NUREXONE BIOLOGIC INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2024

(Expressed in thousands of U.S. Dollars)

Dated April 9, 2025

This Management's Discussion and Analysis ("**MD&A**") discusses the operating results, financial position, and cash flows of NurExone Biologic Inc. (the "**Company**" or "**NurExone**"), formerly known as EnerSpar Corp., and its wholly-owned subsidiaries NurExone Biologic Ltd., a private company incorporated under the laws of Israel on June 17, 2020 ("**NurExone Ltd.**"), and Exo-Top Inc., a private company incorporated under the laws of Nevada on February 4, 2025 ("**Exo-Top**").

This MD&A covers the Company's financial performance for the years ended December 31, 2024, and 2023. This MD&A should be read in conjunction with the Company's consolidated financial statements for the years ended December 31, 2024, and 2023 (the "**2024 Consolidated FS**").

The 2024 Consolidated FS, along with extracts included in this MD&A, are presented in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board ("**IASB**") and Interpretations (collectively "**IFRS Accounting Standards**").

Except as otherwise set out herein, all amounts expressed herein are in the thousands and are in the currency of the "US$". References to "C$" indicate Canadian dollars, the functional currency of the Company, and "NIS" refers to New Israeli Shekels, the functional currency of NurExone Ltd.

Due to the rounding of dollar differences, certain total dollar amounts in this MD&A may not precisely equal the sum of their components. Percentage changes are calculated using rounded figures as presented.

Readers are cautioned that this MD&A contains forward-looking information. For more information, please refer to the "*Forward-Looking Statements*" section below.

The information in this report is dated April 9, 2025. The 2024 Consolidated FS and MD&A were approved by the Company's board of directors (the "**Board**") for filing on SEDAR+ on April 9, 2025.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A, and in the documents incorporated by reference in this MD&A, constitute "forward-looking information" and "forward-looking statements" (together "forward-looking statements") within the meaning of applicable securities laws and are based on assumptions, expectations, estimates and projections as at the date of this MD&A. Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. Forward-looking statements in this MD&A herein include, but are not limited to, statements with respect to:

- *expected future events and the financial and operating performance of the Company;*
- *research and development milestones described in the "Completion of Research and Development milestones for the twelve-month period ended December 31, 2024, and Future Research development milestones" section;*
- *the establishment of in-house laboratories and offices;*
- *in-vivo experiments for Investigational New Drug ("**IND**") submissions;*
- *IND submissions to the U.S. Food and Drug Administration (the "**FDA**"), FDA clearance of the submissions;*
- *clinical trial design;*
- *manufacturing scale-up;*
- *the Company advancing towards clinical trials and launching a first-in-human trial;*
- *the Company making progress in its development of ExoPTEN, the Company's first ExoTherapy product;*
- *the exosomes becoming an ideal and natural choice for drug delivery;*

- *future contractual obligations with regards to partnerships with various organizations which will help further the Company's business and drug development goals;*
- *the Company continuing to refine its product candidates;*
- *the NurExone platform technology offering solutions to companies interested in quality exosomes and minimally invasive targeted delivery systems for other indications;*
- *the intended benefits of Exo-Top's establishment and the acquisition of the MCB (as defined herein) on the Company and its business; and*
- *partnerships with various organizations helping further the Company's drug development and delivery goals*.

In developing the forward-looking statements in MD&A, the Company has applied several material assumptions, including:

- *the ability to obtain funding for our operations, research, and commercial activities;*
- *the Company pursuing its business model and strategic plans;*
- *the success of research and development operations;*
- *the development and commercializing of product candidates;*
- *the Company maintaining its intellectual property rights;*
- *the Company commercializing, marketing, and manufacturing capabilities and strategy being conducted as intended;*
- *positive market conditions;*
- *our ability to leverage internal capabilities and know-how;*
- *our expectations regarding federal, provincial, and foreign regulatory requirements;*
- *whether we will receive, and the timing and costs of obtaining, regulatory approvals in the United States, Canada, Israel, and other jurisdictions;*
- *the therapeutic benefits, effectiveness, and safety of our product candidates;*
- *the success of research and development operations;*
- *estimates of our expenses, future revenue, capital requirements, and our needs for additional financing;*
- *our expectations regarding market risk, including interest rate changes and foreign currency fluctuations; the continuation of laboratories and office lease agreements;*
- *reliance on key personnel and management;*
- *our ability to retain and supplement our Board and management and skilled employees, or otherwise engage consultants and advisors, having knowledge of the industries in which we participate;*
- *the ability to engage and retain the employees or consultants required to grow our business;*
- *the ability to execute our business strategy;*
- *disruptions or changes in the pharmaceutical technology industry;*
- *unanticipated costs and expenses;*
- *general market and industry conditions;*
- *the availability of financing on reasonable terms;*
- *our ability to fulfill current and future contractual obligations with various organizations;*
- *the Company will advance towards clinical trials and launching a first-in-human trial;*
- *the Company will continue to refine its product candidates;*
- *the NurExone platform technology will offer solutions to companies interested in quality exosomes and minimally invasive targeted delivery systems for other indications;*
- *the NurExone platform technology being unable to offer solutions to companies interested in quality exosomes and/or minimally invasive targeted delivery systems for other indications;*
- *Exo-Top's establishment and the acquisition of the MCB will have its intended benefits on the Company and its business; and*

- *the general business and economic conditions of the industries and countries in which we operate. For more information, see the "Working Capital Discussion" section.*

Forward-looking statements are, by their nature, not guarantees of the Company's future operational performance and are subject to risks and uncertainties and other factors that could cause the Company's actual results to differ materially from those expressed in or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to:

- *our ability to leverage internal capabilities and know-how;*
- *our expectations regarding federal, provincial, and foreign regulatory requirements;*
- *whether we will receive, and the timing and costs of obtaining, regulatory approvals in the United States, Canada, Israel, and other jurisdictions;*
- *the therapeutic benefits, effectiveness, and safety of our product candidates;*
- *the success of research and development operations;*
- *the uncertainty of preclinical drug development, and the fact that drug product candidates may not advance to clinical trials;*
- *estimates of our expenses, future revenue, capital requirements and our needs for additional financing;*
- *our expectations regarding market risk, including interest rate changes and foreign currency fluctuations; the continuation of laboratories and office lease agreements;*
- *reliance on key personnel and management;*
- *disruptions or changes in the pharmaceutical technology industry;*
- *unanticipated costs and expenses;*
- *general market and industry conditions;*
- *protection of the Company's intellectual property;*
- *dependence on the Company's strategic partners;*
- *those risk factors identified under the heading "Risks and Uncertainties";*
- *the state of war in Israel and potential effects on the Company's operations;*
- *disclosures under the heading "Subsequent Events";*
- *overall economic conditions;*
- *rapid technological changes;*
- *demand for our products;*
- *network restrictions;*
- *fluctuations in foreign currency exchange rates;*
- *our inability to fulfill future contractual obligations with various organizations;*
- *the Company does not advance towards clinical trials and launching a first-in-human trial;*
- *the Company not continuing to refine its product candidates;*
- *the Company's early stage of development;*
- *lack of revenues to date;*
- *government regulation;*
- *market acceptance for its products;*
- *dependence on the Company's strategic partners;*
- *the fact that preclinical drug development is uncertain, and the drug product candidates of the Company may never advance to clinical trials or human trials;*
- *the fact that results of preclinical studies and early-stage clinical trials may not be predictive of the results of later stage clinical trials;*
- *the uncertain outcome, cost, and timing of product development activities, preclinical studies and clinical trials of the Company;*

- *the uncertain clinical development process, including the risk that clinical trials may not have an effective design or generate positive results;*
- *the inability to obtain or maintain regulatory approval of the drug product candidates of the Company;*
- *the introduction of competing drugs that are safer, more effective or less expensive than, or otherwise superior to, the drug product candidates of the Company;*
- *the initiation, conduct, and completion of preclinical studies and clinical trials may be delayed, adversely affected or impacted by unforeseen issues;*
- *the inability to obtain or maintain intellectual property protection for the drug product candidates of the Company;*
- *risks that the Company's intellectual property and technology won't have the intended impact on the Company and/or its business;*
- *the Company's inability to carry out its preclinical trials and/or realize upon the stated benefits of the preclinical trials and/or such preclinical trials will not have the intended results;*
- *the inability of the Company to fulfill its intended future plans and expectations;*
- *the Company may be unable to complete an IND submission;*
- *ExoPTEN may not have its anticipated benefits;*
- *the Company may be unable to refine its product candidates; NurExone being unable to focus on developing regenerative exosome-based therapies for central nervous system injuries;*
- *the acquisition of the MCB may not have its intended benefits for the Company and/or its business;*
- *the impacts of the implementation of tariffs on certain imported goods by the U.S. government in April 2025; and*
- *other similar factors that may cause the actual results, performance, or achievements to differ materially from those expressed or implied in these forward-looking statements.*

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of the MD&A or as of the date otherwise specifically indicated herein. Due to risks and uncertainties, including the risks and uncertainties elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required pursuant to applicable securities law. All forward-looking statements contained in the MD&A are expressly qualified in their entirety by this cautionary statement.

COMPANY OVERVIEW

The Company was incorporated under the laws of Alberta on June 27, 2011. The Company is a reporting issuer in British Columbia, Alberta, and Ontario. The Company has a registered office located at 1 Adelaide Street East, Suite 801, Toronto, Ontario, M5C 2V9, Canada.

The Company is listed on the following stock exchanges:

Under the symbol "NRX"	-	Traded on the TSX Venture Exchange (the "**TSXV**").
Under the symbol "J90"	-	Traded on the Frankfurt Stock Exchange, German Composite, Stuttgart Stock Exchange, Munich Stock Exchange, Berlin Stock Exchange, Hamburg Stock Exchange, and Dusseldorf Stock Exchange.
Under the symbol "NRXBF"	-	Quoted on the Over-the-Counter Qualified Board Venture Market (the "**OTCQB**").

RTO

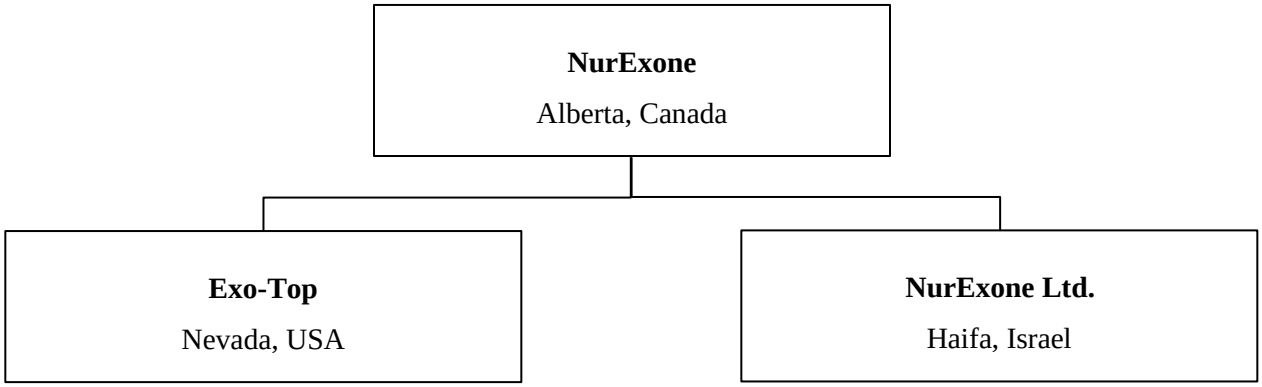
On June 15, 2022, the Company completed a reverse takeover with NurExone Ltd. ("**RTO**"). Pursuant to the terms of the RTO, the Company completed a 10:1 consolidation and issued 17 post-consolidated common shares in the capital of the Company (the "**Common Shares**") for each common share held by the shareholders of NurExone Ltd. Prior to the completion of the RTO, the Company was in the business of the exploration of the Johan Beetz feldspar project in Quebec, which was divested as a condition of the RTO. The related assets were distributed to the former shareholders through a spin-out transaction involving 1222150 BC Limited, which now operates as an unlisted private company.

The terms of the securities exchange agreement are described in more detail in the press release of the Company dated January 18, 2022, and its filing statement dated May 12, 2022, both of which are available on SEDAR+ at www.sedarplus.ca. Such additional details are not incorporated by reference herein and should not be deemed to be made part of this MD&A.

Subsequent to the RTO, the Company has continued NurExone Ltd.'s business, which focuses on pharmaceutical technology. It is developing a unique, off-the-shelf, non-invasive treatment for reversing or reducing paralysis caused by spinal cord injury ("**SCI**") using its proprietary, patent-pending exosome-based technology (membrane-bound extracellular vesicles).

Description of the Company's Principal Businesses and Operations

The following flowchart summarizes the Company's structure, which includes its two wholly owned subsidiaries as at the date of this MD&A:



NurExone Ltd.

NurExone Ltd. is an Israel-based biotechnology company specializing in research and development activities pertaining to pharmaceutical technology. The company is built upon licensed technologies from two of Israel's leading universities, which have been validated in preclinical studies. Between January 2017 and May 2020, research conducted at Technion – Israel Institute of Technology ("**Technion**") and Tel-Aviv University tested the intranasal administration of exosomes derived from mesenchymal stem cells loaded with small interfering RNA ("**siRNA**") of phosphatase and tensin homolog ("**PTEN**", and together, "**siRNA-PTEN**"). Preclinical trials on rats with complete spinal cord lesions demonstrated significant functional recovery, including motor improvement, sensory recovery, and faster urinary reflex restoration. Exosomes are natural membrane vesicles secreted by various cells, carrying proteins, lipids, and genetic materials to facilitate intercellular communication. When administered intranasally, exosomes can cross the blood-brain barrier and are better retained at injury sites compared to intravenous delivery. Additionally, they can be loaded with therapeutic cargo targeting specific diseases. After clinical trial approval, this technology could apply to SCI, traumatic brain injuries, and other neurological conditions.

On June 23, 2020, the Company secured an exclusive worldwide license from Technion Research and Development Foundation Ltd. ("**TRDF**") and Ramot, Tel Aviv University's technology transfer company ("**Ramot**"), which includes a patent application to develop and commercialize its innovative technology relating to siRNA (the "**TRDF-Ramot License Agreement**"). Pursuant to the terms of the TRDF-Ramot License Agreement, TRDF is entitled to nominate an observer to receive notice, attend and participate at each of the Company's Board meetings throughout the duration of the TRDF-Ramot License Agreement (a "**TRDF Observer**"). A TRDF Observer has been appointed, and since the RTO, a TRDF Observer has attended all of the Company's Board meetings to date.

NurExone Ltd. has made significant progress with its lead product, ExoPTEN, the first ExoTherapy drug in development. A pre-IND meeting with the FDA was completed, and the Company received written feedback on August 29, 2023, regarding its manufacturing, preclinical, and clinical development plans.

The FDA provided valuable guidance on chemistry, manufacturing, and controls, agreeing that the proposed ExoPTEN release testing strategy sufficiently addresses safety requirements for the planned first-in-human clinical trial. The FDA also confirmed that the proposed toxicity study strategy complies with its guidelines, eliminating the need for large-scale animal studies. Based on this feedback, the Company plans to submit an IND application for ExoPTEN development by Q4 2025, aiming to initiate Phase I/IIa human clinical trials in 2026. For more information, please refer to "*Research and Development Milestones: 2024 Completion and Upcoming*".

ExoPTEN is being developed as a minimally invasive ExoTherapy for SCI, utilizing intrathecal administration, to promote neuron regeneration and rewiring damaged spinal cords. In December 2024, the Company successfully demonstrated Proof of Concept in rats by repairing optic nerve damage, achieving significant neuron regeneration and functional restoration in a damaged eye. This drug leverages the Company's proprietary ExoTherapy platform for producing and loading exosomes with pharmaceutical cargo targeting central nervous system injuries.

Exo-Top

Exo-Top is a biotechnology company focused on the production and supply of high-quality, fully characterized good manufacturing practice ("**GMP**") exosomes for research and therapeutic use.

Incorporated on February 4, 2025, pursuant to the laws of the state of Nevada, Exo-Top was established as an unincorporated division of the Company to support the Company's development of an independent and scalable supply of high-quality naïve exosomes for the Company's future nanodrug pipelines. Further, Exo-Top's desired location in the United States provides the Company with key advantages, including proximity to strategic partners, access to a robust biopharma ecosystem, robust operations activities, and increased market opportunities.

In addition to supporting the Company's internal drug development efforts, Exo-Top will be positioned to supply high-quality exosomes to other pharmaceutical companies, biotechnology firms, and researchers worldwide, giving the Company access to additional revenue streams. By supplying GMP-grade exosomes for drug delivery research and existing, non-FDA regulated therapeutic or cosmetic applications, Exo-Top creates new market opportunities while advancing the broader adoption of mesenchymal cell-based exosomes as a transformative drug delivery system and a potentially regenerative treatment via the Company's ExoTherapy platform.

The establishment of Exo-Top and the subsequent acquisition of the MCB on December 30, 2024 (as defined herein) gives NurExone greater control over its exosome production process by securing the cell source of NurExone's exosomes. Unlike companies that depend on third-party cell sources, Exo-Top will operate independently, without external licensing or royalty obligations, ensuring cost efficiency and strategic flexibility as the Company advances its development pipeline.

The Company has not yet had an opportunity to assess the potential impact of the wide sweeping changes in tariff policies introduced by the United States in April 2025.

FINANCIAL HIGHLIGHTS AND KEY PERFORMANCE INDICATORS

Significant Developments for the Twelve-Month Period Ended December 31, 2024

(1) On January 4, 2024, the Company completed a non-brokered private placement (the "**January 2024 Private Placement**"), issuing a total of 7,091,993 units (each, a "**January 2024 Private Placement Unit**") at a price of C$0.28 per unit. The private placement generated gross proceeds of $1,487 (C$1,986), with $17 (C$23) deducted for issuance costs. Each unit issued in the January 2024 Private Placement consisted of: (i) Common Share, and (ii) one Common Share purchase warrant (each, a "**January 2024 Private Placement Warrant**"). Each January 2024 Private Placement Warrant entitles the holder to purchase one Common Share at a price of C$0.35 per Common Share for a period of 36 months from the closing date of the January 2024 Private Placement. The January 2024 Private Placement Warrants are subject to an accelerated expiration clause. If the daily volume-weighted average trading price of the Common Shares on the TSXV equals or exceeds C$0.80 for any 20 consecutive trading days, the Company may issue a written notice to warrant holders accelerating the expiry date to a minimum of 30 days from the notice date. January 2024 Private Placement Warrants not exercised by the accelerated expiry date would expire and become void. All securities issued under January 2024 Private Placement are subject to a statutory hold period of four months and one day from the closing date.

(2) On January 7, 2024, NurExone Ltd. entered into a construction agreement with Biopharmax Group Ltd ("**Biopharmax**") to build a laboratory and offices at Technion City, Haifa, Israel (the "**Biopharmax Construction Agreement**"). Pursuant to the Biopharmax Construction Agreement, NurExone Ltd. agreed to pay Biopharmax a total of $328 (NIS 1,200 plus value-added tax ("**VAT**")) (the "**Biopharmax Construction Agreement Fees**"). The Biopharmax Construction Agreement Fees includes all expenses incurred by Biopharmax, such as salaries, wages, social benefits, tools, materials, equipment, storage, and any other costs as outlined in the Biopharmax Construction Agreement. Payments were structured according to the completion of each phase of the Biopharmax project. The Biopharmax project commenced on March 1, 2024, and was successfully completed on September 30, 2024.

(3) On January 15, 2024, the Company entered into an Advertising Agreement with BullVestor Medien GmBH ("**BullVestor**") and its general manager Helmut Pollinger, both of whom are arm's-length parties to the Company. The agreement outlined the provision of digital marketing services, including content creation, strategic planning, digital advertisement placement, and oversight of digital campaigns targeting German-speaking countries. The services were provided from January 15, 2024, until May 15, 2024, for a total fee of C$300.

(4) On February 15, 2024, NurExone Ltd. amended the TRDF-Ramot License Agreement to extend it from January 1, 2024, to March 31, 2024, for a total payment of $20 plus VAT. Subsequently, on May 29, 2024, the TRDF-Ramot License Agreement was further amended to cover the period from April 1, 2024, to June 30, 2024, for an additional payment of $20 plus VAT. For more information, see "*Contingent Liabilities and Commitments*".

(5) On March 1, 2024, NurExone Ltd. entered into a lease agreement for laboratories and office space with Technion (the "**Technion Lease Agreement**"). The Technion Lease Agreement has a term of 4 years and 10 months, expiring on December 31, 2028, with an option to extend the lease for an additional 5 years. The lease payments are structured as follows: (i) a monthly payment of $0.1 (NIS 0.3 plus VAT) for the first 42 months and (ii) a monthly payment of $3 (NIS 9 plus VAT), adjusted according to the Israeli Consumer Price Index. starting from the 43rd month until the end of the lease term. The Company also made an initial deposit of $14 (NIS 50), which is refundable upon successful completion of the lease term. The lease liability is recognized at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate, assuming no exercise of the option. The weighted average rate applied is 7.5%.

The right-of-use assets are measured at an amount equal to the lease liability, totaling $31 as of December 31, 2024.

(6) On March 18, 2024, a total of 85,000 Common Share purchase options ("**Options**") were exercised on a "cashless exercise" basis at an exercise price of C$0.33. This resulted in the issuance of 49,493 Common Shares, while 35,507 unexercised Options expired.

(7) On March 22, 2024, the Company completed the accelerated exercise of 12,682,340 Common Share purchase warrants ("**Warrants**") issued pursuant to a private placement of units on June 15, 2022 (the "**June 2022 Warrants**" and together, the "**June 2022 Private Placement**"). Following the acceleration notice, a total of 9,684,993 June 2022 Warrants were exercised at an exercise price of C$0.38, resulting in gross proceeds of $2,714 (C$3,680). The remaining 2,997,347 June 2022 Warrants expired unexercised. The Company exercised its right to accelerate the expiry date of the June 2022 Warrants when the Company's Common Shares exceeded C$0.475 for 10 consecutive trading days on the TSXV.

In addition to the acceleration of the June 2022 Warrants, the Company raised $205 (C$277) in gross proceeds from the exercise of non-accelerated Warrants from two separate groups:

a. 556,818 Warrants issued in connection with a private placement that closed on September 6, 2023 (the "**September 2023 Private Placement**"), with an exercise price of C$0.34, generating gross proceeds of $140 (C$190); and

b. 181,818 Warrants issued in connection with September 2023 Private Placement, with an exercise price of C$0.48, generating gross proceeds of $65 (C$87).

(8) On April 1, 2024, NurExone Ltd. entered into a contract research organization ("**CRO**") services agreement with Vivox Ltd. ("**Vivox**"), where Vivox will provide CRO services as a prerequisite to commencing human trials under the planned IND (the "**Vivox CRO Agreement**"). The total cost for these services is $131 (NIS 481 plus VAT). The Company has paid $65 plus VAT to Vivox, with the remaining $66 expected to be paid in two equal installments during the second and the third quarters 2025. The scope of the services to be provided for up to 15 months includes the carrying out of experiments by Vivox on a total of 100 rats, divided into 5 different experiments. Every experiment involves comprehensive care and monitoring of the rats. In the experiments, some of the test subjects will receive the ExoPTEN active ingredient and a second group will receive a placebo and/or naïve exosomes (without the PTEN active ingredient). The typical treatment period is approximately 2 months. The aim of this series of tests is to evaluate the optimal dosage of ExoPTEN in various pharmacologically relevant rodent models of the spinal cord. The agreement underscores both companies' commitment to accelerating innovative therapies for SCI. For more information, please refer to the "*Contingent Liabilities And Commitments*" section.

(9) On April 16, 2024, a total of 34,000 Options were exercised on a "cashless exercise" basis, at an exercise price of C$0.33. This resulted in the issuance of 15,606 Common Shares, while 18,394 unexercised Options expired.

(10) On April 25, 2024, the Company's Common Shares were listed on the OTCQB under the symbol "NRXBF". The Company also received Depository Trust Company ("**DTC**") eligibility for its shares on the OTCQB. DTC eligibility expands the Company's stock reach to a wider audience of potential investors and brokerage firms that mandate additional compliance measures.

(11) On May 8, 2024, the Company issued 1,275,000 Common Shares upon the release of restricted share units, following a one-year period vesting anniversary, to certain officers and directors.

(12) On June 11, 2024, the Company entered into an amending agreement with BullVestor to extend its advertising services from June 15, 2024, to May 15, 2025. Under the amended terms, the Company agreed to pay a monthly fee of C$59.

(13) On June 11, 2024, the Company announced that the Japan patent office issued a notice of allowance for an ExoPTEN patent, covering innovative extracellular vesicles comprising a PTEN inhibitor and its application. The patent, titled "Vesicles Comprising a PTEN Inhibitor and Uses of Same", was originally submitted by Technion. It is the first patent licensed by NurExone from Technion and describes a fundamental element of the Company's ExoPTEN nanodrug under development for acute SCI.

(14) On June 13, 2024, a total of 17,000 Options were exercised at an exercise price of C$0.33, generating gross proceeds of $4 (C$6).

(15) On June 20, 2024, a total of 40,000 January 2024 Private Placement Warrants were exercised in at an exercise price of C$0.35, generating gross proceeds of $10 (C$14).

(16) On June 21, 2024, the Company entered into a consulting agreement with Dr. Yona Geffen to support the Company's preclinical and clinical activities. Dr. Geffen brings over two decades of extensive experience in leading clinical and drug development in the biotechnology and pharmaceutical industries.

(17) On June 28, 2024, the Company announced that it entered into a pre-clinical study to explore the potential of ExoPTEN being used as a glaucoma treatment.

(18) In July 2024, on multiple dates and to various holders, a total of 309,063 January 2024 Private Placement Warrants were exercised at an exercise price of C$0.35, generating gross proceeds of $79 (C$108).

(19) On July 11, 2024, a total of 34,000 Options were exercised on a "cashless exercise" basis at an exercise price of C$0.33. This resulted in the issuance of 17,971 Common Shares, while 16,029 unexercised Options expired.

(20) On July 17, 2024, the Company announced promising preliminary results from a small-scale controlled study exploring the use of ExoPTEN for optic nerve recovery in a rat model. This study marked a second clinical indication being investigated for ExoPTEN. An "Optic Nerve Crush" model was used to simulate conditions like glaucoma, where the optic nerve is crushed, resulting in impaired vision. ExoPTEN was administered minimally-invasively using suprachoroidal injection in a delivery system invented by Professor Ygal Rotenstreich at the Sheba Medical Center.

(21) On July 29, 2024, the Company announced that the Israel patent office issued a notice of allowance for an ExoPTEN patent, covering innovative extracellular vesicles comprising a PTEN inhibitor and its application. The patent, titled "Vesicles Comprising a PTEN Inhibitor and Uses of Same", was originally submitted by Technion.

(22) On August 1, 2024, the Company announced that it successfully transferred the manufacturing of the siRNA sequence for ExoPTEN to a German producer with GMP capabilities (the "**German GMP Partner**"). The Company reported that the siRNA from the new vendor achieved an approximately 80% reduction in the expression of PTEN, demonstrating potency and effectiveness that is comparable to the siRNA from the Company's previous research-grade producer.

(23) On August 1, 2024, the Company entered into a consulting agreement with Allele Capital Partners, LLC ("**Allele Capital**"), an independent capital markets advisory firm based in the United States, pursuant to

which Allele Capital will provide investor relations services, including capital markets consultation, corporate video dissemination on social media, social engagement reporting, and other related services (the "**Allele Agreement**") Under the Allele Agreement, the Company agreed to pay a monthly service fee of $11, inclusive of applicable taxes. The initial term of the Allele Agreement is one month, with the option to extend it on a month-to-month basis by mutual consent. Either party may terminate the agreement with or without cause by providing 30 days' written notice. As of the date of this MD&A, the Allele Agreement is still in effect.

(24) On August 9, 2024, the Company released further study results that assessed the performance of ExoPTEN loaded with siRNA produced by the German GMP Partner. This study focused on the capability of ExoPTEN to biologically target sites of inflammation and injury as evidenced by a high concentration of the drug in damaged tissue. ExoPTEN, loaded with siRNA either from the German GMP Partner or from a research grade CRO, was minimally-invasively administered to rats after spinal cord compression injury.

The treated rats were compared to each other and to an untreated control group. The homing capacity of ExoPTEN was assessed by evaluating biodistribution of the ExoPTEN three days post-injury and injection. The study demonstrated that ExoPTEN loaded with siRNA demonstrated exceptional homing capacity to the injured spinal cord, targeting the site of inflammation with precision. This resulted in a high concentration of the drug in damaged tissue, further validating the quality of the siRNA produced by the German GMP Partner and the use of NurExone's exosomes as a drug delivery system.

(25) On August 15, 2024, the Company announced that it achieved a key milestone in the manufacturing process of exosomes. In a study conducted by the Company, it compared exosomes produced from bone marrow-derived mesenchymal stem cells from two different donors. Despite a natural variability in the starting material, the exosomes showed consistent yields measured in concentration of exosomes and similar size distribution, demonstrating the reliability of NurExone's production methods.

(26) On August 27, 2024, the Company engaged Stockhouse Publishing Ltd. ("**Stockhouse**") to provide investor awareness and digital media communication services (the "**Stockhouse Agreement**"). Under the terms of the agreement, the Company made an upfront cash payment of $79 (C$108 plus 5% GST) and will pay an additional $12 (C$17 plus 5% GST) monthly over a twelve-month period. The total consideration of $91 (C$125 plus 5% GST) will be paid through September 2025, at which point the agreement will terminate.

(27) On September 6, 2024, the Company announced new findings that highlighted the therapeutic potential of ExoPTEN. In a preclinical study using a spinal cord compression model, the Company demonstrated that ExoPTEN has a strong ability to target and accumulate at the injury site, even when administered up to one week after the injury occurred. This finding is crucial because it suggests a long window of time in which treatment can be effectively administered.

(28) On September 17, 2024, a total of 100,000 January 2024 Private Placement Warrants were exercised at an exercise price of C$0.35, generating gross proceeds of $26 (C$35).

(29) On September 26, 2024, the Company completed the first tranche of a non-brokered private placement (the "**September 2024 Private Placement**"), issuing 2,927,541 units (each a "**September 2024 Private Placement Unit**") at a price of C$0.55 per unit. Each unit consist of: (i) one Common Share and (ii) one warrant to purchase a Common Share (each, a "**September 2024 Private Placement Warrant**"). Each September 2024 Private Placement Warrant entitles the holder to purchase one Common Share at a price of C$0.70 per share for a period of 36 months, subject to acceleration. This first tranche raised total gross proceeds of $1,194 (C$1,610). If the daily volume-weighted average trading price of the Common Shares on the TSXV equals or exceed C$1.05 for any 10 consecutive trading days, the Company may issue a written

notice to warrant holders, accelerating the expiry date to no less than 30 days from the notice date. September 2024 Private Placement Warrants not exercised by the accelerated expiry date would expire and become void. All securities issued under September 2024 Private Placement are subject to a statutory hold period of four months and one day from the respective closing dates.

(30) On October 9, 2024, a total of 94,777 January 2024 Private Placement Warrants were exercised at an exercise price of C$0.35, generating gross proceeds of $24 (C$33).

(31) On November 1, 2024, the Company closed the second and final tranche of September 2024 Private Placement, issuing 231,818 additional units for gross proceeds of $91 (C$127). The September 2024 Private Placement raised total gross proceeds of $1,285 (C$1,738) through the issuance of 3,159,359 September 2024 Private Placement Units, with $46 (C$62) deducted as issuance costs.

(32) On November 1, 2024, the Company entered into a market-making services agreement with Independent Trading Group (ITG) Inc. ("**ITG**") to trade the securities of the Company on TSXV to maintain an orderly market and contribute to market liquidity (the "**ITG Agreement**"). In consideration of the services provided by ITG, the Company agreed to pay a monthly service fee of C$5 plus all applicable taxes.

The ITG Agreement is for an initial term of one month and renewable thereafter. Costs related to the engagement of ITG will be paid from the general working capital of the Company. ITG will not receive Common Shares or Options as compensation. The capital used for market-making will be provided by ITG. ITG, which operates out of Toronto, Ontario, is a Dealer Member, as defined by the Canadian Investment Regulatory Organization. The Company and ITG are unrelated and unaffiliated entities, and, at the time of entering into the ITG Agreement, to the knowledge of the Company, neither ITG nor its principals had an interest, directly or indirectly, in the securities of the Company. As of the date of this MD&A, the ITG Agreement is still in effect.

(33) On November 1, 2024, the Company entered an advisory services agreement with Oak Hill Financial Inc ("**Oak Hill**"), whereby Oak Hill, an arm's length party to the Company, will provide certain investor relations services to the Company including, without limitation, providing strategic advice for the Company's stakeholder communication initiatives and expanding market awareness (the "**Oak Hill Agreement**"). Under the Oak Hill Agreement, the Company will pay a monthly service fee of C$10 plus applicable taxes. The initial term of the Oak Hill Agreement is one month, with the option to extend on a month-to-month basis by mutual consent. Either party may terminate the agreement with or without cause by providing 30 days' written notice. Effective March 1, 2025, services pursuant to the Oak Hill Agreement have been paused, following the Company providing 30 days' written notice.

(34) On November 13, 2024, the European Medicines Agency (the "**EMA**") granted Orphan Medicinal Product Designation for the Company's ExoPTEN therapy, marking a significant step toward making this potential treatment available for acute SCI patients across Europe. This designation supports the development of ExoPTEN and opens a pathway for faster entry into European markets, where the Company expects high demand for effective SCI therapies.

The EMA's Orphan Medicinal Product Designation offers valuable incentives, including 10 years of market exclusivity upon approval, access grants, and incentives from the European Commission and Member States. Additionally, the Company may benefit from free or reduced-cost scientific advice and assistance with clinical trial design, which can streamline the regulatory process and reduce development costs. Moreover, some European Union countries also provide tax credits and other financial incentives to support orphan drug development.

Earlier, on October 30, 2023, the Company had announced that the FDA had granted Orphan Drug Designation ("**ODD**") to its mesenchymal stem cell-derived small extracellular vesicles loaded with modified siRNA targeting the PTEN protein for the treatment of acute spinal cord injury.

The FDA's Orphan Drug Designation provides sponsors with several incentives, including tax credits for eligible clinical trial expenses, exemption from certain FDA fees, and up to 7 years of market exclusivity following approval.

(35) On November 19, 2024, a total of 50,000 January 2024 Private Placement Warrants were exercised at an exercise price of C$0.35, generating gross proceeds of $13 (C$18).

(36) On December 6, 2024, the Company announced further promising preclinical results with regards to ExoPTEN being used for repairing optic nerve damage. This new glaucoma study expanded on earlier findings which indicated that rat eyes treated with ExoPTEN regained nearly normal retinal activity, as evidenced by electrical tests. Expanded analyses of the study data showed clear recovery of signal transmission in treated eyes compared to untreated controls, which showed no significant response. Additionally, imaging results by optical coherence tomography scans indicates and validates that in all of treated eyes (naïve exosome treatment or ExoPTEN treatment) a successful optic nerve crush procedure has been performed.

(37) On December 29, 2024, a total of 180,000 January 2024 Private Placement Warrants were exercised at an exercise price of C$0.35, generating gross proceeds of $46 (C$63).

(38) On December 30, 2024, the Company acquired a GMP-grade Master Cell Bank ("**MCB**") from a U.S. manufacturer for $600 (C$863)**.** paid in full. The MCB provides an exclusive source of GMP-grade human bone marrow mesenchymal stem cells, which the Company uses in its production of exosomes. This acquisition enables the Company to potentially sell high-quality exosomes to pharmaceutical companies, biotech firms, and researchers globally, creating additional revenue streams. The acquisition secures access to essential raw materials for advancing the Company's innovative therapies. Additionally, acquiring the MCB allows the Company to avoid product royalty fees for purchasing exosome cells and eliminates the annual licensing fees that would otherwise be required as the Company approaches clinical trials. Stored under FDA and GMP standards, the U.S. manufacturer will store the MCB for the Company without any payment until September 30, 2025, before shipping the MCB to the Company's facility.

Going Concern

The Company is devoting substantially all of its efforts toward research and development activities. In conducting research and development, the Company has sustained operating losses in each year since its inception including net loss of $5,043 and $3,639 for the years ended December 31, 2024, and 2023, and expects such losses to continue in the foreseeable future. As of December 31, 2024, the Company had an accumulated deficit of $19,100 at the year-end. Management believes the Company may not have sufficient funds to cover planned operations throughout the next twelve months. may secure additional financing through the issuance of new equity and/or debt; however, there is no assurance that these initiatives will be successful.

These events and conditions indicate that a material uncertainly exists that may cast significant doubt on the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments to the carrying amounts and classifications of assets and liabilities that would result if the Company were unable to continue as a going concern.

SELECTED FINANCIAL INFORMATION

The company has experienced, and continues to undergo, a period of significantly increasing activity - evidenced, among other things, by growth in headcount, expansion of its premises, and the acquisition of additional equipment. collectively, these developments have enabled the company to transition away from reliance on outsourced research and development, bringing this work in-house. the increasingly meaningful scientific advancements disclosed in its press releases are a direct reflection of these investments.

Summary of the financial data was prepared in accordance with IFRS Accounting Standards and is presented for the years ended December 31, 2024, 2023, and 2022:

	Twelve-month period ended December 31,			Three-month period ended December 31,		
(USD in thousands)	**2024**	**2023**	**2022**	**2024**	**2023**	**2022**
	Audited	**Audited**	**Audited**			
Operating expenses:						
Research and development expenses, net	$ 1,868	$ 1,541	$ 1,391	$ 632	$ 308	$ 385
General and administrative expenses	3,141	2,116	4,150	852	406	456
Listing expenses	-	-	2,078	-	-	-
Operating loss	**5,009**	**3,657**	**7,619**	**1,484**	**714**	**841**
Financial expenses	81	27	569	84	27	190
Finance income	(47)	(45)	(19)	(22)	(6)	(17)
Net loss	**5,043**	**3,639**	**8,169**	**1,546**	**735**	**1,014**
Other comprehensive (gain) loss:						
Items that will be reclassified subsequently to profit or loss:						
Exchange loss arising on translation of foreign operations	73	9	91	43	(81)	(38)
Loss (gain) from foreign currency translation adjustments	84	(37)	(23)	50	66	10
Total comprehensive loss	**$ 5,200**	**$ 3,611**	**$ 8,237**	**$ 1,639**	**$ 720**	**$ 986**
Net loss per share:						
Basic net loss per share	$ 0.077	$ 0.081	$ 0.216	$ 0.024	$ 0.016	$ 0.027
Weighted average number of common shares:						
Basic and diluted	65,417,289	44,722,288	37,733,703	65,417,289	44,722,288	37,733,703

Research and development expenses, net

For the twelve-month and three-month periods ended December 31, 2024, 2023, and 2022, research and development expenses were as follows:

- 2024: $1,868 for the twelve-month period and $632 for the three-month period
- 2023: $1,541 for the twelve-month period and $308 for the three-month period
- 2022: $1,391 for the twelve-month period and $385 for the three-month period

The increase in expenses was primarily driven by extensive research and development efforts to advance the siRNA-PTEN technology and other siRNA targets.

For the year ended December 31, 2024, research and development expenses increased by $327, compared to the same period in fiscal 2023. This increase was driven by ongoing research progress, resulting from:

- A $428 increase in materials expenses
- A $157 increase due to a higher headcount
- A $40 increase in patent expenses
- A $30 increase in share-based compensation costs
- A $22 increase in depreciation expenses
- A $274 decrease in subcontractor expenses
- A $76 decrease in expenses due to reimbursement for a granted project funded by IIA

These changes reflect the Company's expanding research activities as it continues to mature as a research and development-driven organization.

For the year ended December 31, 2023, research and development expenses increased by $150, compared to the same period in fiscal 2022, due to ongoing research progress, resulting from:

- A $98 increase due to a higher headcount
- A $27 increase in share-based compensation costs
- A $11 increase in depreciation expenses
- A $21 increase in materials and other expenses
- A $7 decrease in patent expenses

These changes were driven by the Company's continued expansion as a research-focused organization.

General and administrative expenses

For the twelve-month and three-month periods ended December 31, 2024, 2023, and 2022, general and administrative expenses were as follows:

- 2024: $3,141 for the twelve-month period and $852 for the three-month period
- 2023: $2,116 for the twelve-month period and $406 for the three-month period
- 2022: $4,150 for the twelve-month period and $456 for the three-month period

The increase in 2024 compared to 2023 was primarily driven by costs related to investor relations and public relations, while the higher expenses in 2022 were mainly attributed to the RTO.

For the year ended December 31, 2024, general and administrative expenses increased by $1,025, compared to the same period in fiscal 2023, primarily due to:

- An $832 increase in investor relations ("**IR**") and public relations ("**PR**") services
- A $266 increase in share-based compensation costs
- A $44 decrease in legal expenses

For the year ended December 31, 2023, general and administrative expenses decreased by $2,034, compared to the same period in fiscal 2022, due to:

- A $377 increase in share-based compensation costs
- A $39 increase in other expenses
- A $19 increase in insurance expenses
- A $7 increase in amortization of right-of-use assets expenses
- A $2,400 decrease in professional services associated with the RTO
- A $76 decrease in salaries

Listing expenses

For the years ended December 31, 2024, and 2023, no listing expenses were incurred.

For the twelve-month and three-month periods ended December 31, 2022, listing expenses were $2,078 and $0, respectively. These expenses were related to the completion of the Company's RTO on June 15, 2022.

As the accounting acquirer, the Company treated the acquisition of NurExone Ltd. as a reverse takeover under IFRS 2 *Share-based Payments*. The transaction did not qualify as a business combination under IFRS 3, as the Company was not considered a business.

The acquisition was recorded at the fair value of the equity instruments that NurExone Ltd. would have issued for the RTO. The difference between the net liabilities acquired and the consideration granted was recognized as a listing expense. Essentially, the transaction was treated as NurExone Ltd. issuing shares in exchange for the Company's net assets and listing status.

As part of the transaction, NurExone Ltd.'s existing shareholders received 2,536,000 post-consolidation Common Shares of the Company at a deemed value of C$0.80 per Common Share, representing 6% of the Company's undiluted Common Shares upon completion of the transaction and the accompanying private placement. The transaction was accounted for as a reverse takeover.

The breakdown of listing expenses is as follows:

(USD in thousands)		Year ended December 31, 2022
Fair value of consideration for 2,536,000 Common Shares at C$0.80	$	1,605
Net liabilities of the Company (1)		242
Reverse takeover transaction cost		**1,847**
Indirect issuance costs (2)		231
Total Listing expenses	**$**	**2,078**

(1) Net liabilities of the Company were $242 as of the RTO completion on June 15, 2022, primarily consisting of $136 in accounts payables, $123 in director debt, and a $17 credit for HST/GST receivables.
(2) Indirect issuance costs primarily relate to legal expenses.

Operating loss

For the twelve-month and three-month periods ended December 31, 2024, 2023, and 2022, operating losses were as follows:

- 2024: $5,009 for the twelve-month period and $1,484 for the three-month period
- 2023: $3,657 for the twelve-month period and $714 for the three-month period
- 2022: $7,619 for the twelve-month period and $841 for the three-month period

For the year ended December 31, 2024, operating loss increased by $1,352, compared to the same period in fiscal 2023. This increase was primarily driven by the Company's expanding research activities as it continues to evolve as research and development-driven organization, along with higher costs related to IR and PR services, resulting from:

- A $327 increase in research and development expenses
- A $1,025 increase in general and administrative expenses

For the year ended December 31, 2023, operating loss decreased by $3,962, compared to the same period in fiscal 2022, due to:

- A $150 increase in research and development expenses driven by higher research activities
- A $2,034 decrease in general and administrative expenses, reflecting lower professional services costs associated with the RTO in 2022
- A $2,078 decrease in listing expenses associated with the RTO in 2022

Financial (income) expenses, net

For the twelve-month and three-month periods ended December 31, 2024, 2023, and 2022, financial (income) expenses, net, were as follows:

- 2024: $34 expense for the twelve-month period and $62 for the three-month period
- 2023: $18 income for the twelve-month period and $22 for the three-month period
- 2022: $550 expense for the twelve-month period and $173 for the three-month period

For the year ended December 31, 2024, financial (income) expenses, net, increased by $52, compared to the same period in fiscal 2023, resulting from:

- A $13 increase in Israel Innovation Authority ("**IIA**") interest
- A $19 increase in foreign currency translation adjustments
- A $20 increase in the revaluation of a royalty liability

For the year ended December 31, 2023, financial (income) expenses, net, decreased by $568, compared to the same period in fiscal 2022, due to:

- A $3 increase in interest from lease liability
- A $438 decrease in a revaluation of warrant liability
- A $44 decrease in a revaluation of royalty liability
- A $33 decrease in interest from convertible notes interest costs
- A $30 increase in interest from deposit
- A $26 decrease in foreign currency translation adjustments

SUMMARY OF RESULTS

The following table summarizes the Company's statements of financial position as of December 31, 2024, December 31, 2023, and December 31, 2022:

(USD in thousands)	December 31, 2024	December 31, 2023	December 31, 2022
Total current assets	$ 1,634	$ 1,982	$ 2,692
Total non-current assets	807	188	102
Total assets	2,441	2,170	2,794
Total current liabilities	398	1,908	603
Total non-current liabilities	282	73	95
Total liabilities	680	1,981	698
Total shareholders' equity	1,761	189	2,096
Total liabilities and shareholders' equity	$ 2,441	$ 2,170	$ 2,794

Total current assets

Total current assets as of December 31, 2024, December 31, 2023, and December 31, 2022, were $1,634, $1,982, and $2,692, respectively.

The $348 decrease for the year ended December 31, 2024, compared to the same period of fiscal 2023, was driven by a $159 increase in cash and cash equivalents, a $1,197 decrease in restricted cash associated with private placement, a $9 increase in restricted deposits, a $600 increase in prepaid expenses associated with materials, and $81 increase in other receivable.

The $710 decrease for the year ended December 31, 2023, compared to the same period of fiscal 2022, was driven by a $1,922 decrease in cash and cash equivalents, a $1,197 increase in restricted cash associated with private placement, a $22 decrease in restricted deposit, and a $37 increase in other receivable.

Total non-current assets

Total non-current assets as of December 31, 2024, December 31, 2023, and December 31, 2022, were $807, $188, and $102, respectively.

The $619 increase for the year ended December 31, 2024, compared to the same period of fiscal 2023, was driven by a $601 increase in laboratory purchasing equipment, net, and a $18 increase in leased cars and rent.

The $86 increase for the year ended December 31, 2023, compared to the same period of fiscal 2022, was driven by a $107 in laboratory purchasing equipment, net, and a $21 decrease in leased cars, also influenced by the IFRS16 accounting treatment, as the Company first acquired laboratory equipment in 2022.

Total current liabilities

Total current liabilities as of December 31, 2024, December 31, 2023, and December 31, 2022, were $398, $1,908, and $603, respectively.

The $1,510 decrease for the year ended December 31, 2024, compared to the same period of fiscal 2023, was driven by a $85 decrease in other payables, a $1,197 decrease in financial liability associated with private placement, a $133 decrease in employee and payroll accrual, and a $95 decrease in advanced income from governmental grants.

The $1,305 increase for the year ended December 31, 2023, compared to the same period of fiscal 2022, was driven by a $19 increase in other payables, a $1,197 increase in financial liability associated with private placement, a $6 decrease in employee and payroll accrual, and a $95 increase in advanced income from governmental grants.

Total non-current liabilities

Total non-current liabilities as of December 31, 2024, December 31, 2023, and December 31, 2022, were $282, $73, and $95, respectively.

The $209 increase for the year ended December 31, 2024, compared to the same period of fiscal 2023, was driven by a $7 increase in long term royalty payments to TRDF, a $173 increase in liability due to governmental grants (IIA), and a $29 increase in long term lease liability.

The $22 decrease for the year ended December 31, 2023, compared to the same period of fiscal 2022, was driven by a $4 decrease in royalty payments to TRDF, and a $18 decrease in long term lease liability.

Total equity

Total shareholder equity as of December 31, 2024, December 31, 2023, and December 31, 2022, were $1,761, $189, and $2,096, respectively.

The $1,572 increase for the year ended December 31, 2024, compared to the same period of fiscal 2023, was driven by a $6,167 increase in additional paid-in capital, a $157 increase in foreign currency translation reserve income, a $605 increase in share-based payment reserve, and a $5,043 increase in accumulated deficit.

The $1,907 decrease for the year ended December 31, 2023, compared to the same period of fiscal 2022, was driven by a $1,119 increase in additional paid-in capital, a $28 decrease in foreign currency translation reserve income, a $585 increase in share-based payment reserve, and a $3,639 increase in accumulated deficit.

Summary of quarterly results that were prepared in accordance with IFRS Accounting Standards for the past four quarters ended December 31, 2024:

(USD in thousands)	Three-month ended, December 31, 2024 Unaudited	September 30, 2024 Unaudited	June 30, 2024 Unaudited	March 31, 2024 Unaudited
Operation expenses:				
Research and development expenses, net	$ 632	$ 503	$ 508	$ 225
General and administrative expenses	852	782	812	695
Operating loss	**1,484**	**1,285**	**1,320**	**920**
Finance (income) expenses, net	62	(35)	5	2
Net loss	**1,546**	**1,250**	**1,325**	**922**
Other comprehensive (gain) loss	93	(32)	51	45
Total comprehensive loss	**$ 1,639**	**$ 1,218**	**$ 1,376**	**$ 967**
Basic and diluted loss per share	$ 0.024	$ 0.020	$ 0.022	$ 0.016
Weighted average number of common shares – basic and diluted	65,417,289	63,528,644	61,488,044	56,528,121

Research and development expenses, net

Research and development expenses increased in the second and third quarters of 2024, primarily due to higher material costs for the ExoPTEN product development. Expenses rose further in the fourth quarter of 2024, driven by the initiation of the lab and office operations, as well as depreciation costs. Total research and development expenses were $632, $503, $508, and $225 for the three-month periods ended December 31, September 30, June 30, and March 31, 2024, respectively.

General and administrative expenses

General and administrative expenses increased in the second and third quarters of 2024, primarily due to higher professional services costs. Expenses rose further in the fourth quarter of 2024, driven by costs related to PR and IR services. Total general and administrative expenses were $852, $782, $812, and $695 for the three-month periods ended December 31, September 30, June 30, and March 31, 2024, respectively.

Operating loss

Operating loss increased in the second and third quarters of 2024, primarily due to higher research and development expenses, as well as general and administrative expenses. Operating loss rose further in the fourth quarter of 2024, mainly due to increased general and administrative expenses associated with PR and IR services.
The operating loss were $1,484, $1,285, $1,320, and $920 for the three-month periods ended December 31, September 30, June 30, and March 31, 2024, respectively.

Financial (income) expenses, net

Net Finance (income) expenses were $62, ($35), $5, and $2 for the three-month periods ended December 31, September 30, June 30, and March 31, 2024, respectively. These expenses were primarily driven by foreign currency translation adjustments, interest income from deposits, interest expenses related to the IIA, and the revaluation of a royalty liability.

Summary of quarterly results that were prepared in accordance with IFRS Accounting Standards for the past four quarters ended December 31, 2023:

(USD in thousands)	Three-month ended, December 31, 2023 Unaudited	September 30, 2023 Unaudited	June 30, 2023 Unaudited	March 31, 2023 Unaudited
Operation expenses:				
Research and development expenses, net	$ 308	$ 402	$ 457	$ 374
General and administrative expenses	406	762	603	345
Operating loss	**714**	**1,164**	**1,060**	**719**
Finance (income) expenses, net	22	(6)	(20)	(14)
Net loss	**736**	**1,158**	**1,040**	**705**
Other comprehensive (gain) loss	(15)	(24)	(7)	18
Total comprehensive loss	**$ 721**	**$ 1,134**	**$ 1,033**	**$ 723**
Basic and diluted loss per share	$ 0.016	$ 0.026	$ 0.024	$ 0.016
Weighted average number of common shares – basic and diluted	44,722,288	43,533,560	42,855,159	42,855,159

Research and development expenses

Research and development expenses increased in the second and third quarters of 2023, primarily due to TRDF's outsourcing of sponsored research payments to the Company's ExoPTEN product development. Total research and development expenses were $308, $402, $457, and $374 for the three-month periods ended December 31, September 30, June 30, and March 31, 2023, respectively.

General and administrative expenses

General and administrative expenses increased in the second and third quarters of 2023, primarily due to share-based payment expenses and professional services. Total general and administrative expenses were $406, $762, $603, and $345 for the three-month periods ended December 31, September 30, June 30, and March 31, 2023, respectively.

Operating loss

Operating loss increased in the second and third quarters of 2023, primarily driven by higher general and administrative expenses. Operating loss were $714, $1,164, $1,060, and $719 for the three-month periods ended December 31, September 30, June 30, and March 31, 2023, respectively.

Financial (income) expenses, net

Net finance (income) expenses for the three-month periods ended December 31, September 30, June 30, and March 31, 2023, were $22, ($6), ($20), and ($14), respectively.

Summary of the financials position that were prepared in accordance with IFRS Accounting Standards and are presented as of December 31, 2024, September 30, 2024, June 30, 2024, and March 31, 2024:

(USD in thousands)	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
	Audited	Unaudited	Unaudited	Unaudited
Total current assets	$ 1,634	$ 2,823	$ 2,784	$ 3,677
Total non-current assets	807	791	508	465
Total assets	2,441	3,614	3,292	4,142
Total current liabilities	398	435	546	362
Total non-current liabilities	282	251	171	149
Total liabilities	680	686	717	511
Total shareholders' equity	1,761	2,928	2,575	3,631
Total liabilities and shareholders' equity	$ 2,441	$ 3,614	$ 3,292	$ 4,142

2024 Quarterly comparisons

Total current assets

Total current assets decreased primarily in the fourth quarter, driven by the decrease in cash and cash equivalents associated with the completion of the lab and offices facility in the third quarter offset by the completion of a private placement in the third quarter. Current assets were $1,634, $2,823, $2,784, and $3,677 for the three-month periods ended December 31, September 30, June 30, and March 31, 2024, respectively.

Total non-current assets

Total non-current assets changed due to the purchase of lab equipment and right-of-use assets, which totaled $807, $791, $508, and $465 for the three-month periods ended December 31, September 30, June 30, and March 31, 2024, respectively.

Total current liabilities

Total current liabilities decreased primarily in the fourth quarter due to a reduction in other payables and a decrease in employee and payroll accrual. Current liabilities were $398, $435, $546, and $362 for the three-month periods ended December 31, September 30, June 30, and March 31, 2024, respectively.

Total non-current liabilities

Total non-current liabilities increased primarily in the fourth quarter due to the liability to IIA. Non-current liabilities were $282, $251, $171, and $149 for the three-month period ended December 31, September 30, June 30, and March 31, 2024, respectively.

Total shareholders' equity

Total shareholders' equity decreased primarily in the fourth quarter due to an increase in the accumulated deficit. Equity was $1,761, $2,928, $2,575, and $3,631 for the three-month periods ended December 31, September 30, June 30, and March 31, 2024, respectively.

Summary of the financials position that were prepared in accordance with IFRS Accounting Standards and are presented as of December 31, 2023, September 30, 2023, June 30, 2023, and March 31, 2023:

(USD in thousands)	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
	Audited	Unaudited	Unaudited	Unaudited
Total current assets	$ 1,982	$ 1,279	$ 1,069	$ 1,901
Total non-current assets	188	132	142	143
Total assets	2,170	1,411	1,211	2,044
Total current liabilities	1,908	623	437	569
Total non-current liabilities	73	67	84	81
Total liabilities	1,981	690	521	650
Total shareholders' equity	189	721	690	1,394
Total liabilities and shareholders' equity	$ 2,170	$ 1,411	$ 1,211	$ 2,044

2023 Quarterly comparisons

Total current assets

Total current assets increased primarily in the third and fourth quarters, driven by a rise in cash and cash equivalents following the completion of a private placement in September 2023, as well as an increase in restricted cash due to a private placement completed in January 2024. Total current assets were $1,982, $1,279, $1,069, and $1,901 for the three-month periods ended December 31, September 30, June 30, and March 31, 2023, respectively.

Total non-current assets

Total non-current assets changed due to the purchase of lab equipment and right-of-use assets, which totaled $188, $132, $142, and $143 for the three-month periods ended December 31, September 30, June 30, and March 31, 2023, respectively.

Total current liabilities

Total current liabilities increased primarily in the fourth quarter due to the subscription receipt held for investors. Current liabilities were $1,908, $623, $437, and $569 for the three-month periods ended December 31, September 30, June 30, and March 31, 2023, respectively.

Total non-current liabilities

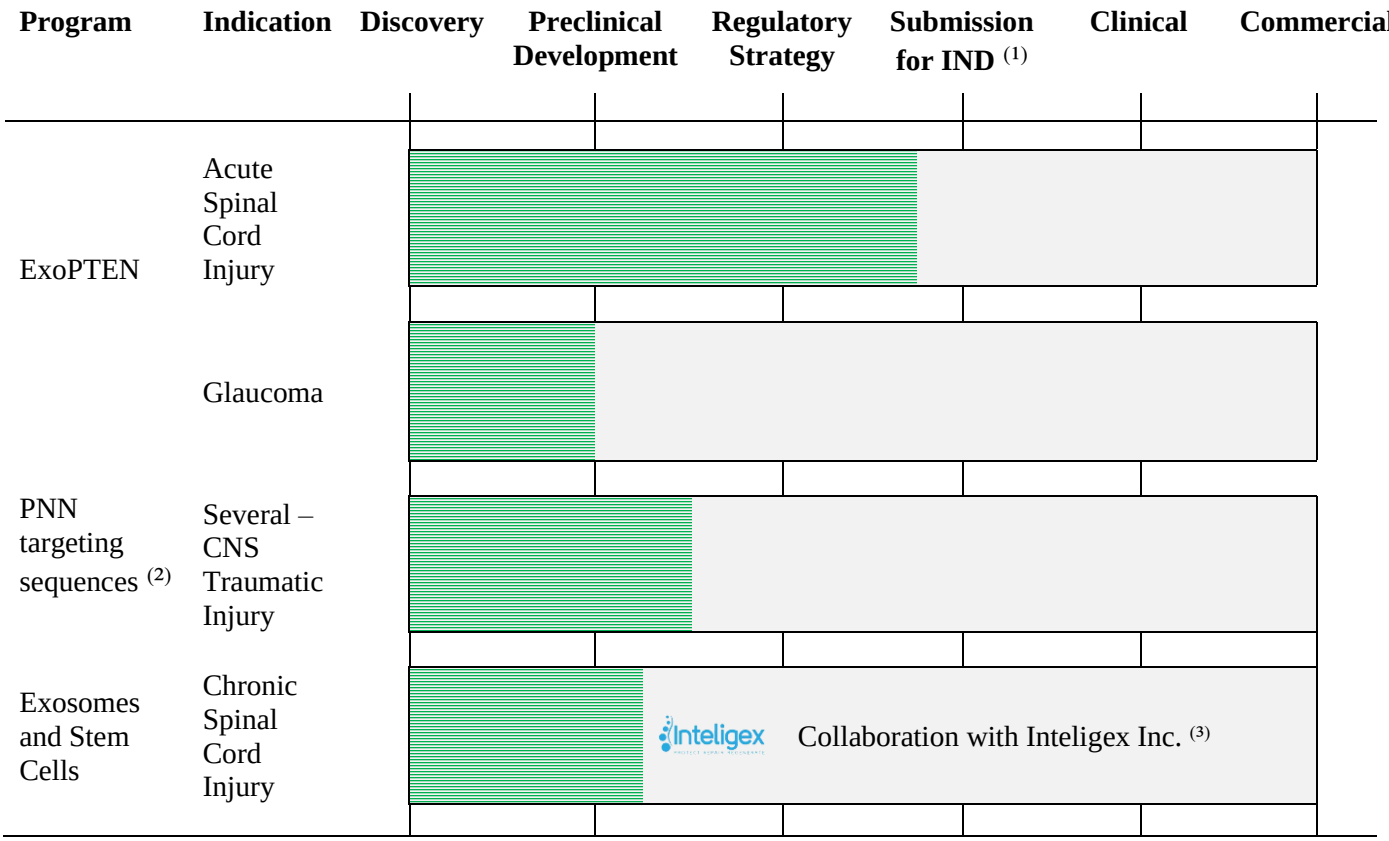
Total non-current liabilities increased primarily in the fourth quarter due to the liability to IIA. Non-current liabilities were $73, $67, $84, and $81 for the three-month period ended December 31, September 30, June 30, and March 31, 2023, respectively.

Total shareholders' equity

Total shareholders' equity decreased primarily in the fourth quarter due to an increase in the accumulated deficit. Shareholders' equity was $189, $721, $690, and $1,394 for the three-month periods ended December 31, September 30, June 30, and March 31, 2023, respectively.

Product Pipeline

The Gantt chart below summarizes the product pipeline, showcasing the company's dedication to developing innovative exosome-based therapies and nanodrugs aimed at addressing critical medical needs and enhancing outcomes across a range of indications.



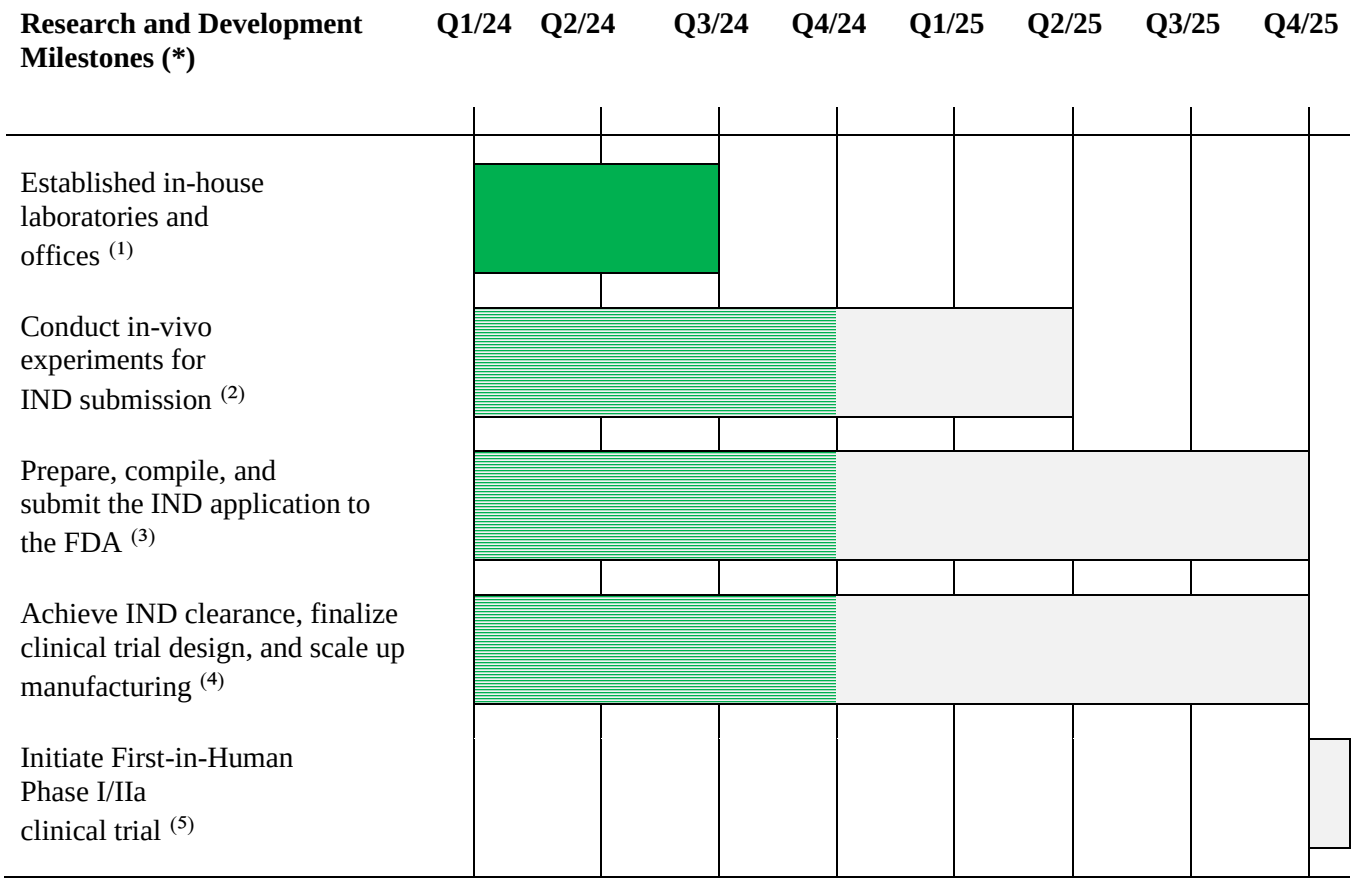
(1) "**Submission for IND**" refers to an IND application submission to the FDA, requesting approval to initiate clinical trials for a new drug in humans.

(2) "**PNN**" means perineuronal nets.

(3) The collaboration with Canadian-based Inteligex Inc. ("**Inteligex**") utilizes their innovative human stem cell platform to target traumatic injury and neurodegeneration. This partnership aims to advance treatments for traumatic SCI, with a focus on sub-chronic and chronic patients. Approved by the Israel-Canada Eureka program, the agreement outlines a collaboration in central nervous system ("**CNS**") diseases and SCI, combining Inteligex's stem cell expertise with NurExone's exosome technology and intranasal therapy. Both companies bring significant IP portfolios relevant to this project.

Research and Development Milestones: 2024 Completion and Upcoming Milestones

The Gantt chart below summarizes the research and development milestones achieved for the year ended December 31, 2024, as well as the upcoming milestones:



(*) The timeline is subject to change based on development outcomes, unforeseen circumstances, and process the complexity of the process.

(1) On March 1, 2024, NurExone Ltd. entered the Technion Lease Agreement. For more information, see "*Significant Developments for the Twelve-Month Period Ended December 31, 2024*".

(2) On January 7, 2024, NurExone Ltd. entered into the Biopharmax Construction Agreement**.** For more information, see "*Significant Developments for the Twelve-Month Period Ended December 31, 2024*".

(3) On April 1, 2024, NurExone Ltd. entered the Vivox CRO Agreement. For more information, please refer to the "*Contingent Liabilities and Commitments*" and "*Significant Developments for the Twelve-Month Period Ended December 31, 2024*" section.

(4) The Company compiled and submitted the IND application, which includes manufacturing information, chemistry, manufacturing, and controls data, preclinical data, and clinical trial plans.

(5) The preparation for the initiation of Phase I clinical trials will be as follows:

1. IND Clearance: Regulatory agencies will review and provide clearance to proceed with clinical trials.
2. Clinical Trial Design: The protocol for Phase I/IIa clinical trials will be developed, including dosing, patient eligibility criteria, and endpoints.
3. Manufacturing Scale-Up: The manufacturing process will be optimized to produce clinical-grade materials.

The preparation for the initiation of Phase I/IIa clinical trials will include the following steps:

1. Clinical Site Selection: Clinical trial sites and investigators will be identified and prepared.
2. Patient Recruitment: Patient recruitment for the Phase I/IIa clinical trials will begin.
3. Phase I clinical trials will be initiated with a small group of patients to assess safety and dosing.

Government Regulation in the United States

Pre-Clinical Phase

The Company's product will be subjected to several preclinical studies to establish and characterize its efficacy and safety profile. New drugs must be shown to be safe and effective in human subjects before receiving FDA approval. To initiate the process of bringing a new treatment to market, it is essential to first persuade regulators that the treatment is reasonably safe to use in humans to evaluate safety and efficacy in clinical studies.

The first phase encompasses rigorous preclinical laboratory testing, including comprehensive assessments in animals.

Preclinical laboratory testing serves as a crucial precursor to human trials, allowing researchers to gather valuable data on the treatment's safety profile and potential effectiveness. These studies involve conducting various experiments, often on animals, to assess the treatment's impact on biological systems and to identify any potential risks or adverse effects. The information derived from preclinical testing plays a pivotal role in forming the basis of the IND application submitted to the FDA. The IND application outlines the comprehensive data gathered during preclinical studies, along with proposed plans for human clinical trials. The FDA reviews this application thoroughly to ensure that the treatment has demonstrated an acceptable level of safety and shows promising signs of efficacy, warranting further investigation in human subjects.

The results from pre-clinical studies are documented in scientific publications or technical reports and used to prepare as part of the premarket submission for the initiation of human clinical trials. Preclinical studies on a potential drug substance are required to follow Good Laboratory Practices ("**GLPs**") regulations. GLPs govern laboratory facilities, personnel, equipment, and operations.

Compliance with GLP requires procedures and documentation of training, study schedules, processes, and status reports, which are submitted to facility management and included in the final study report to the FDA.

The data from preclinical studies will be gathered to reach the goal of potential therapeutic effect and reasonable safety index and the drug sponsor must notify the FDA of its intent to test the potential new drug in humans, known as an IND application. The IND allows the use of an investigational drug in human subjects for the sole purpose of conducting clinical trials.

Clinical Trials[1]

Clinical trials for new drugs typically consist of three phases:

A. Phase I

Involves a relatively small number of subjects (with SCI as an indication, probably between 8-25) intended to gather initial safety information. Its purpose is to determine a safe dose range in which the drug can be administered, metabolized, and pharmacologically effective with minimum toxicity. The safety and pharmacokinetics of the doses in these studies usually include testing to help establish the relationship between drug dose and plasma concentration levels, as well as therapeutic or toxic effects. The results of the Phase I studies are used to develop Phase II.

B. Phase II

Involves many subjects who have the targeted condition (usually 25-60). In Phase II, the purpose is to determine a minimum and maximum effective dose (dose-ranging study and pharmacokinetic data). Clear evidence is established to confirm that the mechanism of action observed in animals is observed in humans. Phase II may be divided into two subparts: Phase IIa is a pilot study, which is used to determine initial efficacy, and Phase IIb uses controlled studies on larger numbers of patients. Sufficient data regarding the tolerability and efficacy of several different dose regimens should be available to support the dose regimen to be evaluated in Phase III trials. At this point, the sponsor and the FDA usually confer to discuss the data and plans for Phase III.

C. Phase III

Phase III studies are considered "pivotal" and are designed to collect all of the essential data to fulfill the safety and efficacy criteria that the FDA requires to approve the application for the US marketplace. Phase III studies are usually larger than Phase II and are double-blind, randomized, controlled studies that are often conducted at multiple sites. In this phase, detailed data are gathered about the effectiveness of the new drug compound in comparison to control treatments. Subjects are followed to evaluate side effects and safety. Additionally, Phase III studies establish the effectiveness of the final formulation, indications for clinical use, labeling, marketing claims, drug product stability, packaging, and storage conditions.

In some indications, the FDA may grant an accelerated process definition, which allows a much faster track to the clinic, as ODD. The ODD provides significant benefits to pharmaceutical companies developing drugs for rare diseases, i.e. those impacting fewer than 200,000 people in the United States. These benefits include a potential seven years of market exclusivity after approval, financial incentives, regulatory assistance, and support with drug development.[2] Overall, designation incentivizes and supports the development of certain treatments, increasing access to therapies for patients.[3]

In relation to that, the Company announced on October 30, 2023, that the FDA has granted an ODD for its ExoPTEN therapy, recognizing the potential of this groundbreaking regenerative therapy for acute spinal cord injury, a condition where effective treatments are limited.[4]

[1] U.S. Food and Drug Administration - Step 3: Clinical Research: https://www.fda.gov/patients/drug-development-process/step-3-clinical-research
[2] Designating an Orphan Product: Drugs and Biological Products: https://www.fda.gov/industry/medical-products-rare-diseases-and-conditions/designating-orphan-product-drugs-and-biological-products
[3] New Clinical Development Success Rates 2011-2020 Report: https://www.bio.org/clinical-development-success-rates-and-contributing-factors-2011-2020
[4] Search Orphan Drug Designations and Approval: https://www.accessdata.fda.gov/scripts/opdlisting/oopd/detailedIndex.cfm?cfgridkey=940823

SHAREHOLDERS' EQUITY

Share Capital

The Company's authorized share capital consists of an unlimited number of Common Shares without par value and an unlimited number of preferred shares that are non-voting, subject to non-cumulative dividends at a rate set by the Board at the time of their issuance, redeemable at paid-up capital both the holder's and the Company's option.

The following table summarizes the changes in the issued and outstanding Common Shares for the two years ended December 31, 2024:

	Number of Shares
Outstanding at December 31, 2022	42,855,159
Issuance from a private placement in September 2023 (1)	5,394,548
Outstanding at December 31, 2023	48,249,707
Issuance of shares from a private placements (2)	10,251,352
Issuance of shares from an exercise of options (3)	100,070
Issuance of shares from an exercise of warrants (4)	11,197,469
Issuance of shares from release of restricted share units (5)	1,275,000
Outstanding at December 31, 2024	71,073,598

(1) On September 6, 2023, following the completion of the September 2023 Private Placement, the Company issued 5,394,548 Common Shares at a share price of C$0.275, and 2,697,274 Common Share purchase warrants at an exercise price of C$0.34 per Common Share and 2,697,274 Common Share purchase warrants at an exercise price of C$0.48 per Common Share for gross proceeds of $1,087 (C$1,484), as set out under the heading "Private Placement" above.
(2) Refer to the "*Financial highlights and key performance indicators*" section, subsections 1, 29, and 31.
(3) Refer to the "*Financial highlights and key performance indicators*" section, subsections 6, 9, 14, and 19.
(4) Refer to the "*Financial highlights and key performance indicators*" section, subsection 7.
(5) Refer to the "*Financial highlights and key performance indicators*" section, subsection 11.

Common Share purchase warrants

The following table summarizes the changes in Warrants during the year ended December 31, 2024, along with the associated details:

	Number of Warrants	Weighted-average exercise price	Weighted average remaining contractual term (in years)	Aggregate intrinsic value
Outstanding as of December 31, 2023	18,076,888	0.39	0.96	$ 1,137
Issued [(1)]	3,159,359	0.70	-	-
Issued [(2)]	7,091,993	0.35	-	-
Exercised [(3)]	(181,818)	0.48	-	-
Exercised [(4)]	(9,684,993)	0.38	-	-
Exercised [(5)]	(773,840)	0.35	-	-
Exercised [(6)]	(556,818)	0.34	-	-
Expired [(7)]	(2,997,347)	0.38	-	-
Outstanding as of December 31, 2024	14,133,424	0.45	2.01	$ 1,847

(1) Refer to the "*Financial highlights and key performance indicators*" section, subsection 31.
(2) Refer to the "*Financial highlights and key performance indicators*" section, subsection 1.
(3) Refer to the "*Financial highlights and key performance indicators*" section, subsection 7(b).
(4) Refer to the "*Financial highlights and key performance indicators*" section, subsection 7.
(5) Refer to the "*Financial highlights and key performance indicators*" section, subsections 6, 9, 14, and 19.
(6) Refer to the "*Financial highlights and key performance indicators*" section, subsection 7(a).
(7) Refer to the "*Financial highlights and key performance indicators*" section, subsection 7.

Share Incentive Plan

The following table summarizes the number of Options granted to officers, employees, directors and consultants under the Company's equity incentive plan (the "**Equity Incentive Plan**") for the two years ended December 31, 2024, and related information:

	Number of options	Weighted-average exercise price (C$)	Weighted average remaining contractual term (in years)	Aggregate intrinsic value
Balance as of December 31, 2022	4,058,495	0.80	8.71	$ 407
Granted (1)	2,722,129	0.30	-	-
Forfeited (2)	(276,900)	0.44	-	-
Expired (3)	(384,200)	0.68	-	-
Balance as of December 31, 2023	6,119,524	0.32	6.71	$ 796
Granted (4)	2,233,545	0.55	-	-
Exercised (5)	(100,070)	0.33	-	-
Forfeited (6)	(428,500)	0.35	-	-
Expired (7)	(99,930)	0.31	-	-
Balance as of December 31, 2024	7,724,569	0.38	6.10	$ 1,308
Exercisable as of December 31, 2024	5,752,621	0.33	7.95	

(1) On May 8, 2023, the company granted 1,578,020 Options and 1,275,000 RSUs to officers, employees, and directors, at an exercise price of C$0.28. On October 30, 2023, 1,144,109 additional Options were granted at an exercise price of C$0.32.

(2) 276,900 Options were forfeited and canceled due to the termination of employment agreement with employees and service agreement with vendors, with no exercise prior to cancellation.

(3) 384,200 Options were expired unexercised due to the termination of employment agreement with employees and service agreement with vendors, with no exercise prior to expiration.

(4) On June 3, 2024, the Company granted 1,815,900 Options to officers, employees, and directors, at an exercise price of C$0.51. On November 26, 2024, 237,645 Options were granted at an exercise price of C$0.74. On December 23, 2024, 180,000 additional Options were granted at an exercise price of C$0.70.

(5) Refer to the "*Financial highlights and key performance indicators*" section, subsections 6, 9, 14, and 19.

(6) 428,500 Options were forfeited and canceled due to the termination of employment agreement with employees and service agreement with vendors, with no exercise prior to cancellation.

(7) 69,930 Options were expired unexercised due to cashless exercise (refer to the "*Financial highlights and key performance indicators*" section, subsections 6, 9, and 19), and 30,000 Options were expired unexercised due to termination of employment agreement with employees, with no exercise prior to expiration.

As of December 31, 2024, there are $257 of total unrecognized costs related to share-based compensation costs that is expected to be recognized over a period of up to two years.

As of December 31, 2024, the Company had 2,066,446 Common Shares available for issuance pursuant to the exercise or vesting of awards under the Company's Equity Incentive Plan.

The following table provides a summary of the outstanding and unvested RSUs for the two years ended December 31, 2024:

	Number of RSUs	Weighted-average grant date fair value	Aggregate intrinsic value
		C$	
Unvested balance as of December 31, 2022	-	-	$ -
Granted [1]	1,275,000	0.28	-
Unvested Balance as of December 31, 2023	1,275,000	0.28	270
Granted [2]	2,000,000	0.51	-
Vested [1]	(1,275,000)	0.28	-
Unvested balance as of December 31, 2024	2,000,000	0.51	$ 709

(1) On May 8, 2024, the Company issued 1,275,000 Common Shares upon the release of RSUs, following a one-year period vesting anniversary, to certain officers and directors.
(2) On June 3, 2024, the Company granted 2,000,000 RSUs with a one-year period vesting anniversary, to certain officers and directors.

LIQUIDITY AND CAPITAL RESOURCES

The following table summarizes the Company's statements of cash flows as of December 31, 2024, and 2023:

(USD in thousands)	Year ended December 31,		
	2024	2023	Change
	Audited	Audited	
Net cash used in operating activities	$ (4,888)	$ (2,941)	$ (1,947)
Net cash used in investing activities	(658)	(97)	(561)
Net cash provided by financing activities	5,878	1,132	4,746
Exchange differences on balances of cash and cash equivalents	(173)	(16)	(157)
Increase (decrease) in cash and cash equivalents	159	(1,922)	2,081
Increase (decrease) in cash and cash equivalents	541	2,463	(1,922)
Cash and cash equivalents at end of year	$ 700	$ 541	$ 159

Cash flows from operating activities

The cash used in operating activities for the year ended December 31, 2024, was $4,888, compared to $2,941 for the same period in 2023, representing an increase of $1,947, primarily resulting from:

- The net loss for the year ended December 31, 2024, was $5,043 as compared to the same period in 2023, being $3,639, which represents an increase of $1,404, driven by the Company's research and development, and IR and PR activities.
- The depreciation and amortization for the year ended December 31, 2024, was $85, as compared to the year ended December 31, 2023, being $33, which represents an increase of $52.
- The share-based compensation costs for the year ended December 31, 2024, was $935 as compared to the same period ended in 2023, being $639, which represents an increase of $296.
- The royalty payments revaluation for the year ended December 31, 2024, was $42, as compared to the same period in 2023, being $22, which represents an increase of $20.
- The employees and payroll accruals for the year ended December 31, 2024, was ($133) as compared to the same period in 2022, being ($32), which represents an increase of ($101).

Cash flows from investing activities

The cash used in investing activities for the year ended December 31, 2024, was $658, as compared to the same period in 2023, being $97, which represents an increase of $561, primarily resulting from purchasing lab equipment and leasehold improvement.

Cash flows from financing activities

The cash used in financing activities for the year ended December 31, 2024, was $5,878, as compared to the same period in 2023, being $1,132, which represents an increase of $4,746, primarily resulting from:

- The proceeds from the private placements for the year ended December 31, 2024, was $2,709, as compared to the same period in 2023, being $1,065, which represents an increase of $1,644.
- The proceeds from the exercise of Warrants for the year ended December 31, 2024, was $3,115, as compared to the same period in 2023, being $0.
- The proceeds from the exercise of Options for the year ended December 31, 2024, was $13, as compared to the same period in 2023, being $0.
- The proceeds from receipt of grants from the IIA for the year ended December 31, 2024, was $71, as compared to the same period in 2023, being $95, which represents a decrease of $24.

WORKING CAPITAL DISCUSSION

As of December 31, 2024, and December 31, 2023, the Company's working capital was $1,236 and $74, respectively, mainly resulting from an increase in cash and cash equivalents due to completion of private placements in 2024.

The Company's main objectives in managing capital are to ensure sufficient liquidity to finance research and development activities, ongoing administrative costs, and working capital. Since its inception, the Company has financed its operations from convertible debt financing and subscription receipt financing completed in connection with the RTO, and several follow-up private placements.

Since the Company has not generated net earnings from operations, its ongoing liquidity depends on its ability to access capital markets, which depends on the success of the Company's ongoing research and development programs, as well as capital market conditions and availability.

The Company uses cash flow forecasts to estimate cash requirements for the ensuing twelve-month period. Based on these requirements, the Company plans to raise equity capital as required to provide the necessary financial resources for operations, ideally for a minimum of twelve-month period.

The timing of equity financings will depend on market conditions and the Company's cash requirements. The Company's cash flow forecasts are continually updated to reflect actual cash inflows and outflows, ensuring proactive monitoring of financial needs and timing for additional funding.

Given the volatility of the Canadian and US dollar exchange rates, the Company estimates its US dollar expenses for future periods and sets appropriate levels of US dollar cash and cash equivalent balances. By reporting in US dollars, the Company remains subject to currency fluctuations, which affect its loss and comprehensive loss during any given year.

As of December 31, 2024, the Company also held a New Israeli Shekel balance and has New Israeli Shekel liabilities through its wholly-owned subsidiary, NurExone Ltd, and thus remains subject to fluctuations in the relative values of the Canadian and U.S. dollars and New Israeli Shekel, which affects its comprehensive loss during any given period.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements in place.

USE OF PROCEEDS

On June 15, 2022, and January 4, 2024, the Company completed the June 2022 Private Placement and January 2024 Private Placement, respectively, and indicated that the use of proceeds from each financing would be used for working capital purposes**.**

On December 30, 2024, the Company acquired the MCB from a U.S. manufacturer for $600 (C$863). For more information, please see the heading entitled "*Significant Developments for the Twelve-Month Period Ended December 31, 2024*".

To complete the purchase, the Company utilized (i) $541 (C$727) from the aggregate proceeds of $2,714 (C$3,680) from the March 22, 2024 exercise of an aggregate of 9,684,993 June 2022 Private Placement Warrants, each exercised at a price of C$0.38 per June 2022 Private Placement Warrant; (ii) $13 (C$18), the entire proceeds from the November 19, 2024 exercise of an aggregate of 50,000 January 2024 Private Placement Warrants, each exercised at a price of C$0.35 per January 2024 Private Placement Warrant; and (iii) $46 (C$63), the entire proceeds from the December 29, 2024 exercise of an aggregate of 180,000 January 2024 Private Placement Warrants, each exercised at a price of C$0.35 per January 2024 Private Placement Warrant.

The proceeds from the exercise of the Common Share purchase warrants do not have a material impact on the Company's working capital, but contributed to the Company's ability to achieve its business objectives and milestones.

TRANSACTIONS WITH RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party's making of financial or operational decisions or if both parties are controlled by the same third party. The Company has transactions with key management personnel and directors.

Key management personnel compensation

The compensation of key management personnel and directors' fees were comprised of the following:

	Year ended December 31,	
Expenses	2024	2023
Short-term benefits	$ 670	$ 523
Share-based payment	587	363
Total	$ 1,257	$ 886

The balance of other payables to key management personnel and directors were $64 as of December 31, 2024, compared to $207 as of December 31, 2023.

Related Party - TRDF

TRDF serves as the licensor of the Company's core technology used for product development. The Company has engaged in services provided by TRDF and maintains financial balances with TRDF, a key vendor and principal shareholder holding 3,927,000 Common Shares, representing 4.6% on a fully diluted basis, including Common Shares and warrants.

Until June 30, 2024, TRDF provided lab services for the Company. These services were discontinued as the Company began operating its own laboratory, leased from TRDF.

The balance of other payables to TRDF was $14 as of December 31, 2024, compared to $26 as of December 31, 2023. Additionally, the balance for royalty payment to TRDF amounted to $78 as of December 31, 2024, compared to $71 as of December 31, 2023.

The Company recognized expenses and conducted transactions with TRDF totaling $121 and $236 for the years ended December 31, 2024, and 2023, respectively.

The table below summarizes the payments made to TRDF since the Company's incorporation.

Signed Date	Type of Agreement		Service Period and additional details	Total Consideration
June 23, 2020	License Agreement		September 2020 – October 2021	$40
August 18, 2021	License Agreement	1st Amendment	Fundraising milestones update	-
January 25, 2022	License Agreement	2nd Amendment	Patents extension	-
	License Agreement	Royalty payment	3rd anniversary – June 23, 2023	$20
	License Agreement	Royalty payment	4th anniversary – June 23, 2024	$26
February 15, 2021	Sponsored Research		Sep 2020 – Dec 2021	$621
October 12, 2021	Sponsored Research	1st Amendment	Period extension: Jan 2022 – Mar 2022	-
April 1, 2022	Sponsored Research	2nd Amendment	April 2022 – September 2023	$411
May 15, 2022	Lab Services		May 2022 – December 2022	$30
February 27, 2023	Lab Services		January 2023 – June 2023	$43
July 3, 2023	Lab Services		July 2023 – September 2023	$20
October 15, 2023	Lab Services		October 2023 – December 2023	$20
February 15, 2024	Lab Services		January 2024 – March 2024	$20
May 29, 2024	Lab Services		April 2024 – June 2024	$20
	Other Services		January 2023 – March 2023	$1
	Other Services		April 2023 – June 2023	$7
	Other Services		July 2023 – September 2023	$5
	Other Services		October 2023 – December 2023	$2
	Other Services		January 2024 – March 2024	$6
	Other Services		April 2024 – June 2024	$14
	Other Services		June 2024 – September 2024	$22
	Other Services		October 2024 – December 2024	$16

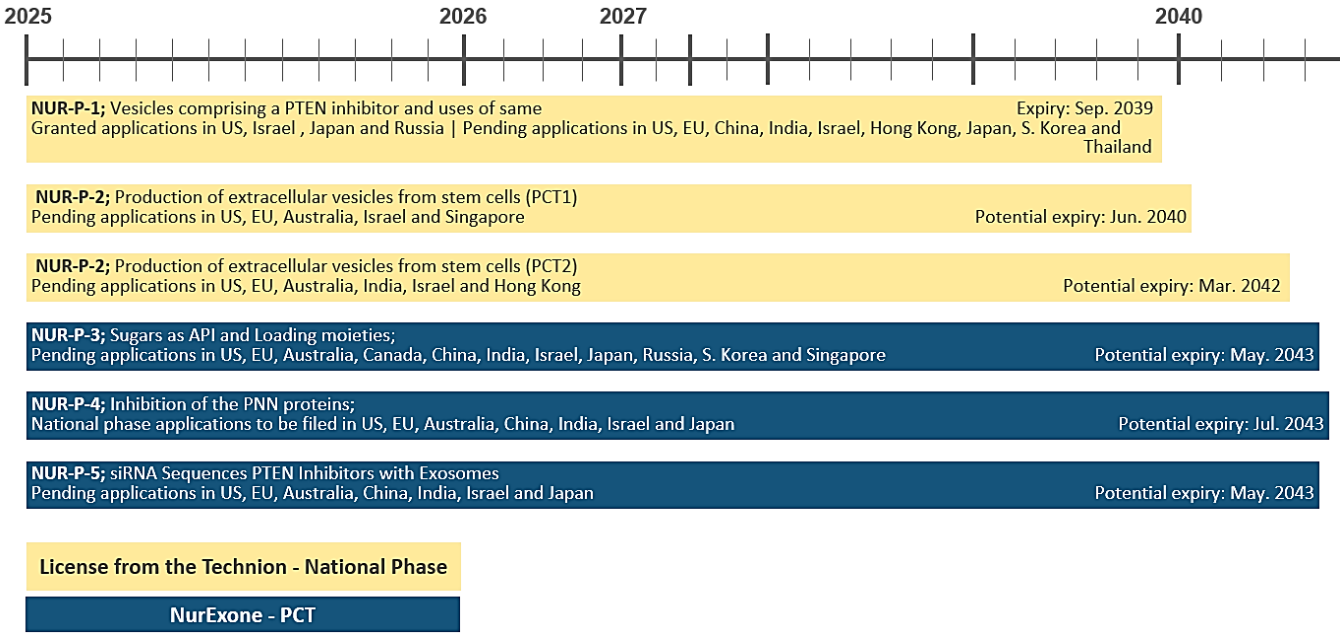
The Company discontinued outsourced research, development, and laboratory services from TRDF starting in the third quarter of 2024 after completing its own lab and offices facility. This strategic shift toward in-house operations enables the Company to manage its research and development activities more directly, enhancing efficiency and oversight. For clarity, if the Company decides to terminate any service agreements with TRDF, this decision will not affect the standing of the Amended TRDF Agreement.

The Amended TRDF Agreement remains fully intact and valid, irrespective of the status of any related service agreements, ensuring the Company's commitments under the Amended TRDF Agreement are upheld independently. This approach provides a stable legal and operational framework, allowing the Company to retain critical IP rights and benefits tied to the Amended TRDF Agreement while adjusting its service arrangements as needed. This independent structure supports operational flexibility without compromising essential licensing terms.

CONTINGENT LIABILITIES AND COMMITMENTS

TRDF-Ramot License Agreement

In June 2020, the Company entered into the TRDF-Ramot License Agreement. Pursuant to the TRDF-Ramot License Agreement, the Company assumed responsibility for the development, clinical studies, and commercialization of technology as a licensee and/or sub-licensee. The licensed technology includes one granted patent and two Patent Cooperation Treaty ("**PCT**") applications owned by TRDF and Ramot, related to the development of exosomes, along with an additional three PCT applications owned by the Company, as outlined in the table below:



The license term is determined on a product-by-product and a country-by-country basis, extending until the later of (a) 15 years from the first commercial sale of a product in the relevant country and (b) the expiration date of the last licensed patent in that country.

Pursuant to the TRDF-Ramot License Agreement, the Company agreed to the following commitments:

1. **Shares issuance -** The Company issued 1,683,000 Common Shares to Ramot and 3,927,000 Warrants to TRDF. The Warrants, exercisable at a price of C$0.005 per share, were fully exercised in February 2021.
2. **License fee -** The Company paid a one-time license fee of $40 to TRDF.
3. **Royalty payments** - The Company shall pay TRDF:
   i. 4.25% on net sales of products sold by the Company or its affiliates.
   ii. 50% of the amounts received from sublicensees for products sales, subject to a minimum of 2% and a maximum of 4.25% of the sublicensee's net sales.
4. **Sublicense fees** – In a case of Sublicense, the Company shall pay a fee at a rate of 16%.
5. **Minimum royalty payments –** Beginning in 2023, the Company is required to make minimum annual royalty payments, of $20 which will increase by 30% annually in 2024, 2025, and 2026, up to a maximum amount of $50 in 2027 and beyond.

As of December 31, 2024, and 2023, the Company's aggregate contingent payment obligations to TRDF, based on the minimum royalty payment schedule, amounted as:

	December 31,	
	2024	2023
Current liabilities - other payables	$ 34	$ 26
Non-Current liabilities - royalty payments	78	71
	$ 112	$ 97

The liability associated with royalties was determined by using the discounted cash flow method, applying a discount rate of 50% to account for the Company's early stage of development. The calculation was based on an 18-year discount period, corresponding to the duration of the intellectual property patent protection.

Collaboration Agreements

On July 11, 2022, NurExone Ltd. entered into a collaboration agreement with Polyrizon Ltd., committing to minimum payments totaling $215 in three installments which have been paid, along with potential additional milestone payments of $3,350 ("**Polyrizon Agreement**"). As of December 31, 2022, NurExone Ltd. achieved the first milestone and made an $85 payment. The Polyrizon Agreement also includes royalty obligations based on revenue tiers, ranging from 2.25% to 3.25% of net income, and 35% for sublicense income. As of December 31, 2024, the Polyrizon Agreement was indefinitely suspended. Any potential resumption of the Polyrizon Agreement would require mutual agreement on the next steps.

On November 30, 2023, the Company entered into a collaboration agreement with Inteligex to develop a hybrid therapy tailored to the SCI market (the "**Inteligex Agreement**"). This collaboration focuses on developing an advanced therapeutic strategy for the treatment of traumatic SCI, particularly targeting the challenging sub-population of sub-chronic and chronic patients. The project has been approved for grant support by the IIA under the Israel-Canada bilateral Eureka program as a new collaboration. The Inteligex Agreement establishes the framework for the collaboration between the two companies in the CNS disease space and SCI field. Inteligex brings extensive experience in SCI and human stem cell therapy, while the Company contributes advanced technologies and insights into exosome biology, production, and intranasal therapy delivery. Both companies hold robust intellectual property portfolios that are directly aligned with the goals of this collaborative initiative.

As of December 31, 2024, the Company extended the first year of its two-year collaborative partnership with Inteligex, which was awarded under the Israel-Canada bilateral Eureka program by the IIA. The extension was granted for an additional six months until June 30, 2025, due to delays in materials shipments from Canada to Israel.

Government Grants

The Company is obligated to pay royalties to the IIA at rates ranging from 3% to 3.5% on sales proceeds from products developed through grants received from the IIA. The total amount of royalties payable to the IIA is capped at 100% of the grants received, including an annual interest rate, which will be the higher of (i) the 12-month SOFR interest rate, plus 1%, and (ii) a fixed annual interest rate of 4%.

Grants received are accounted for as forgivable loans under IAS 20 (Revised) and IFRS 9. The loan liability is initially measured at fair value and reassessed quarterly using a discount rate of 11%–15% in 2024. The difference between the grant amount and its fair value is recognized as a government grant, reducing research and development expenses. The obligation to pay royalties is contingent on actual sales of the products; in the absence of such sales, no payment is required. The Company expects to generate sales that will trigger royalty payments starting in 2032. As of December 31, 2024, the Company's aggregate contingent obligations to IIA, based on royalty-bearing participation received or accrued, amounted to $173 (including interest of $13).

OUTSTANDING SHARE DATA

As of April 9, 2025, the data on the outstanding Common Shares is as follows:

(1) 78,007,913 Common Shares were issued and outstanding.

(2) 7,981,871 Common Share purchase options, detailed as follows:

- 237,645 options exercisable at C$0.74 per Common Share
- 180,000 options exercisable at C$0.70 per Common Share
- 299,802 options exercisable at C$0.56 per Common Share
- 1,765,900 options exercisable at C$0.51 per Common Share
- 3,101,395 options exercisable at C$0.33 per Common Share
- 999,109 options exercisable at C$0.32 per Common Share
- 1,398,020 options exercisable at C$0.28 per Common Share.

(3) 2,000,000 Restricted Stock Units.

(4) 15,999,577 Common Share purchase warrants, detailed as follows:

- 3,543,238 warrants exercisable at C$0.85 per Common Share
- 4,016,355 warrants exercisable at C$0.70 per Common Share
- 2,515,456 warrants exercisable at C$0.48 per Common Share
- 5,924,528 warrants exercisable at C$0.35 per Common Share.

SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS USED IN THE PREPARATION OF THE FINANCIAL STATEMENTS

The preparation of financial statements in accordance with the IFRS Accounting Standards requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Significant areas of judgment and estimation include, but are not limited to, the following:

- Government Grants

  Government grants received from the IIA are recognized as a liability if future economic benefits are expected from the research and development activity that will result in royalty-bearing sales. There is uncertainty regarding the estimated future cash flow and the estimated discount rate used to measure the amortized cost of the liability.

- Share-Based Compensation

  The areas requiring the use of estimates and critical judgments that may significantly impact the Company's financial position include share-based compensation costs.
  The Company uses the Black-Scholes option pricing model to determine the fair value of stock options and warrants.
  In estimating fair value, management must make certain assumptions and estimates, such as the expected life of options, the volatility of the Company's future share price, the risk-free rate, future dividend yields, and estimated forfeitures at the initial grant date. Changes in assumptions could result in different outcomes.

These judgments, estimates, and assumptions are based on historical experience, current conditions, and management's expectations of future events. Changes in circumstances may result in revisions to these estimates, which are recognized in the period in which they are identified.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK EXPOSURES

The Company's risk exposure and its effects on financial instruments are outlined below:

(1) Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash. The Company's cash balance was held at major Canadian and Israeli institutions.
The Company regularly monitors credit risk exposure and takes steps to mitigate the likelihood of these exposures resulting in actual loss.

(2) Liquidity Risk

Liquidity risk arises from the Company's management of working capital and its ability to meet financial obligations as they come due without incurring unacceptable losses.

This risk is influenced by the timing of cash inflows and outflows, availability of liquid assets, and access to financing sources. Proper management of liquidity risk ensures the Company can maintain its operations, invest in growth opportunities, and navigate unforeseen financial challenges.

The Board receives rolling 12-month cash flow projections on a quarterly basis to monitor and manage liquidity effectively. This enables proactive decision-making to ensure the Company maintains adequate financial resources to meet its short-term and long-term commitments.

A portion of the Company's trade payables forms part of its supplier finance arrangement with select key suppliers. The payment terms for these payables remain identical to those of other payables.

As a result, the Company does not view these arrangements as significantly impacting its liquidity position.

The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities as of December 31, 2024:

Financial Liabilities	Up to 1 Year	1 to 2 Years	2 to 3 Years	Over 3 Years	Total
Other payables	$ 232	$ -	$ -	$ -	$ 232
Employees and payroll accruals	166	-	-	-	166
Royalty payments	-	44	50	600	694
Lease liability	2	1	11	30	44
Liability to IIA	-	-	-	271	271
Total	$ 400	$ 45	$ 61	$ 901	$ 1,407

The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities for the comparative periods as of December 31, 2023:

Financial Liabilities	Up to 1 Year	1 to 2 Years	2 to 3 Years	Over 3 Years	Total
Other payables	$ 317	$ -	$ -	$ -	$ 317
Liability associated with private placement	1,197	-	-	-	1,197
Employees and payroll accruals	299	-	-	-	299
Royalty payments	-	34	44	650	728
Lease liability	24	-	-	-	24
Total	$ 1,837	$ 34	$ 44	$ 650	$ 2,565

(3) Capital Management

The Company considers its capital to be comprised of shareholders' equity.
The Company's objectives in managing its capital are to maintain its ability to continue as a going concern and to further develop its business.

(4) Foreign Currency Risk

Foreign exchange risk arises when individual Group entities enter into transactions involving a currency other than their functional currency.
The functional currencies of the Company and its subsidiaries, NurExone Ltd., and Exo-Top, are the Canadian dollar, New Israeli Shekel, and U.S. dollar, respectively.
The Company does not currently enter into forward currency contracts to mitigate foreign currency risk.
The Company is exposed to financial risks as a result of exchange rate fluctuations and the volatility of these rates.
As of December 31, 2024, a 5% increase/decrease in the NIS currency impacted by CAD, USD, and EUR currency rates would decrease/increase the net loss by $1, $1, $0, respectively. (2023 - $3, $1, and $1, respectively).

(5) Fair Value

The carrying values of other receivables approximate their fair values due to their short terms to maturity. The cash is valued using quoted market prices in active markets.

RISKS AND UNCERTAINTIES

Several risk factors could impact the Company's ability to successfully execute its key strategies and may materially affect future events, performance, or results.

The risks and uncertainties described herein are not the only ones the Company faces. Additional risks and uncertainties, including those that the Company does not know about now or that it currently deems immaterial, may also adversely affect the Company's business. An investment in securities of the Company is speculative and subject to several risks including, without limitation, the risks discussed under the heading "Risk Factors" on pages 44 to 51 of the Company's Annual Information Form dated August 27, 2024, a copy of which is available under the Company's SEDAR+ profile at www.sedarplus.ca.

Economic Conditions

Changes in economic conditions, including without limitation, recessionary or inflationary trends, commodity prices, equity market levels, consumer credit availability, interest rates, consumers' disposable income and spending levels, unemployment, and overall consumer confidence have a low material adverse effect on the Company's business, financial condition, results of operations and cash flows.

War in Israel

On October 7, 2023, Israel declared war against the Hamas terrorist organization (the "**Israeli War**"), leading to increased military activity along its borders and disruptions to business and economic activity. Despite these challenges, the Company has maintained its operations in Israel, with laboratory and offices in Haifa fully operational, even amid missile threats. As of the date of this report, the Israeli War has had no material impact on the Company's operations.

Timing of the Company's Internal Goals and Projected Timelines May Not be Met

The Company sets internal goals for and makes public statements regarding its expected timing of meeting the objectives material to its success, including the commencement, duration, and completion of clinical trials, and anticipated regulatory approvals.

The actual timing of these forward-looking events can vary dramatically due to a number of factors, including, without limitation, delays in scaling-up of drug product candidates, delays or failures in clinical trials, additional data requirements from the regulators, the Company failing to obtain required financing, and other risks referred to herein. Without limiting the generality of the foregoing, it is possible that required regulatory approvals may be delayed or denied, including those related to undertaking or continuing clinical trials, manufacturing of drug products, and marketing such products.

A failure to obtain necessary financing or a change in the schedule of a clinical trial (which may occur for many reasons, including due to factors beyond the Company's reasonable control, such as scheduling conflicts, the occurrence of serious adverse events, interruption of supplies of study drugs, withdrawals of regulatory approvals, or slow patient recruitment) could delay the commencement or completion of the clinical trial, or result in its suspension or early termination, which could have a material adverse effect on the Company.

Patent litigation is costly and time consuming and may subject the Company to liabilities

The Company's involvement in any patent litigation, opposition, or other administrative proceedings will likely cause the Company to incur substantial expenses, and the efforts of technical and management personnel will be significantly diverted. In addition, the Company may not have the financial means defend its patents and in the event it does, an adverse determination in litigation could subject the Company to significant liabilities, including, but not limited to, monetary damages.

The Company may be subject to claims challenging the inventorship of the Company's patents and other intellectual property

The Company or its licensors may be subject to claims that former employees, collaborators or other third parties have an interest in the Company's owned or in-licensed patents, trade secrets, or other intellectual property as an inventor or co-inventor. For example, the Company or its licensors may have inventorship disputes arise from conflicting obligations of employees, collaborators, consultants, or others who are involved in developing the Company's product candidates. Litigation may be necessary to defend against these and other claims challenging inventorship of the Company's or its licensors' ownership of the Company's owned or in-licensed patents, trade secrets or other intellectual property.

The Company may not have the financial means to defend such claims and in the event the Company or its licensors fail in defending any such claims, in addition to paying monetary damages, the Company may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, intellectual property that is important to the Company's product candidates.

Even if the Company is successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees. Any of the foregoing could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Risks Relating to recent US tariff measures may adversely affect the Company's business, operations, and financial condition in the US.

In April 2025, the United States government announced and implemented a new round of tariffs on certain imported goods from key trading partners as part of ongoing trade and national security measures. This recent imposition of tariffs on many, if not most countries, around the world and the threatened or imposed retaliatory tariffs have introduced a high level of uncertainty as to their ultimate outcomes. These tariffs may affect a wide range of raw materials, components, and finished goods that are integral to our supply chain and production processes. Although

the Company continues to assess the full impact of these measures, the Company may face increased costs for materials, disruptions in our supply chain, and delays in procurement that could adversely affect our ability to manufacture and deliver our exosomes on a timely and cost-effective basis. Furthermore, retaliatory tariffs or other trade restrictions imposed by affected countries could negatively impact our exports or make our products less competitive in those markets. We may not be able to pass increased costs on to our customers, and any sustained escalation in tariffs or other trade barriers could have a material adverse effect on our revenues, gross margins, and overall business performance.

SUBSEQUENT EVENTS

(1) On January 8, 2025, the Company issued 65,000 Common Shares following the exercise of 65,000 January 2024 Private Placement Warrants. Each January 2024 Private Placement Warrant were exercised at a price of C$0.35 per Common Share, generating total proceeds of C$22.75.

(2) On January 19, 2025, the Company received gross proceeds of $506 (C$728) through the exercise of 2,140,456 class A Common Share purchase warrants (each a "**Class A Warrant**") at a price of C$0.34 per Class A Warrant issued in the first tranche of the non-brokered private placement of the Company which closed on August 25, 2023 (the "**August 2023 Offering**"). The exercise of the Class A Warrants followed the Company providing the Class A Warrant holders an acceleration notice on December 17, 2024 that the Class A Warrant acceleration trigger was met when the daily volume weighted average trading price of the Common Shares on the TSXV equaled or exceeded C$0.69 for a period of 20 consecutive trading days. The effect of such exercises, along with the prior exercise of 181,818 Class A Warrant back in March 2024, resulted in all Class A Warrants issued in August 2023 Offering being exercised.

(3) On January 21, 2025, the Company closed a non-brokered private placement of 856,996 units ("**January 2025 Units**") at a price of C$0.56 per January 2025 Unit for aggregate gross proceeds of $333 (C$480) (the "**January 2025 Unit Offering**"). Each January 2025 Unit consisted of (i) one Common Share, and (ii) one Common Share purchase warrant (each, a "**January 2025 Warrant**"). Each January 2025 Warrant entitles the holder thereof to purchase one Common Share at a price of C$0.70 per Common Share for a period of 36 months, subject to acceleration. If the daily volume weighted average trading price of the Common Shares on the TSXV for any period of 20 consecutive trading days equals or exceeds C$1.75, the Company may, upon providing written notice to the holders of the January 2025 Warrants (the "**January 2025 Private Placement Acceleration Notice**"), accelerate the expiry date of the January 2025 Warrants to the date that is 45 days following the date of the January 2025 Private Placement Acceleration Notice. In addition, following the date of the issuance of the January 2025 Warrants, if the Company lists the Common Shares on a nationally recognized stock exchange in the United States, the Company, may upon providing an acceleration notice (the "**U.S. Listing Acceleration Notice**"), accelerate the expiry date of the January 2025 Warrants to the date that is 45 days following the date of the U.S. Listing Acceleration Notice. If the January 2025 Warrants are not exercised by the applicable accelerated expiry dates, the January 2025 Warrants will expire and be of no further force or effect. All securities issued under the January 2025 Unit Offering were issued subject to applicable statutory hold periods.

(4) On January 29, 2025, following the approval by the Board, the Company granted incentive awards under the Equity Incentive Plan to certain employees and service providers. A total of 299,802 Options were granted, each exercisable for one Common Share at a price of C$0.56 per share (the "**January 2025 Options**"). The vesting schedule for the January 2025 Options is as follows: (i) 35,802 January 2025 Options will vest over three months (ii) 189,000 January 2025 Options will vest over six months, and (iii) 75,000 January 2025 Options will vest over two years. The January 2025 Options have an exercise period of ten years from the vesting commencement date. The fair value of each January 2025 Option as of the grant date was C$0.40, determined by using the Black-Scholes option pricing model, with total share-based compensation costs amounting to $84.

(5) On February 4, 2025, the Company incorporated Exo-Top to advance its GMP fully characterized exosome production. Incorporating Exo-Top offers the Company key advantages, including closer proximity to strategic partners, access to a robust biopharma ecosystem, and increased market opportunities. For more information, see the "*Exo-Top*" section.

(6) On February 19, 2025, the Company issued 328,625 Common Shares pursuant to exercise of the January 2024 Private Placement Warrants. The January 2024 Private Placement Warrants were exercised at a price of C$0.35 per Common Share, generating total proceeds of C$115.

(7) On February 27, 2025, the Company announced that Professor Belkin, a key scientific advisory Board member, will be honored as a recipient of the Lifetime Achievement Award at MIXii 2025 in recognition of his pioneering contributions to ophthalmic innovation and medical technology. Professor Belkin is the inventor of Belkin Vision technology, which was acquired by Alcon, a Swiss-American ophthalmology company, in a transaction valued at up to $466 million. MIXii is Israel's premier health tech conference, organized by Israeli Advanced Technology Industries.

(8) On March 14, 2025, the Company announced that it completed an important preclinical study towards its IND submission. The new study, which advances the Company's path towards first-in-human trials, demonstrated that ExoPTEN treatments with different dose regimens led to both motor function recovery and significant improvements in blood flow at the site of spinal cord injury—an essential factor in tissue healing and functional recovery.

(9) On April 9, 2025, the Company completed a non-brokered private placement (the "**April 2025 Private Placement**") of units of the Company (each, a "**April 2025 Unit**") through the issuance of an aggregate of 3,543,238 April 2025 Units. Each April 2025 Unit was issued at a price of C$0.65 per April 2025 Unit generating aggregate gross proceeds of $1,610 (C$2,303). Each April 2025 Unit was comprised of (i) one Common Share and (ii) one Common Share purchase warrant (each, an "**April 2025 Warrant**"). Each April 2025 Warrant entitles the holder to purchase one Common Share at price of C$0.85 per April 2025 Warrant for a period of 36 months. All securities issued under the April 2025 Private Placement were issued subject to applicable statutory hold periods.

(10) On April 9, 2025, the Company retained the services of POSITIVE Communications ("**POSITIVE**"), subject to TSXV approval, to support the Company's efforts to raise awareness and generate exposure for the Company and its achievements. POSITIVE is a boutique public relations agency based in Tel Aviv, Israel. POSITIVE was engaged for an initial six month term for a monthly fee of NIS 15,000, plus VAT. Either party has the right to terminate the agreement upon providing 30-days' notice. POSITIVE does not currently have a direct or indirect interest in the securities of the Company. While POSITIVE has no intention of acquiring any additional securities of the Company at this time, it may do so in the future in compliance with applicable securities laws and TSXV policies.

ADDITIONAL INFORMATION

Additional information about the Company is available on SEDAR+ at www.sedarplus.ca as well as on the Company's website at www.nurexone.com.