HYDREIGHT TECHNOLOGIES INC.

Management's Discussion and Analysis
for the year ended December 31, 2025

(Expressed in Canadian dollars, unless otherwise specified)

Prepared as of April 30, 2026

ABOUT THIS MD&A

The following management's discussion and analysis ("**MD&A**") of financial condition and results of operations of Hydreight Technologies Inc. ("**Hydreight**" or the "**Company**") should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2025 and 2024, and the accompanying notes thereto (the "**Financial Statements**"), which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). The Company's reporting currency is the Canadian dollar, and all dollar amounts in this MD&A are expressed in Canadian dollars, unless otherwise specified. This MD&A has been prepared as of April 30, 2026, pursuant to the disclosure requirements under National Instrument 51-102 - *Continuous Disclosure Obligations* of the Canadian Securities Administrators.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains certain statements which may constitute "forward-looking information" and "forward-looking statements" within the meaning of Canadian securities law requirements (collectively, "**forward-looking statements**" or "**FLS**"). These forward-looking statements are made as of the date of this MD&A and the Company does not intend, and does not assume any obligation, to update these FLS, except as required under applicable securities legislation. FLS relate to future events or future performance and reflect Company management's expectations or beliefs regarding future events. In certain cases, FLS can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. In this document, certain forward-looking statements are identified by words including "may", "future", "expected", "intends" and "estimates". By their very nature FLS involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the FLS. The Company provides no assurance that FLS will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on FLS.

The Company's anticipated future operations are forward-looking in nature and, as a result, are subject to certain risks and uncertainties. Although the Company believes that the expectations reflected in these FLS are reasonable, undue reliance should not be placed on them as actual results may differ materially from the forward-looking statements. Such FLS are estimates reflecting the Company's best judgment based upon current information and involve a number of risks and uncertainties, and there can be no assurance that other factors will not affect the accuracy of such forward-looking statements.

DESCRIPTION OF BUSINESS

Hydreight Technologies Inc. (the “Company”) was incorporated on April 13, 2018, pursuant to the provisions of the Business Corporation Act (British Columbia). The Company’s registered office is at 480 – 789 West Pender Street, Vancouver, British Columbia, Canada, V6C 1H2. The head office is located at 7251 West Lake Mead Boulevard, Suite 300, Las Vegas, NV 89128, United States.

On November 28, 2022, the Company completed a reverse takeover transaction (the “Reverse Takeover Transaction” or “RTO” or “Transaction”) with IV Hydreight Inc. (“Hydreight”), Victory Square Technologies Inc. (“VST” or “Parent”), 1362795 BC Ltd. (“AssetCo”), and 1203500 B.C. Ltd (“PCL Acquisition Co”). The RTO resulted in Assetco and PCL Acquisition Co amalgamating to form Hydreight Canada Holdings Inc. (“HCH”). VST is the Company’s ultimate controlling parent company before and after the Transaction.

The Company’s shares trade on the TSX Venture Exchange under the trading symbol “NURS” and the Frankfurt Stock Exchange under the symbol “SO6”. The Company is also quoted on the OTCQB Venture Market in the United States under the symbol of “HYDTF”.

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries HCH, Hydreight, Healthcare Prosoft LLC (“Prosoft”), and Digital Health GPO, LLC (“GPO”). The Company also consolidates Healthcare Prosoft CT, P.A., Healthcare Prosoft NE Professional Corporation, and Healthcare Prosoft SW, P.C. which are controlled by Hydreight. All intercompany transactions have been eliminated on consolidation.

Hydreight was incorporated in the State of Nevada on April 10, 2018, and operates in the digital health technology sector. The Company has developed a proprietary telemedicine service that allows users to book confidential health and wellness, and/or medical services through a mobile application, and receive services at any remote location, while leveraging the latest trends in digital health technology. Its objective is to connect health professionals or service advisors to end users in a confidential and secure way, through its mobile application. Hydreight’s operational activities began in August 2019.

ABOUT HYDREIGHT TECHNOLOGIES

Hydreight is building the largest mobile clinic network in the United States. Its proprietary, fully integrated platform hosts a network of over 3,000 nurses, over 300 independent doctors and a pharmacy network through its vertically integrated medical network across 50 states. The platform includes a built-in, easy-to-use suite of fully integrated tools for accounting, documentation, sales, inventory, booking, and managing patient data, which enables licensed healthcare professionals to provide services directly to patients at home, office or hotel. Hydreight Technologies has leveraged its unique technology and medical infrastructure to expand into three main verticals: a nurse network, white-label solutions for franchise brick-and-mortar operations, and direct-to-consumer services.

Hydreight’s home healthcare and wellness platform bridges the gap between providers and patients and empowers nurses, med spa technicians, and other licensed healthcare professionals to legally deliver their services on a flexible schedule or to add mobile services to existing location-based operations. The proprietary healthcare platform enables nurses and businesses to legally offer at-home care services with an independent network of doctors across 50 states.

Hydreight’s medical network provides and facilitates providers with: (i) consulting and advice in setting up their health and wellness services, including assistance with finding experienced advisors in the areas of medical and privacy law, among others; (ii) medical liability insurance; (iii) pharmaceutical IV programs vetted by duly licensed pharmacists; (iv) procedural guides with respect to various services such as wide ranging IV therapy treatments, GLP1, NAD, Botox, fillers, among many others.; and (v) hiring, on-boarding, training, marketing, branding, payroll, and other accounting services. Additionally, through its vertically integrated medical network, Hydreight offers providers access to a network of 503B federally regulated pharmacies with whom Hydreight has established key relationships and supply network chains (the “**Pharmacy Network**”). Providers are required to directly order products through the Pharmacy Network to ensure quality control. The Pharmacy Network offers products from a wide array of vendors including Medline, McKesson, Olympia, Empower, Allergan (Botox) and Galderma, among many others.

The Company categorizes its revenues under three key divisions or revenue streams: (1) business partner contract revenue, (2) commission revenue on App services and (3) on pharmacy sales. Hydreight introduced a new vertical market solution in 2022 which is white label solutions ("**White Label**") and includes primarily monthly fees and pharmacy sales, reported in contract revenue and pharmacy sales respectively.

Through the white label solutions offering, Hydreight partners with other health and wellness companies who require a white-labelled software solution to assist with service onboarding, Electronic Medical Records, telemedicine, training and operational procedures and systems, among others. The White Label business allows customers to obtain a custom skinned digital health software solution carrying customer specific branding, colour palettes and icon sets, among others, to complement how they do business.

Healthcare is the most heavily regulated industry in the United States. By retaining expert legal counsel to address state by state regulatory and professional licensure issues affecting mobile medicine, Hydreight has been able to position itself to compete with the largest healthcare technology companies, private and public, across the United States. Outside counsel has equipped Hydreight with the information needed to assist current and future partners and customers using its proprietary platform in navigating the vast landscape of laws and regulations that are necessary to successfully run their businesses. This knowledge saves them time and money and makes Hydreight the premium, turn-key solution for their mobile medicine needs.

VSDHOne - Direct to Consumer Platform

Hydreight Technologies launched the VSDHOne (Read as VSDH-One) platform. VSDHOne simplifies the entry challenges for companies and medi-spa businesses to enter the online healthcare space compliantly. This platform will help all businesses to launch a direct-to-consumer healthcare brand in a matter of days in all 50 states. Compliant offerings include: GLP-1s, peptides, personalized healthcare treatments, sermorelin, testosterone replacement therapy ("TRT"), hair loss, skincare, sexual health and more. Hydreight invested in technology, legal and infrastructure to launch this platform. The VSDHOne platform offers a complete, Modular end-to-end solution for businesses looking to launch direct-to-consumer healthcare brands. From compliance and telemedicine technology to nationwide doctor and pharmacy networks, VSDHOne provides all the tools needed for a seamless entry into the online healthcare space. The platform is designed as a modular platform to significantly reduce the time and costs associated with launching such services, making it possible for businesses to go live in days instead of months

Awards

Hydreight Technologies was recognized as top 50 in the **2025 TSX Venture 50™ list**. The TSX Venture 50™ recognizes the **top-performing companies** from over **1,600 issuers** listed on the **TSX Venture Exchange (TSXV)** based on **market capitalization growth, share price appreciation, and trading volume** over the past year. In 2024, Hydreight Technologies Inc. also was ranked **9th in Canada** and **56th in North America** on Deloitte's Technology Fast 500 list. The Technology Fast 500 is a ranking of the fastest-growing technology companies in North America.

Hydreight Technologies was also named to the Financial Times list of The Americas' Fastest Growing Companies 2025. This prestigious award is presented by the Financial Times and Statista Inc. Hydreight Technologies ranked 13th in that list.

FOURTH QUARTER 2025 AND FISCAL 2025 SUMMARY

Below are highlights of Hydreight's operations in the fourth quarter 2025 and subsequent to:

- Fourth quarter revenues were $14.95M compared to $4.04M in comparative quarter. Fourth quarter Adjusted Revenue[1] and Adjusted Margin[1] was $16.85M and $2.92M compared to $5.74M and $1.58M in the comparative quarter. Fiscal 2025 revenues were $35.39M compared to $16.04M in the comparative year. Fiscal 2025 Adjusted Revenue[1] and Adjusted Margin[1] was $43.56M and $9.43M compared to $22.32M and $5.65M in the comparative year.
  [1]Refer to Use of Non-GAAP Financial Measures.

- Fourth quarter Adjusted EBITDA[1] was $2.74M compared to ($83K) in the comparative quarter. Fiscal 2025 Adjusted EBITDA[1] was $3.7M compared to $0.14MK in the comparative year.
- Fiscal 2025 cash flow used in operating activities was $1.87M compared to $0.86M in cash flow from operating activities in the comparative year.
- Cash balance at December 31, 2025, is $15.65M compared to $1.19M at December 31, 2024.
- The Company continued to invest in its technology and infrastructure, including development of VSDHOne 2.0. Subsequent to year-end, the Company completed a strategic investment in Insu Therapeutics, aligning with its strategy to support the distribution of next-generation treatments through its platform.
- The Company expanded its national footprint across all 50 U.S. states and continued to grow its network of healthcare providers, pharmacies, and business partners. As at year-end, the Company had over 11,000 licenses signed on the VSDHOne platform, representing a growing base of partners at various stages of onboarding and activity.

The Company believes the following Non-GAAP[1] financial measures provides meaningful insight to its shareholders in understanding the Company's performance, and may assist in the evaluation of the Company's business relative to that of its peers:

	Three months ended December 31, 2025	Three months ended December 31, 2024	% change	Twelve months ended December 31, 2025	Twelve months ended December 31, 2024	% change
Adjusted Revenue	$ 16,853,102	$ 5,742,523	193%	$ 43,563,753	$ 22,321,265	95%
Deduct - deferred business partner contract revenue	(313,878)	208,436		425,945	(45,317)	
Deduct - business partner payouts on app service gross revenue	2,218,121	1,493,509		7,752,770	6,321,866	
GAAP Revenue	$ 14,948,859	$ 4,040,578	270%	$ 35,385,038	$ 16,044,716	121%
Adjusted Gross Margin	$ 2,924,341	$ 1,580,387	85%	$ 9,429,151	$ 5,650,936	67%
Deduct - deferred business partner contract revenue	(313,878)	208,436		425,945	(45,317)	
GAAP Gross Margin	$ 3,238,219	$ 1,371,951	136%	$ 9,003,206	$ 5,696,253	58%
Adjusted EBITDA	$ 2,738,434	$ (83,191)		$ 3,703,569	$ 136,334	2617%
Deduct - amortization and depreciation	127,982	62,853		452,772	181,136	
Deduct - share-based payments	8,843	87,889		82,385	614,877	
Deduct - interest and accretion	452,209	-		586,354	-	
Deduct - sales tax provision, net cash paid	252,603	(254,510)		252,603	(254,510)	
Deduct - impairment charge	54,814	-		54,814	-	
Deduct - income tax expense	(119,249)	-		(119,249)	-	
Deduct - deferred tax recovery	699,586	-		699,586	-	
GAAP Net Income (Loss)	$ 1,261,646	$ 20,577	6031%	$ 1,694,304	$ (405,169)	518%

[1]Refer to Use of Non-GAAP Financial Measures

Hydreight has expanded each division according to the revenue generation and needs of each specific division; scaling while the division's initiatives are performing successfully.

SUMMARY OF QUARTERLY RESULTS

The table below sets out a summary of certain financial results of the Company over the past eight quarters and is derived from the audited annual consolidated financial statements and unaudited quarterly consolidated financials statements of the Company.

Fiscal Quarter Ended	Revenue	Net Income (Loss) After Taxes	Comprehensive Income (Loss)	Basic Income (Loss) Per Share	Diluted Income (Loss) Per Share
December 31, 2025	14,948,859	1,261,646	1,213,837	0.03	0.03
September 30, 2025	10,519,538	361,888	242,317	0.01	0.01
June 30, 2025	5,376,519	49,867	160,779	0.00	0.00
March 31, 2025	4,540,122	20,903	21,652	0.00	0.00
December 31, 2024	4,040,578	20,577	(106,396)	0.00	0.00
September 30, 2024	4,526,320	(89,938)	(53,119)	(0.00)	(0.00)
June 30, 2024	4,100,212	(27,087)	(48,184)	(0.00)	(0.00)
March 31, 2024	3,377,606	(308,721)	(370,559)	(0.01)	(0.01)

The Company has experienced dramatic user growth over the past three years as can be seen by the consistent revenue growth over the past eight quarters.

SELECTED ANNUAL INFORMATION

The table below sets out selected annual financial results of the Company and is derived from the Financial Statements.

	As at December 31, 2025	As at December 31, 2024	As at December 31, 2023
Current assets	$ 20,946,300	$ 1,580,865	$ 2,064,487
Non-current assets	12,805,514	1,527,890	539,521
Total assets	33,751,814	3,108,755	2,604,008
Currrent liabilities	5,259,758	4,041,402	4,407,450
Non-current liabilities	8,792,612	836,096	27,475
Total liabilities	$ 14,052,370	$ 4,877,498	$ 4,434,925

	Years ended December 31,		
	2025	2024	2023
Total revenues	$ 35,385,038	$ 16,044,716	$ 11,509,496
Net income (loss) after taxes	1,694,304	(405,169)	(1,937,351)
Comprehensive income (loss) for the year	1,638,585	(578,258)	(1,918,785)
Basic income (loss) per share	0.04	(0.01)	(0.05)
Diluted income (loss) per share	0.04	(0.01)	(0.05)

No cash dividends have been declared by the Company in their operating history.

DISCUSSION OF OPERATIONS

Revenue

Revenue for the three months ended December 31, 2025, was $14,948,859 compared to $4,040,578 for the corresponding prior year period. For the year ended December 31, 2025, revenue was $35,385,038 compared to $16,044,716 for the comparative year. The increase in revenue is primarily related to the launch of the VSDHOne platform and related order flow that started in the middle of the fiscal year. Revenue also increased with continued organic growth in new business partners, renewals of existing partners and additions to service offerings, which translates into higher contract revenue, commission revenue and pharmacy sales.

Pharmacy Purchases

Pharmacy purchases for the three months ended December 31, 2025, was $11,710,640 compared to $2,668,627 for the comparative period. For the year ended December 31, 2025, pharmacy purchases were $26,381,832 compared to $10,348,463 for the comparative period. Pharmacy purchases consist solely of the cost of pharmacy purchases to fulfill pharmacy sales. The increase in pharmacy purchases is consistent with the increase in pharmacy sales from Hydreight network growth, including VSDHOne telehealth partners.

Gross Margin

The gross margin for the three months ended December 31, 2025, was $3,238,219 or 21.66%, compared to $1,371,951 or 33.95% for the corresponding prior period. For the year ended December 31, 2025, gross margin was $9,003,206 or 25.44% compared to $5,696,253 or 35.50% for the corresponding prior year. The gross margin for pharmacy sales, for the three months ended December 31, 2025, was $2,156,421 or 15.55% compared to $646,861 or 19.51% for the comparative period. For the year ended December 31, 2025, gross margin for pharmacy sales was $5,016,743 or 15.98% compared to $2,143,673 or 17.16% for the comparative year. The overall gross margin percentage decrease is reflective of the relative change in the composition of revenue due to significantly higher pharmacy sales. The pharmacy margin remained fairly consistent year over year whereas the decrease in margin quarter over quarter was due to timing of pharmacy credit revenue recognized. Generally, Hydreight aims to earn a 20% margin on pharmacy sales before discounts and incentives, however individual product margins vary by type and manufacturer, and the timing of sales promotions is also variable.

Expenses

For the three months ended December 31, 2025, total operating expenses were $2,197,691 compared to $1,363,758 for the corresponding prior year period. For the year ended December 31, 2025, total operating expenses were $7,608,623 compared to $6,137,434 for the comparative year. Material variances over this period are discussed below.

Amortization and depreciation

Amortization expense was $127,982 for the three months ended December 31, 2025, as compared to $62,853 for the three months ended December 31, 2024. For the year ended December 31, 2025, amortization expense was $452,772 as compared to $181,136 for the year ended December 31, 2024. The increase is due to additional investment in intangible assets over the course of 2024 and 2025, including VSDH One and VSDH One 2.0.

General and Administration

General and administration expenses include insurance, investor relations and capital markets, meals and travel, merchant processing fees, rent, provision for US sales tax, rent, and other.

General and administrative expenses were $784,016 for the three months ended December 31, 2025, as compared to $50,148 for the corresponding comparative period. For the year ended December 31, 2025, general and administrative expenses were $2,251,875 compared to $1,264,409 for the comparative year. General and administrative expense increased quarter over quarter and year over year primarily due to increases in overhead expenses that accompanied the higher revenue generating activity of the Company as well a year end adjustment to the sales tax provision that was recorded in the fourth quarter of the prior year. The Company also spent more on investor relations and capital markets expenses, some of which were related to the financing transactions that occurred in 2025.

Expense line items reported separately in the prior year Financial Statements:

Investor Relations and Capital Markets

Investor relations and capital markets expense was $201,624 for the three months ended December 31, 2025, as compared to $156,159 for the three months ended December 31, 2024. For the year ended December 31, 2025, investor relations and capital markets expense was $459,302 compared to $161,574 for the comparative year. Investor relations and capital markets expense includes the costs of investor relations resources and events, transfer agent, regulatory and exchange fees and corporate communications. The increase in the current periods are due to higher overall investor relations spending.

Rent Expense

Rent expense was $24,394 for the three months ended December 31, 2025, as compared to $52,668 for the corresponding comparative period. For the year ended December 31, 2025, rent expense was $215,903 compared to $244,177 for the comparative year. The decrease is due to a decrease in the contracted warehouse rent to store pharmacy product kit inventory, which ceased in 2025 as the inventory was disposed of and impaired.

Merchant Processor and Bank Fees

Merchant Processor and Bank Fees increased due to higher transaction fees associated with higher revenues as well as fees associated with third-party financing of the annual subscription fees, which are expensed on settlement of the net payment from the financing entity. The financing of subscription fees was new this year.

Provision for Sales Tax

In the current year, the provision for sales tax was recorded based on a revised set of estimates undertaken during the course of the prior year financial statement audit, which adjusted the total provision downward resulting in an adjustment for the year ended December 31, 2024. In the current fiscal year, the Company undertook compliance efforts with several US states which had the largest estimated balances, with payments recorded against the accrued provision.

Professional and Consulting Fees

Professional and consulting fees were $366,149 for the three months ended December 31, 2025, as compared to $483,720 for the corresponding comparative period. For the year ended December 31, 2025, professional and consulting fees were $1,554,537 compared to $1,582,317 for the corresponding comparative year. The year over year variance for professional and consulting fees was relatively minimal. Increase in audit and legal fees were offset by decreases in technical and administrative consulting. The Company evaluates technical work and directly related supporting costs for capitalization to intangible asset and at each reporting period capitalizes eligible development costs, which consist primarily of technical development expenses and an allocation of labor and professional fees. Non-recurring costs include legal fees that are partially non-recurrent in nature. Healthcare is the most heavily regulated industry in the United States. By retaining expert legal counsel to address state by state regulatory and professional licensure issues affecting mobile medicine, the Company has been able to position Hydreight to compete with the largest companies, private and public, across the United States.

Sales and Marketing

Sales and marketing expense was $76,045 for the three months ended December 31, 2025, as compared to $66,304 for the comparative period. For the year ended December 31, 2025, sales and marketing expense was $334,806 as compared to $213,248 for the comparative year. The increase relative to the comparative periods are due to an increase in advertising, digital marketing services, and trade shows.

Share-based Payment

Share-based payment expense was $8,843 for the three months ended December 31, 2025, as compared to $87,889 for the three months ended December 31, 2024. For the year ended December 31, 2025, share-based payment expense was $82,385 as compared to $614,877 for the comparative year. The Company had its first equity incentive grant shortly after the second quarter of 2023, resulting in the share-based payment expense being heavily weighted towards the second half of 2023 and throughout 2024. In the current year, the initial equity incentive grants were fully expensed, with minimal new grants issued.

Software and Communication

Software and communication expense was $249,364 for the three months ended December 31, 2025, as compared to $120,170 for the comparative period. For the year ended December 31, 2025, software and communication expense was $691,223 as compared to $451,249 for the comparative year. The Company experienced a general increase in overhead costs for software, subscriptions and communications required to support an increase in Company operations, user growth, revenues, and business development efforts.

Wages and Labor

Wages expense was $585,292 for the three months ended December 31, 2025, as compared to $492,674 for the comparative period. For the year ended December 31, 2025, wages expense was $2,241,025, compared to $1,830,198 for the comparative year. The overall increase year over year is due to the net addition of human resources in Canada and the US to support growing operations. Wages and labor expense includes both salaried employees and contract labor.

LIQUIDITY

As at December 31, 2025, the Company had total current assets of $20,946,300 comprised of $15,649,232 in cash, $3,491,245 in prepaids and deposits, $1,722,803 in trade and other receivables, $83,020 in due from related party and $Nil in inventory.

As at December 31, 2025, the Company had total current liabilities of $5,259,758 comprising $2,994,771 in accounts payable and accrued liabilities, $2,145,738 in current portion of contract liabilities, and $119,249 in current taxes payable.

As at December 31, 2025, the Company had working capital of $15,686,542, comprising $20,946,300 in current assets and $5,259,758 in current liabilities. Contract liabilities represent unearned business partner contract revenue earned over time and does not involve an outflow of cash.

As at December 31, 2024, the Company had total current assets of $1,580,865 comprised of $1,186,942 in cash, $230,937 in prepaids and other deposits, $77,786 in trade receivables, $85,200 in due from related party and $Nil in inventories.

As at December 31, 2024, the Company had total current liabilities of $4,041,402, comprised of $2,308,717 in accounts payable and accrued liabilities, and $1,732,685 in current portion of contract liabilities.

As at December 31, 2024, the Company had a working capital deficiency of $2,460,537, comprised of $1,580,865 in current assets and $4,041,402 in current liabilities.

The Company's ability to meet its ongoing obligations and activities depends on its ability to generate cash flow through scaling operations and the issuance of common shares of the Company pursuant to equity financings and short-term or long-term loans. Capital markets may not be receptive to future offerings of new equity from treasury or debt, whether by way of private placements or public offerings.

Contractual Obligations As at December 31, 2025	Total	Less than 1 year	1-3 years	3-5 years	After 5 years
Accounts payable	$ 1,299,761	$1,299,761	$ -	$ -	$ -
Accrued liabilities	1,097,429	1,097,429	-	-	-
Income taxes payable	119,249	119,249	-	-	-
Interest payable on convertible debentures	2,773,232	1,035,000	1,738,232	-	-
Rental commitments[1]	36,432	36,432	-	-	-
Convertible debentures - principal	11,500,000	-	11,500,000	-	-
Due to parent	412,716	-	412,716	-	-
Total Contractual Obligations	$ 17,238,819	$3,587,871	$ 13,650,948	$ -	$ -

[1]The Company signed a one-year lease for office space, expiring June 30, 2026. The Company's expenses its lease payments on a straight-line basis in general and administrative expenses under the practical expedient exemption in IFRS 16.

The Company collects cash in advance of recognizing revenue for contract and pharmacy revenues. Its core business model requires no working capital invested in inventory as the Company receives payment in advance of fulfilling orders from the pharmacies. The Company is also working towards an automated solution for settlement of service payables to business partners wherein partners will be able to automatically debit the Company's account on demand based on their financial position relative to the Company. The primary aim is to reduce the time needed to address this function but also will benefit the Company in that it will inevitably result in partners withdrawing funds in larger amounts, but less frequently than current liabilities are settled. This will further improve the Company's working capital position.

CAPITAL RESOURCES

As at December 31, 2025 and April 30, 2025, the Company had 49,629,018 and 53,390,430 common shares issued and outstanding.

The Company defines capital as shareholders' equity (deficit), convertible debentures and amounts due to related parties. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern to pursue the development of its technology and products and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

There were no changes in the Company's approach to capital management during the year ended December 31, 2025.

The Company has several commitments for consulting services with related parties with commercial substance at a monthly rate comparable to an arm's length compensation level.

OFF-BALANCE SHEET TRANSACTIONS

The Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Company's financial performance or financial condition, including with respect to revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

RELATED PARTY TRANSACTIONS

The Company has several agreements with various related parties for consulting and executive services provided.

Key Management Compensation

The Company's key management personnel have authority and responsibility for overseeing, planning, directing, and controlling the activities of the Company and consist of the Company's executive leadership team. The following is summary of key management compensation and other related party transactions for the year ended December 31, 2025, and 2024:

	December 31, 2025	December 31, 2024
Salaries, wages and consulting fees	$ 773,117	$ 815,989
Share-based compensation	11,180	469,245
	$ 784,297	$ 1,285,234

Other related party transactions

	December 31, 2025	December 31, 2024
Professional and consulting fees	$ 167,747	$ 164,359

The Company and a limited liability company (the "LLC") controlled by a director entered into a medical consultation agreement for telemedicine consulting services. The director is the medical director of the Company and contracts with and assigns physicians for the provision of telehealth services. The LLC is paid a base fee of USD $3,000 per month and a percentage-based fee for every transaction generated by the Company, from which physicians contracted under the director are compensated. The medical consultation agreement will remain in effect until terminated according to provisions in the agreement. Included in the above table is $387,324 (2024 - $426,556) related to fees paid out under this agreement.

Included in accounts payable and accrued liabilities is $44,358 (2024 - $19,015) owing to members of key management.

As at December 31, 2025, $75,109 (USD $54,800) of a $60,000 USD advance to the CEO is outstanding, which is included in the current portion of due from related parties on the consolidated statement of financial position along with $7,911 (2024 - $3,470) in other amounts owing from related parties.

Other related party transactions

Parent Corporation

The Company owes $412,716 (2024 - $833,974) to VST and VST subsidiaries. The amount is non-interest bearing, unsecured and due on demand. VST has waived the right to demand repayment of the balance until at least December 31, 2026, and as such, the loan has been presented as a long-term liability.

For the year ended December 31, 2025, the Company incurred $167,747 in management and consulting fees from VST (2024 – $164,359) in accordance with a consulting agreement between the CFO, VST, and the Company for CFO services. The fees are included in professional and consulting fees on the consolidated statement of loss and comprehensive loss.

Associate

The Company purchases pharmacy product from its associate as part of a pharmacy services agreement with its associate. During the year ended December 31, 2025, the Company purchased $8,502,170 (2024 – $Nil) of pharmacy product which is included in the cost of pharmacy sales in the consolidated statement of income (loss) and comprehensive income (loss), of which $933,990 occurred in the period from November 27, 2025 to December 31, 2025. Included in accounts payable and accrued liabilities as at December 31, 2025, is $200,313 owed to the associate (2024 - $Nil) for trade purchases.

CRITICAL ACCOUNTING ESTIMATES

The Company's significant accounting estimates are presented in Note 2(d) in the notes to the 2025 Financial Statements. The preparation of the Financial Statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the end of the reporting period presented and reported amounts of expenses during the same period. Actual outcomes could differ from these estimates. The 2025 and 2024 Financial Statements include estimates, which, by their nature, are uncertain. The impact of such estimates may require accounting adjustments based on future occurrences. Any revisions to accounting estimates are recognized in the period in which the estimate is revised and in future periods if the revision affects the future. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company is exposed in varying degrees to a variety of financial instrument related risks. Management approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

a) Fair value

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies. However, considerable judgment is required to develop certain of these estimates. Accordingly, these estimated values are not necessarily indicative of the amounts the Company could realize in a current market exchange. The estimated fair value amounts can be materially affected by the use of different assumptions or methodologies. The methods and assumptions used to estimate the fair value of each class of financial instruments are discussed below.

The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which includes cash, prepaid and other deposits, trade receivables, government sales tax recoverable, accounts payable and accrued liabilities, and amounts due to and from related parties approximates their carrying values due to the relatively short-term maturity of these instruments.

b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The cash is deposited in bank accounts in Canada and the US. As most of the Company's cash is held by two banks there is a concentration of credit risk. This risk is managed by using a bank that is a high credit quality financial institution as determined by rating agencies. Credit risk on cash is assessed as low.

c) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. The Company's accounts payable and accrued liabilities and lease commitment are contractually due within 12 months of December 31, 2025. The amount due to parent has no formal terms of repayment and will be settled in a manner agreeable to both parties working with the working capital needs of the Company.

Historically, the Company's access to financing has been the issuance of equity securities and cash flows from operating activities and advances from related parties. The Company's access to financing is uncertain. There can be no assurance of continued access to significant equity funding or debt financing. Liquidity risk is assessed as moderate to high.

e) Foreign exchange 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 Company does not hedge its exposure to fluctuations in foreign exchange rates. The majority of the Company's operations and transactions are conducted in US dollars, with certain expenses incurred in CAD. Foreign exchange risk is assessed as moderate.

MATERIAL ACCOUNTING POLICIES

The accounting policies in Note 2 of the Company's audited consolidated financial statements for the year ended December 31, 2025, have been consistently applied to all periods presented in the Financial Statements.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Please see Note 13 of the Company's audited consolidated financial statements for the year ended December 31, 2025, for full discussion on financial instruments, the fair value measurement and associated risk management.

SUMMARY OF OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares without par value. As at December 31, 2025, and April 29, 2026, the Company has 49,629,018 and 53,390,430 common shares issued and outstanding. Common shares carry one vote per share.

As at April 29, 2026, the Company has no stock options outstanding. The Company also has a total of 410,000 restricted share units ("RSUs") outstanding that vest according to performance metrics or service period.

As at April 29, 2026, the Company has a total of 2,143,128 warrants exercisable at prices between $2.00 and $3.74, expiring through 2027 and 2028.

PRIVATE PLACEMENT

On January 27, 2026, the Company announced the closing of a private placement wherein it issued 3,705,000 Units at a price of $4.05 per Unit for aggregate gross proceeds of $15,005,250. Each Unit consists of one common share in the capital of the Company and one-half of one common share purchase warrant of the Company. Each warrant entitles the holder thereof to acquire one common share of the Company at a price of $5.27 per common share for a period of 24 months from the closing date. The underwriters received a cash commission of $900,315 and 222,300 non-transferable broker warrants exercisable for a period of 24 months following the closing date at an exercise price equal to $4.05 per common share. The Units issued under the Listed Issuer Financing Exemption are not subject to a hold period pursuant to applicable Canadian securities laws.

INVESTMENT

On March 9, 2026, the Company closed the acquisition of 800,000 units of Insu Therapeutics Inc. ("Insu") at a price of $0.375 per unit pursuant to a subscription agreement dated March 4, 2026, between the Company and Insu. Each Unit is comprised of one common share of Insu and one common share purchase warrant of Insu, with each warrant exercisable to acquire one Insu share at a price of $1.00 for a period of 2 years from the date of issuance. The aggregate consideration for the units was $300,000, which was paid by the Company in cash (50%, being $150,000) and in common shares of the Company (50%, being 37,037 common shares of the Company at a deemed price of $4.05).

SHARE BUYBACK

On March 9, 2026, the Company received approval from the Exchange that pursuant to a Notice of Intention to make a Normal Course Issuer Bid (“NCIB”) dated March 5, 2026, the Company may repurchase for cancellation, up to 4,951,189 common shares in its own capital stock. The purchases are to be made through the facilities of the Exchange during the period March 12, 2026, to March 11, 2027. During the period commencing March 12, 2026 through April 29, 2026, the Company repurchased and cancelled 49,000 common shares at an average price of $2.92.

U.S. INCOME TAX STATUS

U.S. federal tax legislation was enacted in 2004 to address perceived U.S. tax concerns in “corporate inversion” transactions. A “corporate inversion” generally occurs when a non-U.S. corporation acquires “substantially all” of the equity interests in, or the assets of, a U.S. corporation or partnership, if, after the acquisition, former equity holders of the U.S. corporation or partnership own a specified level of stock in the non-U.S. corporation. The tax consequences of these rules depend upon the percentage identity of stock ownership that results. Generally, in the “80-percent identity” transactions, i.e. former equity holders of the U.S. corporation owns 80% or more of the equity of the non-U.S. acquiring entity (excluding certain equity interests), the tax benefits of the inversion are limited by treating the non-U.S. acquiring entity as a domestic entity for U.S. tax purposes. Note, the ownership percentage is computed under section 7874 which varies from legal ownership.

Management is of the view that a corporate inversion has resulted from the RTO transaction completed in November 2022. Management has determined that the Company is subject to the "80 percent" identity with respect to the transactions undertaken. The tax implication resulting from this transaction would be annual filing of US corporate income tax return and additional withholding tax payment to IRS on future distribution to minority shareholders.

USE OF NON-GAAP FINANCIAL MEASURES

This release contains references to non-GAAP financial measures Adjusted Revenue, Adjusted Gross Margin, and Adjusted EBITDA. The Company defines Adjusted Revenue as gross cash income before adjustment for the deferred portion of business partner contract revenue and gross receipts from Hydreight App service sales. The Company defines Adjusted Gross Margin as GAAP gross margin plus inventory impairment plus the deferred portion of business partner contract revenue. The Company defines Adjusted EBITDA as net income (loss) before interest, taxes, depreciation and amortization and before (i) transaction, restructuring, and integration costs (ii) share-based payments expense, (iii) gains/losses that are not reflective of ongoing operating performance including inventory impairment and (iv) sales tax provision, net of actual cash payments to state tax authorities. The Company believes that the measures provide information useful to its shareholders and investors in understanding the Company’s operating cash flow growth, user growth, and cash generating potential for funding working capital requirements, service future interest and principal debt repayments and fund future growth initiatives. These non-GAAP measures may assist in the evaluation of the Company’s business relative to that of its peers more accurately than GAAP financial measures alone. This data is furnished to provide additional information and does not have any standardized meaning prescribed by GAAP. Accordingly, it should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP and is not necessarily indicative of other metrics presented in accordance with GAAP.

Neither TSXV nor its Regulation Services Provider (as that term is defined in policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release. This press release does not constitute an offer of securities for sale in the United States. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and such securities may not be offered or sold within the United States absent U.S. registration or an applicable exemption from U.S. registration requirements.

RISK FACTORS

In addition to the other information included in this report, readers should consider carefully the following factors, which describe the risks, uncertainties and other factors that may materially and adversely affect the Company's business, products, financial condition and operating results. There are many factors that affect the Company's business and results of operations, some of which are beyond the Company's control. The following is a description of some of, but not all of, the important factors that may cause the Company's actual results of operations in future periods to differ materially from those currently expected or discussed in the FLS set forth in this report relating to the Company's financial results, operations and business prospects. Except as required by law, the Company undertakes no obligation to update any such FLS to reflect events or circumstances after the date of this MD&A.

For the purposes of this section, "**Material Adverse Change**" means any change of circumstances or any event which has, or would reasonably be expected to have, a material adverse effect in respect of the Company, any one or more changes, events or occurrences, and "**material adverse effect**" means, in respect of the Company, any change (or any condition, event or development involving a prospective change) in the business, operations, affairs (including the employment status of key employees), assets, liabilities (including any contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise) capitalization, financial condition, licenses, permits, rights or privileges of the Company or any of its subsidiaries which in the judgment of the Company, acting reasonably in the circumstances, could reasonably be expected to materially and adversely affect the Company and its subsidiaries taken as a whole or the value of the securities of the Company.

For a discussion of risk factors, please refer to the filing statement of the Company under “Risk Factors” therein. The filing statement is available under the Company’s profile on SEDAR+ at www.sedarplus.ca.