

FORM 51-102F1
Management Discussion and Analysis

ARCpoint Inc.
For the three months ended March 31, 2025

Date: May 26, 2025

The following Management's Discussion and Analysis ("MD&A") of the financial condition and results of ARCpoint Inc. ("ARCpoint" or "the Company", together with its subsidiaries, "the Group") for the three months ended March 31, 2025 and is based on information available to May 26, 2025. This MD&A is provided to assist readers to assess the Group's financial condition and financial performance, including its liquidity and capital resources, and should be read in conjunction with the Group's condensed interim consolidated financial statements for the three months ended March 31, 2025 and 2024 (the "financial statements") as well as the audited consolidated financial statements for the years ended December 31, 2024 and 2023 and the MD&A for all relevant periods.

The Group's financial statements and notes thereto have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee, and are presented in United States ("US") dollars. Certain dollar amounts in this MD&A have been rounded to the nearest hundred thousand dollars.

This MD&A was prepared by management of the Group and approved by its Board of Directors prior to its release. Unless otherwise stated, the Group has considered all information available to it through May 26, 2025 in preparing this MD&A. Additional information relating to the Group can be found on its website.

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CORPORATE OVERVIEW

ARCpoint is a publicly traded health care company listed on the TSX Venture Exchange (“TSXV”) under the symbol “ARC”. The Company’s US-based franchise system offers drug testing, alcohol screening, DNA and clinical lab testing, corporate wellness programs and employment and background screening and other services. ARCpoint Labs was originally founded in 1998 by Felix Miranda, as a single location offering drug and alcohol testing to small and medium-sized businesses in Greenville, South Carolina. In 2006, franchise operations were launched and further expanded to a national presence by 2017. In 2017, ARCpoint also began to develop new technology platforms to expand its business into new areas and better enable its franchisees to attract and interact with customers. The pace of this work accelerated significantly as the result of increased revenues in 2020, 2021, and 2022. In turn, ARCpoint expects that its new technology systems will allow the Company to expand its distribution beyond its franchisee “brick and mortar” locations and help its franchisees expand business and increase revenues. The Company maintains a 29.5% ownership in CRESSO Brands LLC (“Cresso”), a US-based franchise system which offers diagnostic testing and employer solutions.

ARCpoint Group LLC (formerly known as “FJD LLC”) (“**ARCGL**”) was formed as a limited liability company under the Delaware Limited Liability Company Act on August 18, 2021. ARCGL completed a reorganization with ARCpoint Franchise Group LLC (“**AFG**” or “**ARCpoint Franchise**”), ARCpoint Corporate Labs LLC (“**ACL**” or “**ARCpoint Corporate Labs**”), AFG Services LLC (“**ASL**” or “**AFG Services**”) and ARCpoint Holdings LLC (“**AHL**” or “**ARCpoint Holdings**”), together with AFG, ACL, ASL, the “**ARCpoint Operating Subsidiaries**”) on September 7, 2021 (the “**Reorganization**”), resulting in ARCGL becoming the sole shareholder of the ARCpoint Operating Subsidiaries. In October 2022, through a series of transactions that resulted in the reverse takeover of the Company by the members of ARCGL (the “**Transaction**”), the Company becomes the sole shareholder of ARCGL and the ARCpoint Operating Subsidiaries and changed its name from RSI International Systems Inc. to ARCpoint Inc. The Company received the final approval for the Transaction from TSXV on October 25, 2022. The Class A Subordinate Voting Shares of the Company (“**SVS**”) are listed on the Exchange under the symbol “ARC”, with trading on TSXV commenced at open of markets on October 27, 2022. The Proportionate Voting Shares of the Company (“**PVS**”) are not listed for trading on TSXV but may be converted into TSXV-listed SVS under limited circumstances.

As of the reporting period ended December 31, 2024, the Company owns 100% equity interests of ARCpoint Corporate Labs, AFG Services, ARCpoint Holdings, ARCpoint Finance Corp. (“**ARCpoint Finco**”). ARCpoint Holdings was formed in July 2019 for the sole purpose of holding the Group’s intellectual property, including the ARCpoint Trademarks. ARCpoint Corporate Labs was formed in July 2020 to own and operate ARCpoint’s corporate lab in Greenville, South Carolina. AFG Services was formed in September 2020 to provide support services to ARCpoint Franchisees and other entities. In February 2022, ARCGL acquired a 60% interest in Achieve Behavioral Health Greenville, LLC (“**ABH Greenville**”) expanding its business into providing support services for clinics which provide medication-assisted treatment that treats substance use addictions (“**ABH Clinics**”). In March 2022, ARCpoint Finco was formed for the sole purpose of completing the Transaction and a non-brokered private placement of subscription receipts conducted concurrently with the Transaction (the “**Private Placement**”). In August 2022, Total Reporting, LLC, a subsidiary of the Company newly formed under the laws of Delaware acquired certain business assets including the Total Reporting trademarks and other related intellectual property of Total Reporting from BlueLine Services LLC, Total Reporting Franchising LLC and Total Reporting LLC.

On August 20, 2024, the Company completed a transaction with ALTN Holdings LLC to merge the franchise operations of both their subsidiary companies, AFG and Any Test Franchising, LLC (“**ALTN**”), into a new joint venture company, CRESSO Brands LLC. As a result of the transaction, Cresso has approximately 370 combined locations providing diagnostic testing and employer solutions. ALTN Holdings LLC owns 70.5% of the new entity, with ARCpoint owning the other 29.5%. For accounting purposes, the Company has deconsolidated AFG and will record the interest in Cresso as an equity investment going forward.

The Company is a corporation existing under the Canada Business Corporations Act. Its head office is located at 101 North Main Street, Suite 301, Greenville, South Carolina, US and its registered office is located at Suite 635, 333 Bay Street, Toronto, Ontario, Canada.

Principal Services and Revenues

As a result of its 29.5% interest in Cresso, the Company maintains substantial exposure to the following services:

1. Diagnostic testing – standard blood tests (including clinical wellness panels such as general wellness and annual panels, fatigue, weight loss, fertility and STDs), drug and alcohol testing, DNA testing, viral testing for such viruses as Flu, Strep and Covid, and testing required for regulatory compliance (primarily directed toward businesses who fall under the U.S. Department of Transportation’s (“**DOT**”) rigid regulatory federal guidelines).

2. Employer solutions – Onboarding solutions for new employees and ongoing drug free workplace screening, Background checks, DOT physicals, random alcohol and substance testing program management and various other TPA (Third Party Administration) services.

In addition to its ownership stake in Cresso, the Company provides technology services to Cresso franchisees and other third-parties:

3. Technology Services – ARCpoint provides technology that helps its franchisees and other entities sell and market healthcare services including, but not limited to diagnostic testing, consumer driven and B2B ordered drug testing. ARCpoint's technology systems also provide interface support with various other healthcare organizations and acts as the operations tool within the franchise system. The technology virtualizes the entire business model allowing for the expansion of the footprint to other entities beyond traditional ARCpoint facilities and enabling franchisees to generate revenue prior to having a brick and mortar facility. ARCpoint technology systems allow for the linking of diagnostic testing services with virtual physicians and other healthcare system constituents, such as independent pharmacies.

The Group utilizes its technology platforms to provide support services to franchisees, third party businesses, affiliates and physicians, including test requisitions, delivery of test results, clinical oversight and review of results, clinical testing education and support, including on-demand email support for clinical questions, clinical education sessions, interactive education and support phone calls and recommendations regarding the tests menu. AFG Services also provides support services to third-party businesses and physicians which include intake and management reviews, physician review of tests, drug and alcohol testing policy development and software services (integrated test ordering and management), compliance support, billing services and group purchasing capabilities.

ARCpoint is continually investigating new ways to deploy its technology systems to drive more business to franchisee locations, as well as generate new revenue streams for itself and expand its distribution network.

BUSINESS HIGHLIGHTS

- The Group generated \$0.18 million in revenues for the three months ended March 31, 2025 compared to \$1.61 million for the three months ended March 31, 2024. The decrease is primarily due to the disposal of AFG, the Company's former franchise business. Following the transaction, the Group now holds a 29.5% interest in the franchise joint venture, which is accounted for using the equity method. As a result, AFG's revenues are no longer consolidated into the Group's financial statements.
- The Group's 29.5% interest in Cresso is recorded as an investment in an associate accounted for using the equity method under IAS 28. Under IAS 28, the Group does not consolidate the financials of Cresso, instead only the share of net income in Cresso is reported in the Group's income statement. During the three months ended March 31, 2025, Cresso generated \$3.17 million in revenues, incurred \$2.55 million in operating expenses, resulting in \$624K in net income. As a result, the Group's share in net income in Cresso was \$184K (29.5% of \$642K). Please see "Cresso Transaction" section for more details.
- The Group held cash of \$0.23 million at March 31, 2025, compared to \$0.1 million at December 31, 2024.
- During fiscal 2023 and 2024, the Company undertook several initiatives to improve operational efficiency and expand service offerings, including cost optimization measures and the launch of digital platforms MyARCpointLabs ("MAPL") and ARCpoint Access. These efforts established a foundation for continued development in consumer engagement and virtual care.
- On January 3, 2025, the Group completed the sale of its 68% share ownership interest in ABH Greenville, as originally announced on December 30, 2024. In exchange for its ownership interest in ABH Greenville, the Group received a cash consideration of \$360,000, resulting a gain on disposal of subsidiary of \$341,612.
- On March 7, 2025, the Group completed a non-brokered private placement for gross proceeds of \$570,397 (C\$800,000) through the sale of 10,000,000 units at C\$0.08 per unit. Each unit will be comprised of one Class A SVS of the Group (each, a "Share") and one warrant to purchase an additional Share at C\$0.12 for 24 months from the March 7, 2025. In connection with the closing of the private placement, the Company issued 247,150 finders' shares at C\$0.08 per SVS, 536,400 finders' warrants, and paid a cash commission of \$17,111 to certain arm's-length finders. Each finder's warrant entitles the holder thereof to purchase one Share at a price of C\$0.08 per finder's warrant share until March 7, 2027.

- On May 1, 2025, the Group's CFO, Jason Tong, has resigned from the position and has been replaced on an interim basis by one of the Group's board of directors, Adam Ho.

CRESSO TRANSACTION

On August 20, 2024, the Company completed a transaction with ALTN Holdings LLC to merge the franchise operations of both its subsidiary companies, AFG Franchise and Any Test Franchising, LLC ("ALTN"), into a new joint venture company, CRESSO Brands LLC ("Cresso"). Under the terms of the agreement, both the Company and ALTN have contributed their franchise operations into Cresso, a Delaware limited liability company. ALTN owns 70.5 per cent of the new entity, with the Company owning the other 29.5 per cent. Both ALTN and AFG brands will remain and be managed on a separate basis. ALTN, based in Atlanta, Ga., was founded in 1992. It currently has more than 235 U.S. franchise locations providing direct access to clinical, DNA, and drug and alcohol lab testing services, as well as phlebotomy and other specimen collection services, through its retail storefront business model. ALTN and the Company have agreed to make MyArcpointLabs technology platform the system's choice for Cresso brand franchisees. ALTN is an arm's-length party and there are no finders' fees payable in connection with this transaction. The Group's interest in Cresso will be recorded as an investment in associate accounted using the equity method.

As a result of the transaction, AFG Franchise was consolidated up to August 20, 2024. The change in control and resultant deconsolidation of ARCpoint Franchise gave rise to a gain on loss of control of \$5,829,432.

Analysis of assets and liabilities over which the Group lost control are noted in the table below:

	At August 20, 2024
Current assets	
Cash and cash equivalents	\$ 25,972
Brand fund restricted cash	1,799
Accounts receivable, net	439,861
Prepaid expenses	38,203
Non-current assets	
Capitalized commissions	2,213,653
Notes receivable	1,757
Property and equipment	204,752
Right-of-use assets	353,075
Current liabilities	
Accounts payable and accrued liabilities	(319,592)
Non-current liabilities	
Deferred revenue	(6,584,376)
Lease liabilities	(596,962)
Shareholders' deficiency	
Share capital	(568,329)
Reserves	2,385,320
Accumulated deficit	9,528,966
Noncontrolling interest	28,972
Net liabilities deconsolidated	\$ 7,153,072

The gain on disposal of AFG is noted in the table below:

	At August 20, 2024	
Carrying value of AFG	\$	4,221,857
Equity interest (29.5% of Cresso)		1,607,575
Gain on disposal of ARCpoint Franchise Group	\$	5,829,432

	At August 20, 2024	
Fair value of AFG (29.5%)	\$	1,316,320
Fair Value of ALTN (29.5%)		291,255
Equity interest (29.5% of Cresso)	\$	1,607,575

Summary of the latest available financial information for the period ended March 31, 2025, for Cresso Brands LLC is as follows:

	March 31, 2025		December 31, 2024	
Current assets	\$	2,117,173	\$	1,702,609
Non-current assets		13,621,773		13,950,604
Current liabilities		(666,184)		(711,826)
Non-current liabilities		(9,728,542)		(10,221,146)
Net assets	\$	5,344,220	\$	4,720,241

	Three months ended March 31, 2025		Three months ended March 31, 2024	
Revenue	\$	3,170,011	\$	-
Operating expenses		(2,546,032)		-
Net income	\$	623,979	\$	-
The Group's share of net income - 29.5%	\$	184,074	\$	-

The Group's interest in Cresso is recorded as an investment using the equity method:

Balance, December 31, 2023	\$	-
Equity interest in Cresso at August 20, 2024		1,607,575
Share of income in Cresso for the period August 20 - December 31, 2024		76,470
Balance, December 31, 2024	\$	1,684,045
Share of income in Cresso for the period		184,074
Balance, March 31, 2025	\$	1,868,119

DISPOSAL OF ABH GREENVILLE

On January 3, 2025, the Group completed the sale of its 68% share ownership interest in ABH Greenville, as originally announced on December 30, 2024. In exchange for its ownership interest in ABH Greenville, the Group received a cash consideration of \$360,000. ABH Greenville's results of operations, and details of the sale are set out below.

A summary of the results of operations for the three months ended March 31, 2025 and 2024 is as follows:

	2025	2024
Revenue	\$ -	\$ 345
(Expenses) recovery ⁽¹⁾	33,592	(102,650)
Net income (loss)	\$ 33,592	\$ (102,305)
Attributable to Group	22,843	(69,567)
Attributable to Non-controlling interest	10,749	(32,738)

⁽¹⁾ The expense recovery for the three months ended March 31, 2025 relates to the forgiveness of an intercompany payable amount which was recognized as a gain by ABH Greenville prior to disposal.

A summary of the disposal of ABH Greenville as at January 3, 2025 is as follows:

	January 3, 2025
Assets:	
Cash	\$ 443
Prepays	5,817
Property, Plant, Equipment	3,076
Right of use assets	125,608
	134,944
Liabilities:	
Accounts payable	36,918
Lease liabilities	106,323
	143,241
Net assets (liabilities)	(8,297)
Less: Non-controlling interest	26,685
Group's share of consolidated carrying amount	18,388
Cash consideration received	360,000
Gain on disposal	\$ 341,612

SELECTED FINANCIAL INFORMATION

The following table provides information for the three months ended March 31, 2025 and 2024:

	For the period ended March 31, 2025	For the period ended March 31, 2024
Revenue	\$ 177,361	\$ 1,613,343
Cost of revenue	29,988	886,289
Gross income	147,373	727,054
Gross income margin	83%	45%
Expenses	1,149,263	2,034,668
Operating loss	(1,001,890)	(1,307,614)
Other items	379,110	(196,961)
Net income (loss) after tax	(622,780)	(1,504,575)
Basic income (loss) per unit	(0.01)	(0.02)
Diluted income (loss) per unit	(0.01)	(0.02)
	March 31, 2025	December 31, 2024
Total Assets	\$ 3,147,387	\$ 3,256,393
Total Non-current Liabilities	\$ 1,268,382	\$ 1,253,300

Reconciliation of Net Loss to Adjusted EBITDA ⁽¹⁾

	For the year ended March 31, 2025	For the period ended March 31, 2024
Net loss	\$ (622,780)	\$ (1,504,575)
Finance expense (a)	146,576	197,306
Depreciation and amortization	115,619	156,328
EBITDA	(360,585)	(1,150,941)
Share-based compensation (b)	110,002	28,866
Bad debt expense	2,176	10,413
Gain on disposal of ABH Greenville (c)	(341,612)	-
Brand Fund revenue and expenditure timing difference (d)	-	121,542
Adjusted EBITDA	\$ (590,019)	\$ (990,120)

Notes:

- (1) Adjusted EBITDA is not a standardized financial measure under the IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Non-IFRS and Other Financial Measures".
- (a) Finance expense comprised of interest on bank loans, notes payable and lease liabilities (see Financial Statements).
- (b) Share-based compensation expense comprised of non-cash compensation (see Financial Statements).
- (c) See 'Disposal of ABH Greenville' section of this MD&A for further details.
- (d) Previous to the 'Cresso Transaction' on August 20, 2024, the Group operated a Brand Fund to collect and administer funds contributed for use in advertising and promotional programs designed to increase sales and enhance the reputation of the Group and its franchisees. The Group reported contributions and expenditures on a gross basis on the Group's statement of profit and loss. Brand Fund contributions are recognized as revenue when invoiced, as the Group has full discretion on how and when the Brand Fund revenues are spent. Brand Fund revenue received may not equal advertising expenditures for the period due to timing of promotions and this difference is recognized to earnings. This adjustment is made to normalize for the timing difference of the Brand Fund revenues and Brand Fund expenditures.

QUARTERLY RESULTS

Selected Quarterly Financial Information

		For the three months ended			
		March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Net revenue	\$	177,361	\$ 1,024,833	\$ 1,220,271	\$ 1,648,486
Net income (loss)	\$	(622,780)	\$ (475,467)	\$ 4,727,781	\$ (1,399,179)
Basic earnings (loss) per unit	\$	(0.01)	\$ (0.00)	\$ 0.04	\$ (0.01)
Diluted earnings (loss) per unit	\$	(0.01)	\$ (0.00)	\$ 0.04	\$ (0.01)

		For the three months ended			
		March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Net revenue	\$	1,613,343	\$ 1,829,010	\$ 1,612,218	\$ 1,515,251
Net loss	\$	(1,504,575)	\$ (2,953,608)	\$ (1,503,976)	\$ (2,389,741)
Basic loss per unit	\$	(0.02)	\$ (0.03)	\$ (0.02)	\$ (0.03)
Diluted loss per unit	\$	(0.02)	\$ (0.03)	\$ (0.02)	\$ (0.03)

Reconciliation of Quarterly Net Income (Loss) to Adjusted EBITDA ⁽¹⁾

		For the three months ended			
		March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Net income (loss)	\$	(622,780)	\$ (475,467)	\$ 4,727,780	\$ (1,399,179)
Finance expense (a)		146,576	262,217	185,518	184,553
Current and deferred income tax recovery		-	(216,052)	-	-
Depreciation and amortization		115,619	135,387	134,076	153,235
EBITDA		(360,585)	(293,915)	5,047,374	(1,061,391)
Share-based compensation (b)		110,002	298,391	106,564	28,453
Bad debt expense		2,176	110,106	114,689	26,541
Gain on retirement of lease		-	(2,990)	-	-
Gain on disposal of ARCpoint Franchise Group (c)		-	-	(5,829,432)	-
Gain on disposal of ABH Greenville (d)		(341,612)	-	-	-
One-time legal, professional and related costs		-	65,040	-	-
Brand Fund revenue and expenditure timing difference (e)		-	-	(21,409)	17,717
Other income (f)		-	(48,993)	-	-
Severance costs		-	-	-	28,333
Adjusted EBITDA	\$	(590,019)	\$ 127,639	\$ (582,214)	\$ (960,347)

		For the three months ended			
		March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Net loss	\$	(1,504,575)	\$ (2,953,608)	\$ (1,503,976)	\$ (2,389,741)
Finance expense (a)		197,306	259,676	153,192	196,505
Deferred income tax recovery		-	(205,161)	-	-
Depreciation and amortization		156,328	208,128	172,563	204,120
EBITDA		(1,150,941)	(2,690,965)	(1,178,221)	(1,989,116)
Share-based compensation (b)		28,866	36,197	35,201	31,242
Bad debt expense		10,413	359,056	63,293	26,064
Gain on retirement of lease		-	(25,833)	(157,477)	-
Gain on modification of notes payable		-	(32,899)	-	-
One-time legal, professional and related costs		-	37,500	-	50,000
Impairment of intangible assets		-	274,682	-	-
Impairment of goodwill		-	440,000	-	-
Brand Fund revenue and expenditure timing difference (e)		121,542	143,674	469,424	145,315
Change in accounting estimate (g)		-	722,663	-	-
Severance costs		-	-	57,730	-
Adjusted EBITDA	\$	(990,120)	\$ (735,925)	\$ (710,050)	\$ (1,736,495)

Notes:

- (1) Adjusted EBITDA is not a standardized financial measure under the IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Non-IFRS and Other Financial Measures".
- (a) Finance expense comprised of interest on bank loans, notes payable and lease liabilities (see Financial Statements).
- (b) Share-based compensation expense comprised of non-cash compensation (see Financial Statements).
- (c) See 'Cresso Transaction' section of this MD&A for further details.
- (d) See 'Disposal of ABH Greenville' section of this MD&A for further details.
- (e) Previous to the 'Cresso Transaction' on August 20, 2024, the Group operated a Brand Fund to collect and

administer funds contributed for use in advertising and promotional programs designed to increase sales and enhance the reputation of the Group and its franchisees. The Group reported contributions and expenditures on a gross basis on the Group's statement of profit and loss. Brand Fund contributions are recognized as revenue when invoiced, as the Group has full discretion on how and when the Brand Fund revenues are spent. Brand Fund revenue received may not equal advertising expenditures for the period due to timing of promotions and this difference is recognized to earnings. This adjustment is made to normalize for the timing difference of the Brand Fund revenues and Brand Fund expenditures.

- (f) Includes interest and US income tax refunds received.
- (g) In the year ended December 31, 2023, the Group revised the capitalized commissions amortization period from 10 to 7 years which in management's view more accurately reflect the average franchisee period they relate to. The Company recorded accelerated amortization of the asset of \$722,663 during the year ended December 31, 2023.

Results of Operations for the three months ended March 31, 2025 and 2024

The Group had a net loss of \$622,780 for the three months ended March 31, 2025 (2024 - \$1,504,575). The most significant revenue streams were:

- Technology services provided by AFG Services was at \$164,478 (2024 - \$189,655). Royalties and other of \$Nil (2024 - \$866,797) and Brand Fund revenues of \$Nil (2024 - \$147,298) given AFG and Brand Fund were disposed in August 2024.
- Support and lab services revenue decreased to \$12,883 (2024 - \$409,593) as a result of the Group's decreased support services provided to franchisees and lab services provided to the public.

The most significant expenses were:

- Support and lab services expenses of \$29,988 (2024 - \$409,901) due to the decreased demand for additional medical testing supplies, as well as decreased clinical software and physician requisition services for franchisees.
- Commission expenses and Brand Fund related expenses were \$Nil and \$Nil, respectively (2024 - \$207,548 and \$268,840), reflecting the change in accounting for the franchise business following its reclassification from a subsidiary to an associate in August 2024. With the Company now holding a 29.5% interest, the investment is accounted for using the equity method, and these expenses are no longer consolidated.
- General and administrative expenses of \$129,481 (2024 - \$239,826) related to decreased liability insurance, telephone expenses, office supplies and technology related dues and subscriptions.
- Professional fees were \$414,978 (2024 - \$407,243), remaining relatively consistent year over year. These expenses primarily related to recruitment, tax advisory, and general legal support. The slight increase reflects ongoing business needs and advisory services related to the disposal of ABH Greenville as well as private placement in March 2025.
- Share-based compensation of \$110,002 (2024 - \$28,866) related to the granting of options, warrants, DSUs and RSUs to officers, directors and employees of the Group.
- Salaries and wages of \$215,313 (2024 - \$902,497) related to wages provided to a decreased number of management and support staff.
- Travel of \$12,632 (2024 - \$76,759) related to a decreased total number of employees travelling.

LIQUIDITY AND CAPITAL RESOURCES

Capital Management

The capital managed by the Group includes unitholders' equity as described in the statements of unitholders' equity. The Group's objectives of capital management are to create long-term value and economic returns for its unitholders. It does this by seeking to maximize the availability of financing to fund the growth and development of its operations, and to support the working capital required to maintain its ability to continue as a going concern. The Group manages its capital structure and adjusts it in the light of changes in economic conditions and the risk characteristics of its assets, seeking to limit unitholder dilution and optimize its cost of capital while maintaining an acceptable level of risk. To maintain or adjust its capital structure, the Group considers all sources of finance reasonably available to it, including but not limited to issuance of new capital. The Group is not subject to any externally imposed capital requirements. The Group's overall strategy with respect to management of capital at March 31, 2025 remains fundamentally unchanged from the previous periods.

As of March 31, 2025, the Group had approximately \$0.23 million cash (December 31, 2024 - \$0.1 million). The Group's negative working capital at March 31, 2025 was \$7.63 million compared to a negative working capital of \$7.82 million at December 31, 2024. During the three months ended March 31, 2025, the Group had negative cash flows from operating activities. On March 7, 2025, the Group completed a non-brokered private placement by issuing 10,000,000 units for total gross proceeds of \$570,397. The net proceeds from this private placement will be used for operational

expenses and other general corporate purposes. Management expects that the Group will continue to fund short-term working capital deficiency and further long-term development activities through equity financing, asset sales, cost reductions and available cash.

On September 7, 2021, in connection to the Reorganization, the Group entered into a Membership Interest Redemption Agreement (the “**Redemption Agreement**”) with certain minority membership interest holders of AFG (“**Former AFG Securityholders**”) and issued a two-year, 5% interest per annum promissory note of \$2,552,611 to redeem the AFG membership interests held by the Minority AFG Securityholders. In accordance with the terms of the Redemption Agreement, a portion of the redemption price was paid to the Sellers at the closing of the transactions contemplated by the Redemption Agreement, which occurred on September 7, 2021. The Redemption Agreement provides that the remainder of the redemption price is to be paid on or before September 7, 2023, provided that payment of such remainder will be deferred if and to the extent necessary to comply with South Carolina Code Section 33-44-406 (“**Section 33-44-406**”). Section 33-44-406 generally restricts distributions by a limited liability company to its members if the limited liability company would not be able to pay its debts as they become due in the ordinary course of business or the company's total assets would be less than the sum of its total liabilities. Given the current net losses, the Group has deferred payment until such time the Group is able to make in accordance with Section 33-44-406.

On December 24, 2023, the Company entered into an agreement (the “Debt Settlement Agreement”) with a Former AFG Securityholder to restructure \$1,061,719 of the note plus accrued and unpaid interest (“the Indebtedness”). Pursuant to the terms of the agreement, the Group agreed to issue 1,500,000 Class A SVS at a deemed price of C\$0.12 per share to settle \$136,098 (C\$180,000) of indebtedness on December 29, 2023, and to pay \$350,000 of the Indebtedness to the unitholder in 2024. The Group further agreed that the remaining Indebtedness shall bear a simple interest at a rate of 9.66% per annum for a period of two years and shall cease to accrue after the date that is two years from the date of the Agreement.

On August 16, 2024, the Company entered into an amended agreement with Former AFG Securityholders to assign the Outstanding Redemption Amount from AFG to ARCGL and defer the repayment of the Outstanding Redemption Amount until the later of December 28, 2024 and after certain financial metrics are met. Concurrently, the Group modified an agreement with one of the arm's length unitholders of the AFG minority unitholders note payable to restructure the related interest rate from 5% to 10% per annum as of September 7, 2021. As at March 31, 2025, \$2,431,467 was outstanding (December 31, 2024 - \$2,396,744).

On July 12, 2024, the Company completed a debt settlement agreement with a director of the company to settle an outstanding debt of \$110,884 (C\$153,565) owed by issuing 1,396,046 SVS at a price of C\$0.11 per SVS in full and final satisfaction of the debt.

On July 18, 2024, the Company granted 2,000,000 options to arm's length consultants of the Company. Each option is exercisable to acquire one Class A SVS of the Company at a price of C\$0.12 per SVS. The options vest in quarterly installments on the anniversary of the issue date for each of the first two years following the issue date with an expiry date of July 18, 2029.

On July 31, 2024, the Company completed a non-brokered private placement for gross proceeds of C\$1,004,175, through the sale of 13,389,000 SVS of the Company at a price of C\$0.075 per SVS. In connection with the closing of the private placement, the Company issued 670,900 finder's shares, 1,013,900 finder's warrants, and paid a cash commission of \$44,128 (C\$60,934) to certain arm's length finders. Each finder's warrant entitles the holder thereof to purchase one SVS at a price of C\$0.075 until July 31, 2026.

On July 31, 2024, the Company extended the expiry date of 5,000,000 warrants from December 31, 2024 to December 31, 2026 (the “Extension”). On December 16, 2021, the Company issued 10,000 warrants (the “ARCpoint Warrants”) to ARCGL security holders. Following the completion of the Company's reverse takeover transaction on October 21, 2022, the ARCpoint Warrants were exchanged for the 5,000,000 warrants. Each warrant entitles the holder thereof to acquire a SVS at a price of C\$0.16 per SVS.

On September 3, 2024, the Company issued 4,720,000 options to current officers, directors, consultants and employees of the Company. Each option is exercisable to acquire one Class A SVS of the Company at a price of C\$0.12 per SVS. Of the 4,720,000 options, 920,000 vest in four equal quarterly installments for the year following the issue date with an expiry date of September 3, 2034. The remaining 3,800,000 options vest in eight equal quarterly installments for each of the two years following the issue date with an expiry date of September 3, 2034.

On March 7, 2025, the Company completed a non-brokered private placement for gross proceeds of C\$800,000, through the sale of 10,000,000 SVS of the Company at a price of C\$0.08 per SVS. In connection with the closing of the private placement, the Company issued 10,000,000 warrants, 247,150 finder's shares, 536,400 finder's warrants, and paid a cash commission of \$17,018 (C\$24,458) to certain arm's length finders. Each warrant and finder's warrant entitles the holder thereof to purchase one SVS at a price of C\$0.12 and C\$0.08, respectively until March 7, 2027.

The financial statements have been prepared by management on the basis of accounting principles applicable to a going concern, which assumes that the Group will continue in operation for the foreseeable future and will be able to realize its assets and discharge its obligations in the normal course of operations. Several adverse conditions indicate the existence of a material uncertainty that may cast doubt on the validity of this assumption. The Group has incurred operating losses to date and is currently unable to self-finance any future operations. The Group's ability to continue as a going concern is dependent upon raising additional capital, cost reductions or evaluating strategic alternatives.

Management believes the going concern assumption to be appropriate for the financial statements. If the going concern assumption were not appropriate for the financial statements, adjustments may be necessary to the carrying value of assets and liabilities, reported expenses, and the statement of financial position classifications used.

Cash Flows

Cash provided by (used in) for the period ended:	March 31, 2025	March 31, 2024
Operating activities	\$ (898,528)	\$ (1,321,051)
Investing activities	359,557	42,098
Financing activities	636,759	710,848
Effect of currency translation reserve	56,646	(6,101)
Change in cash	\$ 154,434	\$ (574,206)

The Group incurred negative cash flows in its operating activities during the three months ended March 31, 2025 of approximately \$0.90 million which is attributable to the net change in the Group's working capital items and negative Adjusted EBITDA generated in the year.

From its investing activities, the Group received approximately \$0.36 million in net cash consideration from the disposal of ABH Greenville.

From its financing activities, for the three months ended March 31, 2025, the Company received net proceeds of \$0.54 million from a unit private placement completed in March 2025, as well as proceeds from additional management loans of \$0.11 million. For the three months ended March 31, 2024, net cash from financing activities primarily consisted of \$1.1 million in proceeds from a private placement, offset by payments of \$0.35 million to outstanding notes payable.

Off-Statement of Financial Position Arrangements

The Group does not have any special purpose entities nor is it a party to any transactions or arrangements that would be excluded from the statement of financial position.

Capital Resources and Other Commitments

There were no capital or other commitments at the current or prior year end in addition to the lease commitments disclosed in the Group's unaudited interim condensed consolidated financial statements for the three months ended March 31, 2025.

Off-Balance Sheet Arrangements

As at March 31, 2025, the Group did not have any off-balance sheet transactions.

RELATED PARTY TRANSACTIONS

The Group's related parties include key management personnel and companies related by way of directors or unitholders in common. Key management compensation for the three months ended March 31, 2025 and 2024 is as follows:

	Three months ended March 31,	
	2025	2024
Professional fees	\$ 102,987	\$ 39,330
Salaries and wages	127,385	289,414
Share based compensation	67,996	24,160
	\$ 298,368	\$ 352,904

Compensation of the key management personnel includes salaries and non-cash benefits. As of March 31, 2025, accounts payable amounts owing to related parties are \$129,962 (December 31, 2024 - \$184,713).

SHARE CAPITAL

The Company is authorized to issue unlimited SVS and PVS, both with no par value. The following table shows the detailed number of the Company's outstanding securities as of March 31, 2025 and at the date of this report.

Total Outstanding as of:	March 31, 2025	Date of this report	Exercise price range
Class A Subordinate Voting Shares ("SVS")	66,411,840	66,411,840	
Class B Proportionate Voting Shares ("PVS")	123,894	123,894	
SVS Options	9,740,000	9,740,000	\$0.12 - \$0.45
SVS Warrants	18,967,168	18,967,168	\$0.075 - 0.16
SVS DSUs	2,000,000	2,000,000	

RISK AND UNCERTAINTIES

Economic & Geopolitical Risks

Global financial conditions have, at various times in the past and may, in the future, experience extreme volatility. Many industries, including the health care industry, are impacted by volatile market conditions. Global financial conditions may be subject to sudden and rapid destabilizations in response to economic shocks or other events, such as the continued impacts of the COVID-19 pandemic and the hostilities involving Russia and Ukraine. A slowdown in the financial markets or other economic conditions, including adverse changes in consumer spending, employment rates, business conditions, inflation, fluctuations in fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect the Group's financial condition and prospects. Future economic shocks may be precipitated by a number of causes, including government debt levels, fluctuations in the price of oil and other commodities, the volatility of commodity prices, geopolitical instability, changes in laws or governments, war, terrorism, the volatility of currency exchanges, inflation or deflation, the devaluation and volatility of global stock markets, pandemics and natural disasters. Any sudden or rapid destabilization of global economic conditions could impact the Group's ability to obtain equity or debt financing in the future on terms favourable to the Group or at all. In such an event, the Group's operations and financial condition could be adversely impacted.

Global Economic Conditions

Current global economic conditions could have a negative effect on the Group's business and results of operations. Market disruptions have included extreme volatility in securities prices, as well as diminished liquidity and credit availability. An economic crisis may adversely affect the Group in a variety of ways. Access to credit facilities or the capital markets may be severely restricted, which may preclude the Group from raising funds required for operations and to fund continued expansion. It may be more difficult for the Group to complete strategic transaction with third parties. Financial and credit market turmoil could also negatively impact suppliers, customers and creditors with whom the Group does business.

Such developments could decrease the Group's ability to source, produce and distribute its products or obtain financing and could expose it to risk that one of its suppliers or customers will be unable to meet their obligations under

agreements with them. If economic conditions worsen, it is possible these factors could significantly impact the Group's financial conditions.

Going Concern

As of March 31, 2025, the Group had cash of \$231,550.

The financial statements have been prepared by management on the basis of accounting principles applicable to a going concern, which assumes that the Group will continue in operation for the foreseeable future and will be able to realize its assets and discharge its obligations in the normal course of operations. Several adverse conditions indicate the existence of a material uncertainty that may cast doubt on the validity of this assumption. The Group has incurred operating losses to date and is currently unable to self-finance any future operations. The Group's ability to continue as a going concern is dependent upon raising additional capital, asset sales, cost cutting or evaluating strategic alternatives.

The application of the going concern concept is dependent upon the Group's ability to generate future profitable operations and/or obtain additional equity financing to pay its liabilities and to meet its commitments. The ability of the Group to generate future profitable operations is primarily dependent upon its ability to develop, market and produce new franchisees and profitable products.

The Group has incurred significant operating losses and negative cash flows from operations in recent years and has a working capital deficiency. Whether and when the Group can attain profitability and positive cashflows is uncertain. These uncertainties cast doubt upon the Group's ability to continue as a going concern.

The Group will need to raise capital in order to fund its operations. This need may be adversely impacted by: a lack of normally available financing, accelerating operational expenses, and falling sales per franchisee. To address its financing requirements, the Group will seek financing through debt and equity financings and asset sales, as well as additional cost savings measures. The outcome of these matters cannot be predicted at this time.

Key Personnel

The Group is dependent upon the continued availability and commitment of its management, whose contributions to immediate and future operations are of significant importance. The loss of any such management could negatively affect the Group's business operations. From time to time, the Group will also need to identify and retain additional skilled management to efficiently operate its business. Recruiting and retaining qualified personnel is critical to the Group's success and there can be no assurance of its ability to attract and retain such personnel. If it is not successful in attracting and training qualified personnel, the Group's ability to execute its business model and growth strategy could be affected, which could have a material and adverse impact on its profitability, results of operations and financial condition.

Dependence on Management Team

The Group will depend on certain key senior managers to oversee the core marketing, business development, operational and financing activities and who have developed key relationships in the industry. Their loss or departure in the short-term would have an adverse effect on the Group's future performance.

Investors must rely on the judgment, experience, ability and good faith of the Group, and its directors, officers, employees and affiliates and their consultants and advisors and, in part, on their continuing ability to hire and retain knowledgeable personnel in exercising this responsibility. Directors and officers of the Group are not required to devote all of their business time and attention to the Group's business.

Development of New Franchisees

The Group's success will depend, in part, on its ability to develop, introduce and market new franchisees and innovative new products and services these franchisees offer to the public. In the event that there is a shift in consumer demand, the Group must meet such demand through new and innovative products and services. The Group's ability to develop, market and produce new franchisees and products is subject to it having substantial capital. There is no assurance that the Group will be able to develop new and innovative products or have the capital necessary to develop such products.

Need to Manage Growth

The Group could experience rapid growth in revenues, personnel, complexity of administration and in other areas. There can be no assurance that the Group will be able to manage the impact that growth could place on the Group's administrative infrastructure, systems and controls. If the Group is unable to manage future growth effectively, the Group's business, operations and operating results and financial condition may be materially adversely affected.

The Group intends to pursue acquisitions of, and investment in, selected businesses as a core component of its growth strategy. Any future acquisition or investment may result in the use of significant amounts of cash, dilutive issuances of equity securities, or the incurrence of additional indebtedness. The Group cannot assure stakeholders that the Group's

acquisitions will be successful and will not adversely affect the Group's business, result of operations or financials condition.

Litigation

The Group may from time to time become party to claims and litigation proceedings, which may include those generally related to contract disputes. Such matters are subject to many uncertainties and the Group cannot predict with any assurances the outcome and ultimate financial impact from any such claims or proceedings. There can be no guarantee that actions that may be brought against the Group in the future will be resolved in its favour or that the insurance the Group carries will be available or paid to cover any litigation exposure. Any losses from settlements or adverse judgments arising out of these claims could be materially adverse to the Group.

Trademark Protection

ARCpoint holds its registered trademarks (the "Marks") through its subsidiary, ARCpoint Holdings. The Group has filed all required affidavits and renewals. There are no effective adverse material determinations of the United States Patent and Trademark Office (USPTO), the Trademark Trial and Appeal Board, or the trademark administrator of any state or any court. There are no pending infringement, opposition, or cancellation proceedings.

The Group has granted the franchisees of ARCpoint Franchise Group an exclusive license for the use and sublicense of those Marks pursuant to an interGroup license agreement dated August 12, 2019. The trademark license is perpetual in duration and may be terminated upon a material breach (by engaging in any activity which damages the Marks or the goodwill of the System) not remedied after 30 days' written notice. If the trademark license is terminated, the Group has agreed to license the use of the Marks directly to franchisees until each Franchise Agreement expires or is otherwise terminated.

Smaller Companies

Market perception of junior companies may change, potentially affecting the value of investors' holdings and the ability of the Group to raise further funds through the issue of further SVS or otherwise. The share price of publicly traded smaller companies can be highly volatile. The value of the SVS may go down as well as up and, in particular, the share price may be subject to sudden and large falls in value given the restricted marketability of the SVS.

Partnership Discussions

Although ARCpoint is involved in discussions with potential partners with regard to arrangements that the Company believes may be able to increase its distribution network, the Company can offer no assurances that these discussions will be successful in achieving such a partnership.

Outlook

As the Group continues to expand, the future liquidity of the Group will be affected principally by the level of its operations and by its ability to raise the adequate capital through the capital markets or other means. The Group will be required to raise additional funding in order to meet its long-term business objectives. The Group is aware of the current conditions in the financial markets and has taken significant steps to adapt our business model to reduce capital requirements going forward. The Group will continue to evaluate its funding requirements on a go forward basis in an effort to meet its future development and growth initiatives.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Group considers that the carrying amount of its financial assets and financial liabilities, with a short-term maturity and demand nature, and recognized at amortized cost in the financial statements approximates their fair value of these instruments.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data.

The Group's financial assets and liabilities carried at amortized cost are considered Level 2 instruments, because while observable prices and inputs are available, they are not quoted in an active market.

The estimated fair value of the SVS purchase options, warrants, DSUs and RSUs were determined using a Black-Scholes model with Level 3 inputs. Inherent in this model are assumptions related to expected life (term), expected

stock price, volatility, risk-free interest rate and dividend yield. The Group estimates the volatility of its options, warrants and RSUs based on implied volatility from historical volatility of select peer companies' common shares that matches the expected remaining life of the warrants. The risk-free interest rate is based on the Canadian zero-coupon yield curve on the grant date for a maturity similar to the expected remaining life of the options, warrants and RSUs. The expected life of the options, warrants, DSUs and RSUs is assumed to be equivalent to their remaining contractual term. The dividend rate is based on the historical rate, which the Group anticipates remaining at zero.

Financial Instrument Risk Exposure

The Group's activities expose it to a variety of financial risks: market risk (including price risk, currency risk and interest rate risk), credit risk and liquidity risk. These risks arise from the normal course of operations and all transactions are undertaken to support the Group's ability to continue. Risk management is carried out by management under policies approved by the Board of Directors. Management identifies and evaluates the financial risks in co-operation with the Group's operating units. The Group's overall risk management program seeks to minimize potential adverse effects on the Group's financial performance, in the context of its general capital management objectives (Note 16 of the financial statements).

a) Credit Risk

The Group's financial instruments that are exposed to concentrations of credit risk are primarily cash. Credit risk pertaining to cash relates primarily to deposits in banks that, at times, exceed the federally insured limit of \$250,000. Management does not believe a significant risk of concentration exists with respect to these balances at March 31, 2025.

b) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group constantly monitors its operations and cash flows to ensure that current and future obligations will be met when they are due.

c) Currency Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency.

The Group is exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in Canadian dollars ("CAD"). At March 31, 2025, the Group holds cash of C\$165,513 (December 31, 2024 - C\$24,062) in CAD bank accounts. A 1% change in foreign exchange rates would have an effect of C\$2,356 (December 31, 2024 - C\$343) on foreign currency. During the three months ended March 31, 2025, the Company had a foreign exchange loss of \$31,615 (2024 - gain of \$4,863).

NON-IFRS AND OTHER FINANCIAL MEASURES

The Company reports certain non-IFRS measures in this MD&A that are used to evaluate the performance of the Group's businesses and the performance of their respective segments. Securities regulators require such measures to be clearly defined and reconciled with their most comparable IFRS measures.

As non-IFRS measures generally do not have a standardized meaning, they may not be comparable to similar measures presented by other issuers. Rather, these are provided as additional information to complement those IFRS measures by providing further understanding of the results of the operations of the Group from management's perspective. Accordingly, these measures should not be considered in isolation, nor as a substitute for analysis of the Group's financial information reported under IFRS. Non-IFRS measures used to analyze the performance of the Group's businesses include "EBITDA" and "Adjusted EBITDA".

The Company believes that these non-IFRS financial measures provide meaningful supplemental information regarding the Group's performances and may be useful to investors because they allow for greater transparency with respect to key metrics used by management in its financial and operational decision-making. These financial measures are intended to provide investors with supplemental measures of the Group's operating performance and thus highlight trends in the Group's core businesses that may not otherwise be apparent when solely relying on the IFRS measures. These non-IFRS measures are calculated as follows:

"EBITDA" is comprised as income (loss) less interest, income tax and depreciation and amortization. Management believes that EBITDA is a useful indicator for investors, and is used by management, in evaluating the operating

performance of the Group. See “Reconciliation of Net (Loss) / Income to Adjusted EBITDA” for a quantitative reconciliation of EBITDA to the most directly comparable financial measure.

“Adjusted EBITDA” is comprised as income (loss) less interest, income tax, depreciation, amortization, share-based compensation, Brand Fund revenue and expense timing difference, change in fair value of warrant liability, foreign exchange gain (loss) and other income / expenses not attributable to the operations of the Group. Management believes that EBITDA is a useful indicator for investors, and is used by management, in evaluating the operating performance of the Group. See “Reconciliation of Net (Loss) / Income to Adjusted EBITDA” for a quantitative reconciliation of Adjusted EBITDA to the most directly comparable financial measure.

“Gross Income” is comprised as the Group’s revenues less cost of sales. Management believes that Gross Income is a useful indicator for investors, and is used by management, in evaluating the operating performance of the Group. See “Selected Financial Information” for a quantitative reconciliation of Gross Income to the most directly comparable financial measure.

This MD&A refers to “Gross Income Margin” which is a non-IFRS ratio. Gross Income Margin is comprised of Gross Income expressed as a percentage of the Group’s revenues. Management believes that Gross Income Margin is a useful indicator for investors, and is used by management, in evaluating the operating performance of the Group.

CAUTIONARY STATEMENT

This MD&A contains “forward-looking information” and “forward-looking statements” (collectively, “**forward-looking information**”) within the meaning of applicable securities laws. Forward-looking information may relate to the Group’s financial outlook and anticipated events or results and may include information regarding our financial position, business strategy, growth strategies, addressable markets, budgets, operations, financial results, taxes, dividend policy, plans and objectives. Particularly, information regarding our expectations of future results, performance, achievements, prospects or opportunities or the markets in which we operate thereon is forward-looking information.

In some cases, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “targets”, “expects” or “does not expect”, “is expected”, “an opportunity exists”, “budget”, “scheduled”, “estimates”, “outlook”, “forecasts”, “projection”, “prospects”, “strategy”, “intends”, “anticipates”, “does not anticipate”, “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might”, “will”, “will be taken”, “occur” or “be achieved”, the negative of these terms and similar terminology. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management’s expectations, estimates and projections regarding future events or circumstances based on currently available information.

This forward-looking information includes, among other things, statements relating to: expectations regarding industry trends and challenges; overall market growth rates and our growth rates and growth strategies; addressable markets for our franchisees; the achievement of advances in and expansion of our offerings and franchisees; expectations regarding our revenue and the revenue generation potential of our products, services and other solutions; expectation that the Group will be able to continue to fund long-term development activities through equity financing and available cash; our business plans and strategies; our competitive position in our industry; the Group is actively evaluating several other M&A opportunities along with additional strategic growth initiatives; the Group’s continued investment in the research and development of new products as well as the continuous enhancement of the Group’s existing products and software applications offering.

The forward-looking information contained herein is based on our opinions, estimates and assumptions considering our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate and reasonable in the circumstances based on currently available information. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. Certain assumptions in respect of our ability to build our market share and enter new markets; our ability to retain key personnel; our ability to fund and execute on our short term plans including, but not limited to, expansion of ABH Clinics and completion of the integration of our AFG Platform activities; our ability to continue investing in research and development to support our growth; our ability to fund long term development activities through equity financing and available cash; our ability to obtain and maintain existing financing on acceptable terms; interest rates; the impact of competition; the changes and trends in our industry or the global economy; and the changes in laws, rules, regulations, and global standards are material factors made in preparing forward-looking information and management’s expectations.

Forward-looking information is necessarily based on a number of opinions, estimates and assumptions that we considered appropriate and reasonable as of the date such statements are made, are subject to known and unknown

risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information.

If any of these risks or uncertainties materialize, or if the opinions, estimates, or assumptions underlying the forward-looking information prove incorrect, actual results or future events might vary materially from those anticipated in the forward-looking information. The opinions, estimates or assumptions referred to above should be considered carefully by prospective investors.

Although we have attempted to identify important risk factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other risk factors not presently known to us or that we presently believe are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. No forward-looking statement is a guarantee of future results. Accordingly, you should not place undue reliance on forward-looking information, which speaks only as of the date made. The forward-looking information contained in this MD&A represents our expectations as of the date of hereof (or as of the date they are otherwise stated to be made) and are subject to change after such date. However, we disclaim any intention or obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws.

All of the forward-looking information contained in this MD&A is expressly qualified by the foregoing cautionary statements.