and, $4,000 for other Directors (2024 - $nil).

Risks and Uncertainties

Operations of the Company

The success of the Company is dependent, among other things, on obtaining sufficient funding to enable the Company to develop its business. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further research and development of its products, creating possible obsolescence thereof. The Company will require new capital to continue to operate its business, and there is no assurance that capital will be available when needed, if at all. If such additional capital is raised through the issuance of additional equity, it may result in dilution to the Company's shareholders.

The operations of the Company may require licenses and permits from various local, provincial and federal governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out development of its business or operations.

The Company has a limited history of operations and earnings on which to base an evaluation of its business and prospects and does not have a historical track record of operating upon which investors may rely. Consequently, investors will have to rely on the expertise of the Company's management. The Company does not have a history of earnings or the provision of return on investment, and there is no assurance that it will produce revenue, operate profitably or provide a return on investment in the future.

Directors and Officers

Certain directors, officers and advisors of the Company are also directors, officers, advisors, or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Dependence on Key Employees

The Company's business and operations are dependent on retaining the services of a small number of key employees. The success of the Company is, and will continue to be, to a significant extent, dependent on the expertise and experience of these employees. The loss of one or more of these employees could have a materially adverse effect on the Company. The Company does not maintain insurance on any of its key employees.

Competitive Conditions

The markets for the Company's products are competitive and rapidly changing, and a number of companies offer products similar to the Company's products and target similar customers. The Company believes its ability to compete, including the demand for the Company's products or the prices it can charge, depends upon many factors within and outside its control, including the timely development and introduction of new products and product enhancements; product functionality, performance, price and reliability; customer service and support; sales and marketing efforts; the introduction of new products and services by competitors; and changes in healthcare reimbursement policies.

Manufacturing and Supply Chain Disruptions

Global supply chain challenges, including component and raw material shortages, could impede the Company's ability to manufacture products efficiently and cost-effectively, potentially affecting production timelines and operational costs.

Cybersecurity Risks and Threats

The cybersecurity threat landscape continues to grow in complexity and intensity. The Company's systems, or those of its partners and service providers, may be vulnerable to breaches that could go undetected for extended periods, amplifying potential damage. Any IT system breach could result in data loss, regulatory penalties, reputational damage, and materially adverse effects on the Company's business, financial condition, and operational results.

Regulatory and Legal Risks

The Company's products face stringent regulatory requirements. Non-compliance could lead to fines, product recalls, or sales restrictions. The Company's success partly depends on protecting its intellectual property, but there's no guarantee against challenges, invalidation, or circumvention of its IP rights. Product liability claims alleging injury from the Company's products could be costly to defend and damage its reputation.

Challenges with AI Development

The Company's AI integration efforts may encounter technical difficulties, regulatory obstacles, or market resistance. As it explores AI applications, the Company may face scrutiny over ethical implications and potential biases in AI-driven medical technologies, which could impact product development and market acceptance. The success of MyndTec AI is contingent on numerous factors, including the Company's ability to secure ongoing financing through equity and/or debt capital raising, attract and retain key AI talent, and create value-added products or technology differentiation that resonate with the market. With numerous companies pursuing AI integration, there's no guarantee that the Company's AI endeavors will be successful or yield a competitive advantage. The Company's ability to effectively implement and monetize AI technologies remains uncertain and subject to various risks and market forces.

Potential Dilution

The issue of common shares of the Company upon the exercise of the options and warrants will dilute the ownership interest of the Company's current shareholders. The Company may also issue additional options and warrants or additional common shares from time to time in the future. If it does so, the ownership interest of the Company's current shareholders could also be diluted.

Current Global Financial Conditions and Trends

Securities of technology companies in public markets have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These include macroeconomic developments in Canada and globally, and market perceptions of the attractiveness of particular industries. The price of the securities of Companies in the technology sector are also significantly affected by proposed and newly enacted laws and regulations, currency exchange fluctuation and the political environment in the local, provincial and federal jurisdictions in which the Company does business. The current economic climate remains volatile, driven by factors such as inflation, interest rates, recessionary pressures, geopolitical issues, and socioeconomic and political uncertainties, particularly in the United States. Significant near to mid-term volatility is anticipated, with unknown potential impacts on the Company.

Impact of U.S. Tariffs on Business

The Company relies on foreign development, customer service and lead generation services for business prospects in the United States. The new tariffs enacted and proposed by the U.S. government could be applied to the Company's income or expenses resulting in lower income and/or higher expenses. Tariffs could also lead to a general slowdown in economic activity, which could negatively impact our business or the Company's ability to raise capital. The extent to which tariffs may impact our financial wellbeing will depend on future developments, which are highly uncertain and cannot be predicted.

Management's Responsibility for Financial Information

The Company's financial statements are the responsibility of the Company's management and have been approved by the Board of Directors. The financial statements were prepared by the Company's management in accordance with IFRS. The financial statements include certain amounts based on the use of estimates and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the financial statements are presented fairly in all material respects

Additional Information

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