IBEX TECHNOLOGIES INC.

MANAGEMENT DISCUSSION AND ANALYSIS

FISCAL 2023

SIX MONTHS ENDED
JANUARY 31, 2023

As at March 15, 2023

IBEX

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FOR THE SIX MONTHS ENDED JANUARY 31, 2023
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MANAGEMENT DISCUSSION AND ANALYSIS

March 15, 2023

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 March 15, 2023. This MD&A provides a review of the developments and results of operations of the Company during the second quarter ended January 31, 2023 compared with the second quarter ended January 31, 2022.

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 hemostasis 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 hemostasis.

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: Q2 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)	Q2		Q1		Q4		Q3		12 Mos Ending Jan 31	
	F2023 $	F2022 $	F2023 $	F2022 $	F2022 $	F2021 $	F2022 $	F2021 $	2023 $	2022 $
- Revenues	1,722	1,832	1,752	1,781	2,070	1,361	2,209	1,468	7,753	6,442
- Net earnings	100	405	679	665	35	29	570	334	1,384	1,433
- Earnings per common share	0.00	0.02	0.03	0.03	-	-	0.02	0.01	0.05	0.06
- EBITDA	117	496	741	763	815	343	687	432	2,360	2,034

Net Earnings for the Quarter

The Company recorded net earnings of $100,033 during the second quarter ended January 31, 2023, a decrease of $305,436 compared to prior year. The difference is explained by a decrease in revenues of $109,968 (see section 4.3), as well as an increase in expenses of $195,468 (see section 4.4).

The above led the Company to record an EBITDA for the quarter of $117,247 versus $495,783 last year, a decrease of $378,536.

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).

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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	**January 31, 2023**	January 31, 2022
Balance sheet revaluation		
• US cash	**$78,066**	($38,223)
• US Trade receivables	**$39,099**	($18,197)
• Other US accounts	**($21,923)**	($3,546)
Total loss / (gain) on revaluation	**$95,242**	($59,966)

Canadian/US dollar		
Quarter ended	**January 31, 2023**	January 31, 2022
Average rate	**1.3488**	1.2660
Closing rate	**1.3350**	1.2719

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.

4.3 Revenues for the Quarter

Revenues for the quarter ended January 31, 2023, totaled $1,722,070, down $109,968 (6%) from $1,832,038 for the same period the prior year, but 31% higher than the same period in fiscal 2021.

Fiscal 2022 sales were influenced by several major customers building surplus inventory due to concerns about supply chain interruptions. It appears that our customers are working off their inventory faster than we expected however, which points to the underlying growth of the market segments in which we compete.

Revenues comprise both actual sales and the effect of currency changes. The decrease in revenues is due to a decrease in volume of $280,138 (US$207,695) offset by an increase in product mix of $42,213 (US$31,296) and a positive currency impact of $127,957.

Revenues Variations – Quarter ended	January 31, 2023 vs. January 31, 2022
Volume/mix/new products impact:	
• Decrease due to volume USD	($207,695)
• Increase due to product mix USD	$31,296
Total decrease due to volume/mix USD	($176,399)

Currency impact:	
• Total decrease due to volume/mix CAD	($237,925)
• Currency positive effects in CAD	$127,957
• Total decrease in CAD	($109,968)

4.4 Total Expenses for the Quarter

Total expenses for the second quarter of fiscal 2023 increased by $195,468 to $1,622,037 compared to $1,426,569 in the same quarter year ago. Foreign exchange loss increased by $155,208, R&D expenses increased by $145,067, offset by financial expenses which decreased by $82,451, due to the increase in interest income on our cash balances

Expense details		
Quarter ended	**January 31, 2023**	January 31, 2022
Cost of sales[1]	**$529,103**	$541,852
R&D expenses[1]	**$210,749**	$65,682
SG&A expenses[1]	**$754,196**	$783,172
Depreciation of PPE[2]	**$36,825**	$35,932
Depreciation of right-of-use assets	**$65,769**	$52,746
Foreign exchange loss/ (gain)	**$95,242**	($59,966)
Financial expenses - net	**($75,300)**	$7,151
Total expenses before other gains	**$1,616,584**	$1,426,569
Other expense	**$5,453**	-
Total expenses	**$1,622,037**	$1,426,569

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 cost of supplies, royalties, manufacturing labour and the allocation of fixed overheads.

Cost of sales		
Quarter ended	**January 31, 2023**	January 31, 2022
Revenues	**$1,722,070**	$1,832,038
Cost of sales[3]	**$560,943**	$573,204
Gross margin %	**67%**	69%

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

The variance in gross margin is due to cost allocation (the level of transfer of salaries, supplies, royalties and overheads to inventory) rather than to a decrease in the costs of materials or labour.

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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 January 31, 2023, research and development expenses totaled $210,749 compared to $65,682 in the same period year ago mainly due to salaries attributed to the development of diamine oxidase (DiaMaze®), an enzyme being developed for the mitigation of symptoms associated with histamine intolerance for the nutraceutical market, as well as to other developmental projects.

4.4.3 Selling, General and Administrative Expenses

During the quarter ended January 31, 2023, selling, general and administrative (SG&A) expenses totaled $754,196, a decrease of $28,976 from the same period year ago. The decrease is mainly due to the recording of stock options expense this quarter last year as a result of the vesting of options, offset by an increase in directors' fees and professional fees. Salaries are comparable to last year due to additional headcount and a shift from cost of sales offset by a lower PSP (Profit Sharing Plan) accrual this year.

5 RESULTS OF OPERATIONS FOR THE SIX MONTHS ENDED JANUARY 31, 2023

5.1 Summary of Results

The Company recorded net earnings of $778,540 for the six months ended January 31, 2023 compared to net earnings of $1,070,029 for the same period year ago. This decrease of $291,489 is attributable to lower revenues of $139,598 (see section 5.3), and an increase in expenses totaling $151,891 (see section 5.4).

EBITDA for the six months ended January 31, 2023 totaled $858,481, a decrease of $400,514 versus last year.

Net earnings		
Year-to-date	**Fiscal 2023**	Fiscal 2022
Revenues	**$3,473,641**	$3,613,239
Net expenses	**$2,695,101**	$2,543,210
Net earnings	**$778,540**	$1,070,029
Earnings per share, basic and diluted	**$0.03**	$0.04

5.2 Foreign Exchange

The table below shows the fluctuation in the Canadian/US exchange rates which can have a significant impact on the Company's results. As mentioned in section 4.2, 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 cumulative foreign exchange loss / (gain)		
Year-to-date	**Fiscal 2023**	Fiscal 2022
Balance sheet revaluation		
• US Cash	**$15,676**	($18,569)
• US Trade receivables	**$14,190**	$15,512
• Other US accounts	**($20,361)**	($35,287)
Total loss / (gain) on revaluation	**$9,505**	($38,344)

Canadian/US dollar rates		
Year-to-date	**January 31, 2023**	January 31, 2022
Average rate	**1.3401**	1.2615
Closing rate	**1.3350**	1.2719

5.3 Revenues

Revenues for the six months ended January 31, 2023, totaled $3,473,641, a decrease of $139,598 (4%) as compared to $3,613,239 in the same period of the prior year, but 40% higher than the same period in fiscal 2021.

Fiscal 2022 sales were influenced by several major customers building surplus inventory due to concerns about supply chain interruptions. It appears that our customers are working off their inventory faster than we expected however, which points to the underlying growth of the market segments in which we compete.

The lower sales are attributed to a volume decrease of $467,518 (US$348,868) offset by an increase in product mix of $93,561 (US$69,816), and a positive currency effect of $234,359.

Revenues Variations – Year-to-date	Fiscal 2023 vs. Fiscal 2022
Volume/mix/new products impact:	
• Decrease due to volume USD	($348,868)
• Increase due to product mix USD	$69,816
Total decrease due to volume/mix USD	($279,052)
Currency impact:	
• Total decrease due to volume/mix CAD	($373,957)
• Currency positive effects CAD	$234,359
• Total decrease in CAD	($139,598)

5.4 Total Expenses

Total expenses before taxes for the six months ended January 31, 2023 increased by $151,891 to $2,695,101 compared to $2,543,210 for the same period a year ago mainly due to R&D expenses increase of $238,382, offset mainly by a decrease in financial expenses of $122,225 which is due to the higher interest revenue on our cash balances.

Expense details		
Year-to-date	**Fiscal 2023**	Fiscal 2022
Cost of sales[4]	**$1,033,936**	$1,161,706
R&D expenses[4]	**$361,162**	$122,780
SG&A expenses[4]	**$1,188,909**	$1,096,544
Depreciation of PPE	**$70,687**	$79,313
Depreciation of right-of-use assets	**$131,502**	$105,039
Foreign exchange loss / (gain)	**$9,505**	($38,344)
Financial expenses - net	**($106,053)**	$16,172
Total expenses before other gains	**$2,689,648**	$2,543,210
Other expense	**$5,453**	-
Total expenses	**$2,695,101**	$2,543,210

4- Excludes related depreciation expense for the purposes of this presentation.

5.4.1 Cost of Sales

Cost of Sales consists principally of the costs of supplies, royalties, manufacturing labour and the allocation of fixed overheads. For further explanation on the determination of the cost of sales, see section 4.4.1 above.

Cost of sales		
Year-to-date	**Fiscal 2023**	Fiscal 2022
Revenues	**$3,473,641**	$3,613,239
Cost of sales[5]	**$1,095,967**	$1,230,632
Gross margin %	**68%**	66%

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

The increase in gross margin is due to cost allocation (the level of transfer of salaries, supplies, royalties and overheads to inventory) rather than to a decrease in the costs of materials or labour.

5.4.2 Research and Development Expenses

Research and development (R&D) expenses for the six months ended January 31, 2023 totaled $361,162 compared to $122,780 for the same period year ago. The $238,382 increase is due mainly to an increase in salaries allocated to the development of diamine oxidase (DiaMaze®), an enzyme being developed for the mitigation of symptoms associated with histamine intolerance for the nutraceutical market, as well as other developmental projects.

5.4.3 Selling, General and Administrative Expenses

Selling, general and administrative (SG&A) expenses for the six months ended January 31, 2023 totaled $1,188,909 compared to $1,096,544 for the same period year ago. The variance of $92,365 is mainly due to an increase in directors' fees and professional fees as well as additional headcount and a shift in salaries from cost of sales to SG&A. The stock options expense recorded last year and a lower PSP accrual this year offsets this increase.

6 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 January 31, 2023, the Company had net working capital of $7,512,075. Cash and cash equivalents decreased by $669,762 since the last quarter to $7,489,644, mainly due to the FY2022 PSP payout this quarter, following the approval of the F2022 Audited Financial Statements. The IBEX PSP is an all-employee plan based solely on profit and is in lieu of a bonus plan.

As at:	**January 31, 2023**	October 31, 2022	July 31, 2022	April 30, 2022	January 31, 2022
Cash and cash equivalents	**$7,489,644**	$8,159,406	$7,641,052	$6,959,626	$6,209,764
Net working capital	**$7,512,075**	$7,842,235	$7,274,333	$6,571,226	$5,942,847

Management believes that the Company has sufficient funds to meet its obligations and planned expenditures for at least 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.

7 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 has been illustrated in the quarterly results over the past few years. The impact of COVID-19 added further variability.

Considering the above, customer drawdown of their accumulated inventory has been stronger than we had forecasted, mainly due to the underlying strength of the markets we serve and customers working off their supply chain safety stocks faster than we had expected. This positive trend points to IBEX generating net earnings significantly higher than F2021, although not approaching the extraordinary F2022.

Looking beyond Fiscal 2023, the future looks very favorable for IBEX as the market for hemostasis testing grows at a rapid pace, driven by the accelerated adoption of the new rapid viscoelastic testing devices.

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.

Development of DiaMaze® (diamine oxidase) continues to advance. DiaMaze® is an enzyme targeted to persons suffering from histamine intolerance and will be marketed as a nutraceutical. We continue to make good progress in the development of a commercial scale manufacturing process. The next critical development steps will be selecting a manufacturer for commercial product, and conducting toxicology studies which, if undertaken, will increase R&D expenses considerably in fiscal 2024.

8 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 six months ended January 31, 2023.

9 RELATED PARTY TRANSACTIONS

During the six months ended January 31, 2023 and 2022, 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.

10 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 six months ended January 31, 2023.

11 ACCOUNTING STANDARDS AND AMENDMENTS

Please refer to *Note 2* of the Company's January 31, 2023 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.

12. 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.

13 OUTSTANDING SHARE DATA

13.1 Common Shares

As at March 15, 2023, the Company has 24,784,244 common shares outstanding.

13.2 Stock options

As at March 15, 2023, 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 March 15, 2023, 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.

14 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 thus far not impacted our ability to produce and sell. 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 as suppliers resumed operations.

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