IBEX TECHNOLOGIES INC.

MANAGEMENT DISCUSSION AND ANALYSIS

FISCAL 2023

THREE MONTHS ENDED
OCTOBER 31, 2022

As at December 14, 2022

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FOR THE THREE MONTHS ENDED OCTOBER 31, 2022

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MANAGEMENT DISCUSSION AND ANALYSIS

December 14, 2022

1 PREAMBLE

The following Management Discussion and Analysis ("MD&A") and the unaudited condensed interim consolidated financial statements ("interim financial statements") of IBEX Technologies Inc. (the "Company") were approved by the Audit Committee and the Board of Directors on December 14, 2022. This MD&A provides a review of the developments and results of operations of the Company during the first quarter ended October 31, 2022 compared with the first quarter ended October 31, 2021.

This MD&A should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the years ended July 31, 2022 and 2021.

The Company's interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). Additional information relating to the Company, including the Company's Proxy Circular, can be found on SEDAR at www.sedar.com.

Where "IBEX" or "the Company" is used, it refers to IBEX Technologies Inc. and its wholly owned subsidiaries, unless otherwise indicated. All amounts are in Canadian dollars, unless otherwise indicated.

2 FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements that reflect the Company's current expectations regarding future events. Any such statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected in these forward-looking statements. For more information on the Company's risks and uncertainties relating to these forward-looking statements, please refer to the risks and uncertainties section of the MD&A.

3 INTRODUCTION TO IBEX

3.1 Enzymes

The Company, through its wholly owned subsidiary, IBEX Pharmaceuticals Inc., manufactures and markets enzymes for biomedical use.

The Company's products are sold directly by the Company to manufacturers of medical devices, quality control labs, low molecular weight heparin manufacturers and academic research institutions.

Heparinase I is the most important of the IBEX enzymes. Its potential lies in its ability to cleave heparin and low molecular weight heparins and thereby neutralize the effects of heparin and heparinoids, which are drugs commonly used in hospitals and which interfere with haemostasis tests. Heparinase I recognizes and cleaves a pentasaccharide sequence which occurs in both unfractionated heparin and the low molecular weight heparins, thereby neutralizing their anticoagulant activity and thus facilitating the accurate measurement of haemostasis.

IBEX heparinase I is made via a proprietary process and is the only heparinase I approved for use in clinical diagnostics in North America and Europe.

In addition to making and selling enzymes, IBEX also provides lyophilization services for the making of disposable medical diagnostic device components used in the hemostasis point-of-care market

3.2 Arthritis Assays

IBEX develops, manufactures and sells arthritis assay kits which enable the study of both the synthesis and degradation of cartilage components. These assays are powerful tools in the study of osteo and rheumatoid arthritis. These assays are a result of both internal research and development, and the in-licensing of technology from academic research institutions.

IBEX arthritis diagnostic kits and services are marketed and sold for research use only ("RUO") to pharmaceutical companies, clinical research organizations and academic institutions. These diagnostic kits are marketed through distributors in Europe and Japan, and directly by IBEX in North America and the rest of the world. The kits are produced in IBEX facilities.

4 RESULTS OF OPERATIONS: Q1 FISCAL 2023

4.1 Summary of Quarterly Results

The following table is a summary of selected quarterly consolidated financial information of the Company for each of the eight most recently completed quarters.

(in thousands of dollars, excluding per share amounts)	Q1		Q4		Q3		Q2		Last 12 Months	
	F2023 $	F2022 $	F2022 $	F2021 $	F2022 $	F2021 $	F2022 $	F2021 $	2022 $	2021 $
- Revenues	1,752	1,781	2,070	1,361	2,209	1,468	1,832	1,313	7,863	5,923
- Net earnings and comprehensive income	679	665	35	29	570	334	405	249	1,689	1,277
- Earnings per common share	0.03	0.03	-	-	0.02	0.01	0.02	0.01	0.07	0.05
- EBITDA	741	763	815	343	687	432	496	348	2,739	1,886

Net Earnings for the Quarter

The Company recorded net earnings of $678,507 during the first quarter ended October 31, 2022 compared to net earnings of $664,559 for the same period last fiscal year. This positive change of $13,948 despite a $29,630 decrease in revenues (see section 4.3) relates mainly to a foreign exchange gain and lower cost of sales, offset by an increase in R&D and SG&A.

EBITDA was $741,232 versus $763,211 in Q1 last year, a decrease of $21,979.

It should be noted that Earnings Before Interest, Tax, Depreciation & Amortization ("EBITDA") is not a performance measure defined by IFRS, but we, as well as investors and analysts, consider that this

performance measure facilitates the evaluation of our ongoing operations and our ability to generate cash flows to fund our cash requirements, including our capital expenditures program. Note that our definition of this measure may differ from the ones used by other public corporations. The elements include in the Company's EBITDA are: Net earnings (loss), Depreciation of property, plant, equipment and intangible assets, Depreciation of right-of-use assets, Interest-Net, Income tax expense (recovery).

4.2 Foreign Exchange

The tables below show the fluctuation in the Canadian/US dollar exchange rates which can have a significant impact on the Company's results. Average rates are used to translate revenues and expenses for the period mentioned; closing rates are used to translate assets and liabilities of foreign operations, as well as monetary assets and liabilities at the end of the reporting period.

Consolidated foreign exchange loss (gain)		
Quarter ended	**October 31, 2022**	October 31, 2021
Balance sheet revaluation		
• US cash	**($62,390)**	$19,654
• US Trade receivables	**($24,910)**	$33,709
• Other US accounts	**$1,563**	($31,741)
Total loss (gain) on revaluation	**($85,737)**	$21,622

Canadian/US dollar		
Quarter ended	**October 31, 2022**	October 31, 2021
Average rate	**1.3314**	1.2570
Closing rate	**1.3649**	1.2384

4.3 Revenues for the Quarter

Note: While the Company reports in Canadian dollars, the US dollar is the Company's selling currency. As such, fluctuations in the Canadian/US dollar exchange rate can have a significant impact on the reported revenue figures.

Revenues for the quarter ended October 31, 2022 totaled $1,751,571, a decrease of $29,630 compared to the same period last fiscal year. The decrease is due mainly to a volume decrease of $187,958 (US$141,173), offset by an increase in product mix of $51,285 (US$38,519) and a positive foreign exchange impact of $107,043.

Revenues Variations – Quarter ended	October 31, 2022 vs. October 31, 2021
Volume/mix/new products impact:	
• Decrease due to volume USD	($141,173)
• Increase due to product mix USD	$38,519
Total decrease due to volume/mix USD	($102,654)
Currency impact:	
• Total decrease due to volume/mix CAD	($136,673)
• Currency positive effects in CAD	$107,043
• Total decrease in CAD	($29,630)

During first quarter ended October 31, 2022, the average currency rate was 1.3314 versus 1.2570 in the same quarter last year.

4.4 Total Expenses for the Quarter

Total expenses before taxes in the first quarter of fiscal 2022 totalled $1,073,064 compared to $1,116,642 in the same quarter last fiscal year. The $43,578 decrease stems mainly from cost of sales and a foreign exchange gain, offset by an increase in SG&A and R&D expenses.

Expense details		
Quarter ended	**October 31, 2022**	October 31, 2021
Cost of sales[1]	**$504,833**	$619,857
R&D expenses[1]	**$150,415**	$57,098
SG&A expenses[1]	**$434,713**	$313,370
Depreciation of PPE[2]	**$33,862**	$43,381
Depreciation of right-of-use assets	**$65,731**	$52,293
Foreign exchange loss (gain)	**($85,737)**	$21,622
Financial expenses - net	**($30,753)**	$9,021
Total expenses before other income	**$1,073,064**	$1,116,642
Other income	**-**	-
Total expenses	**$1,073,064**	$1,116,642

1- Excludes related depreciation expense for the purposes of this presentation.
2- PPE = Property, plant and equipment and intangible assets.

4.4.1 Cost of Sales

The Company uses the actual-cost method of recording its production costs rather than a standard-cost method (because of the practicalities of the Company's production, the standard-cost method is unsuitable). While the actual-cost method is most suitable to the Company's processes, it does result in wide swings from quarter to quarter in the cost of sales due to the "inventory allocation" effect (if more goods are produced in a quarter than are sold, there is a positive effect on the results; the reverse is true if more goods are sold than are produced).

Cost of sales consists principally of the costs of supplies, royalties, manufacturing labour and the allocation of fixed overheads.

Cost of sales		
Quarter ended	**October 31, 2022**	October 31, 2021
Revenues	**$1,751,571**	$1,781,201
Cost of sales[3]	**$535,024**	$657,428
Gross margin %	**69%**	63%

3- Includes related depreciation expense for the purposes of this presentation.

Any increase in gross margin traces to cost allocation (the level of transfer of salaries, supplies, royalties and overhead to inventory) rather than to a change in the costs of materials or labour.

4.4.2 Research and Development Expenses

Research and development (R&D) expenses consisted primarily of personnel expenses, laboratory supplies and external service providers. During the quarter ended October 31, 2022, research and development expenses totaled $150,415 compared to $57,098 in the same period year ago, mainly due to the diamine oxidase (DiaMaze®) development program and other development programs.

4.4.3 Selling, General and Administrative Expenses

During the quarter ended October 31, 2022, selling, general and administrative (SG&A) expenses totaled $434,713 compared to $313,370 in the same period a year ago. The increase of $121,343 relates mainly to an increase in salaries due to a shift from cost of sales and additional headcount, higher professional fees, and higher directors fees.

5 LIQUIDITY AND CAPITAL RESOURCES

Liquidity risk is the potential risk that the Company will not be able to meet its financial liabilities when due. The Company's financial liabilities include its accounts payable and accrued liabilities presented on the consolidated statement of financial position, which are due within the next 12 months. The Company manages liquidity risk by maintaining adequate cash balances to discharge its liabilities when due.

As at October 31, 2022, the Company had net working capital of $7,842,235 an increase of $567,902 compared to July 31, 2022. Cash and cash equivalents increased by $518,354 during the quarter to $8,159,406.

As at:	**October 31, 2022**	July 31, 2022	April 30, 2022	January 31, 2022	October 31, 2021
Cash and cash equivalents	**$8,159,406**	$7,641,052	$6,959,626	$6,209,764	$5,208,690
Net working capital	**$7,842,235**	$7,274,333	$6,571,226	$5,942,847	$5,357,827

Management believes that the Company has sufficient funds to meet its obligations and planned expenditures for the ensuing twelve months as they fall due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period.

6 LOOKING FORWARD

As always, the future financial results of the Company are difficult to predict as the Company's customers have significant variations in their purchasing patterns, as it has been illustrated in the quarterly results over the past few years. The impact of COVID-19 adds further uncertainty.

The Company continues to work on a number of new heparinase-containing clinical device projects with its key customers, some of which may result in additional revenues in Fiscal 2023. However, as with all developmental projects, we cannot give assurances that any of these customer-driven projects will come to market and produce significant revenues.

We are continuing with the development of DiaMaze® (diamine oxidase). DiaMaze® is an enzyme targeted to persons suffering from histamine intolerance and will be marketed as a nutraceutical. While we continue to make good progress, development of this product relies on a number of third-party suppliers whose deliverables have been slower than expected owing to COVID-19 constraints.

We are approaching an inflection point in the development of DiaMaze where, if we continue, expenses for research and production of food-grade finished product will significantly increase and will have a negative impact on profitability.

7 RISKS AND UNCERTAINTIES

The results of operations and financial condition of the Company are subject to a number of risks and uncertainties and are affected by a number of factors outside the control of Management.

For more information, and for a complete description of the risk factors that could materially affect the business, please refer to the corresponding sections in the Company's July 31, 2022 MD&A, as they are the same for the three months ended October 31, 2022.

8 RELATED PARTY TRANSACTIONS

During the three months ended October 31, 2022 and 2021, other than the transactions and amounts described in *Note 9* in our interim financial statements, the Company did not have any other related party transactions.

9 CRITICAL ACCOUNTING ESTIMATES

Please refer to *Note 2* of the Company's July 31, 2022 audited consolidated financial statements and the corresponding section of the July 31, 2022 MD&A to review the Company's critical accounting estimates. They were the same as those used in the interim financial statements for the three months ended October 31, 2022.

10 ACCOUNTING STANDARDS AND AMENDMENTS

Please refer to *Note 2* of the Company's October 31, 2022 interim financial statements.

A number of new standards or amendments to standards and interpretations will be effective for the fiscal year beginning August 1, 2022 or after. The Company does not expect that these new standards or amendments will have a significant impact on its consolidated financial statements.

11 NCIB

On July 29, 2022, the Company announced that the Toronto Stock Venture Exchange approved its notice of intention to launch a Normal Course Issuer Bid ("2023 NCIB"). Under the terms of the 2023 NCIB, the Company may purchase for cancellation up to 1,800,000 common shares of the Company, which represented 10% of its public float as at July 29, 2022. The 2023 NCIB commenced on August 5, 2022 and will end on the earlier of August 4, 2023 or when the Company completes its maximum purchases under the NCIB. Furthermore, IBEX entered into an agreement with a broker to facilitate purchases of its common shares under the NCIB. Under IBEX's automatic share purchase plan, the broker may purchase common shares, which would ordinarily not be permitted due to regulatory restrictions or self-imposed blackout periods. After year-end and as of the date of the financial statements, 39,000 shares were repurchased and cancelled for a total of $17,568.

12 OUTSTANDING SHARE DATA

12.1 Common Shares

As at December 14, 2022, the Company has 24,784,244 common shares outstanding.

12.2 Stock options

As at December 14, 2022, the Company has 1,615,000 stock options outstanding with exercise prices ranging from $0.14 to $0.48 and expiry dates ranging from December 2027 to December 2031.

As at December 14, 2022, on an if-converted basis, these stock options would result in the issuance of 1,615,000 additional common shares at an aggregate exercise price of $407,400.

13 COVID-19 IMPACT

As an “Essential Service” (producing reagents and components for critical care diagnostic tests), IBEX has remained operational throughout the COVID-19 pandemic. To the extent possible, administrative staff work mainly from home and production and lab staff are on site on an as-needed basis. COVID-19 has not impacted our ability to produce and sell.

As noted above, our financial picture has actually improved, as customers have increased their purchases of our products (which mainly end up in diagnostics used in hospitals), however like many companies in the medical environment we do not have a clear picture of how COVID-19 will impact future sales.

The COVID-19 situation has however had an impact on some of our developmental programs, which rely heavily on external suppliers, some of which have been closed down as a result of the pandemic. Some of these programs have resumed in the past months as suppliers resumed operations.

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