

Datametrex AI Limited

Management's Discussion and Analysis
September 30, 2025
(Canadian dollars)

Datametrex AI Limited

Management's Discussion and Analysis for the Six Months Ended September 30, 2025
(Canadian dollars, except share and unit information)

The following management discussion and analysis, prepared as of November 25, 2025, provides information that management believes is relevant to an assessment and understanding of the results of operations and the consolidated financial position of Datametrex AI Limited (the "Company"). The Management's Discussion and Analysis ("MD&A") should be read in conjunction with the audited consolidated financial statements for the year ended March 31, 2025 and the unaudited condensed interim consolidated financial statements for six months ended September 30, 2025. Unless otherwise noted, all financial information in the MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in Canadian dollars unless otherwise indicated.

Forward-Looking Statements

This MD&A contains or incorporates forward-looking statements within the meaning of Canadian Securities legislation (collectively, "forward-looking statements"). These forward-looking statements relate to, among other things, revenue, earnings, changes in cost and expenses, capital expenditures and other objectives, strategic plans and business development goals, and may also include other statements that are predictive in nature or that depend upon or refer to future events or conditions, and can generally be identified by words such as "may", "will", "expects", "anticipates", "intends", "plans", "believes", "estimates" or similar expressions. In addition, any statements that refer to expectations, projections, or other characterizations of future events or circumstances are forward-looking statements. These statements are not historical facts but instead represent only the Company's expectations, estimates, and projections regarding future events.

Although the Company believes the expectations reflected in such forward-looking statements are reasonable, such statements are not guarantees of future performance and involve certain risks and uncertainties that are difficult to predict. Undue reliance should not be placed on such statements. Certain material assumptions are applied in making forward-looking statements and actual results may differ materially from those expressed or implied in such statements.

The forward-looking statements contained in this MD&A are made as of the date of this MD&A and, accordingly, are subject to change after such date. Except as required by law, the Company does not undertake any obligation to update or revise any forward-looking statements made or incorporated in this MD&A, whether as a result of new information, future events or otherwise.

Business Overview

Datametrex AI Limited is a technology-focused Company with exposure to artificial intelligence, GPT technology, machine learning, and telehealth. Datametrex's mission is to develop innovative tools and solutions that facilitate the adoption of new standards of protocols using artificial intelligence and health diagnostics. Leveraging these technologies enables companies to proactively address issues related to supply chain management and enhance their overall operational efficiency with predictive and preventive technologies.

Datametrex prides itself on its forward-thinking approach and the ability to develop progressive solutions that address the most pressing challenges facing businesses today. Datametrex is committed to supporting clients in achieving their goals and helping them stay ahead of the curve in an ever-changing business landscape.

The Company is a publicly traded corporation, incorporated in the province of Ontario and its head office is located at 2300 Yonge Street, Suite 2802, Toronto, Ontario, M4P 1E4, Canada. The Company's common shares are listed on the TSX Venture Exchange ("TSXV") under the trading symbol "DM", on the OTCQB under the trading symbol "DTMXF" and on the Frankfurt Stock Exchange under the trading symbol "D4G".

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Description of Business

Imagine Health Centres (“Imagine Health”) and Arbutus Health & Wellness (“Arbutus Health”)

The Healthcare Vertical includes Imagine Health Centres, a multidisciplinary healthcare facility with locations currently in Edmonton, Alberta. Imagine Health Centres aim to converge to offer a seamless, integrated healthcare model.

Operational Details

Imagine Health Centres and Arbutus Health offer an extensive range of services, particularly focusing on Primary Care, Emergency Care, Pharmacy, Physiotherapy, Massage Therapy, Acupuncture, Cosmetic Services, Allergy Consultations, and Virtual Consults, provided by both employed healthcare professionals and independent consultants. Imagine Health does not own the locations of its medical clinics.

For the operation of our various services, the physicians must be registered and licensed with the College of Physicians & Surgeons of Alberta (CPSA).

Our health centres primarily derives its revenue through the following channels:

- **Physician Consultations:** Revenue is primarily generated when physicians consult with patients on a fee-for-service basis. The fees associated with these consultations are typically billable to entities such as Alberta Health, Workers Compensation Board, and Occupational Injury Service. Depending on the nature of the consultation and the coverage of the patient, either the patient directly pays for these services or the cost is covered by Alberta Health or private insurance.
- **Revenue Sharing:** Medical professionals charge a fee for the services they render. This fee is then shared between the professional and Imagine Health based on pre-agreed terms.

Imagine Health receives payments through various channels, including directly from Alberta's health care insurance plan, private insurance providers, and direct payments from clients. Similar for Arbutus Health in B.C.

The primary revenue sources for our health centres are derived from patient consultations in the medical clinic, pharmacy prescription and OTC sales, and physiotherapy services.

During the year ended March 31, 2025, the Company decided to focus on the medical clinic, and discontinued the pharmacy and physiotherapy operations. As a result, the operations of pharmacy and physiotherapy have been classified as discontinued operations in the Company's consolidated financial statements for the year ended March 31, 2025.

Strategic Direction

The Company envisions unveiling a fully integrated healthcare model. This model intends to combine the in-person consultations facilitated by Imagine Health Centres with the Company's AI and Medi-Call's telehealth services.

Risk Factors

Datametrex's Healthcare division faces several risk factors including ongoing regulatory shifts in telehealth governance as laws catch up to the technology. Expansion into new provinces also runs risks, as new levels of healthcare compliance have to be factored into the business' expansion plans.

Datametrex's Healthcare division is also subject to all risk factors common to the healthcare industry such as federal and provincial laws and regulations, data privacy policies, malpractice, healthcare incidents at physical clinics, and escalating competition in both telehealth and conventional healthcare sectors. Additionally, the international student flows for Medi-Call may be subject to changing immigration policies in Canada and abroad.

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The physicians and nurses associated with these entities have their own individual insurance coverages. They are licensed and regulated by their respective colleges – the College of Physicians & Surgeons of Alberta (CPSA) for those based in Alberta and the College of Physicians & Surgeons of British Columbia (CPSBC) for those in British Columbia.

Upcoming Developments

Imagine Health Centres is set to progressively embed AI and the Company's Medi-Call platform into its offerings, providing patients with a merged virtual and tangible healthcare experience. While a potential move into Ontario is under consideration, a definitive timeline is yet to be set.

Summary of Recent Developments

In June 2025, the Company acquired Arbutus Health to expand its offering in medical health clinics.

To further solidify its position as a leading provider of innovative healthcare solutions, the Company will be incorporating a Wellness Centre into its two (2) existing clinics which further expands services that offer physiotherapy, IV Vitamin Therapy treatment, acupuncture, and much more.

EBITDA and Adjusted EBITDA

Management believes that EBITDA and Adjusted EBITDA are effective measures for analyzing the performance of the Company. The term "EBITDA" refers to earnings before deducting interest, taxes, depreciation and amortization. The Company calculates Adjusted EBITDA as earnings before deducting interest and accretion, taxes, depreciation and amortization, impairment charges, acquisition related costs, and share based compensation. "EBITDA", "EBITDA per share", "Adjusted EBITDA", and "Adjusted EBITDA per share" are non-GAAP measures. The Company believes that EBITDA and Adjusted EBITDA are useful additional information to management, the Board and investors as it provides an indication of the operational results generated by its business activities prior to taking into consideration how those activities are financed and taxed and also prior to taking into consideration asset depreciation and amortization and it excludes items that could affect the comparability of our operational results and could potentially alter the trends analysis in business performance. Excluding these items does not necessarily imply they are non-recurring, infrequent or unusual. EBITDA and Adjusted EBITDA are also used by some investors and analysts for the purpose of valuing a company. Investors are cautioned that EBITDA and Adjusted EBITDA should not be construed as an alternative to operating earnings or net earnings determined in accordance with IFRS as an indicator of the Company's financial performance or as a measure of the Company's liquidity and cash flows. EBITDA and Adjusted EBITDA do not take into account the impact of working capital changes, capital expenditures, debt principal reductions and other sources and uses of cash, which are disclosed in the consolidated statements of cash flows.

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The following table reconciles net loss to EBITDA and Adjusted EBITDA for the six months ended September 30, 2025 and 2024:

	Six months ended September 30, 2025	Six months ended September 30, 2024
	\$	\$
Net loss from continuing operations	(1,530,622)	(1,609,263)
Depreciation and amortization	280,722	715,008
Interest and accretion	213,784	46,539
EBITDA	(1,036,116)	(847,716)
Share based compensation	-	346,615
Adjusted EBITDA	(1,036,116)	(501,101)

Refer to the Summary of Operations section in this MD&A for further details.

Summary of Operations

Revenue

For the six months ended September 30, 2025, revenue was \$2,213,302 (2024: \$3,317,274). Certain significant revenue results were as follows:

- \$866,539 from IT services and licensing revenue earned from big data and Artificial Intelligence solutions (2024: \$738,841). Gross profit for the six months ended September 30, 2025 was \$327,347 (2024: \$450,223) and gross margin was approximately 38% (2024: 61%).
- \$1,346,763 from health care revenue (2024: \$2,578,433) which was largely from Imagine Health centres, as Arbutus Health was only acquired in June 2025. Direct costs for the six months ended September 30, 2025 was approximately \$775,823 (2024 - \$888,604). Gross profit for six months ended September 30, 2025 was \$570,940 (2024 – \$1,689,829). Revenue has decreased due to the Company shutting down the pharmacy and physiotherapy operations in the Imagine Health centres.
- The Company continues to work with several companies to build on its AI and Technology segment.

As part of the Company's growth strategy, management made a strategic decision to acquire Arbutus Health & Wellness. The Company believes that the acquisition of Imagine Health Centres and the Arbutus Health & Wellness will enhance its position in the market and drive future growth and profits.

Operating Expenses & Other Items

For the six months ended September 30, 2025, the Company incurred \$2,215,592 of operating expenses (2024: \$3,559,139). Certain significant items are noted below:

- Depreciation and amortization of \$280,722 (2024: \$715,008) related to the Company's property and equipment, intangible assets, and right-of-use assets. The decrease is primarily driven by the fully depreciated property, equipment and intangible assets.
- Share based compensation of \$Nil (2024: \$346,615) related to the RSUs vesting, issued in January and February 2024. No new RSU's nor options were granted during the period.

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- Salaries, benefits, and consulting fees increased to \$747,235 (2024: \$643,630) due to the Company's recent expansion in both IT and health sectors.
- Office and general of \$496,213 (2024: \$561,503) includes office supplies, office maintenance, insurance, travel expenses, marketing costs and allowance for expected credit losses. The Company continues to work towards decreasing costs for operating efficiencies.
- Professional fees of \$599,468 (2024: \$1,214,186) due to various consulting services related to Imagine Health and Arbutus Health. The Company anticipates that the professional fees will be lower in the future due to the closing of pharmacies and physio centres.
- The Company holds marketable securities in Justera and New World. The investments are measured at fair value, with the change recognized in profit or loss. During the period, there were no changes in their fair value.

Quarter Ended September 30, 2025

For the three months ended September 30, 2025, the Company reported revenue of \$1,097,691 (2024: \$2,118,583) and operating expenses of \$810,294 (2024: \$2,064,694). The decrease in revenue is largely due to the decreased revenue from Imagine Health centres, as discussed above. AI and Technology sales remain steady and the Company plans to further invest and develop its proprietary AI technology for a potential of future revenues.

Operating expenses largely stayed the same or decreased as a result of significantly reduced operating activities related to COVID-19 testing. Professional fees and office and general costs decreased considerably as the Company is minimizing overhead and increase operating efficiencies.

For detailed analysis of the fluctuations, see the discussion above for the six months ended September 30, 2025.

Summary of Quarterly Results

The following is a summary of the Company's eight most recently completed quarters:

	Q2 – 26	Q1 – 26	Q4 – 25	Q3 – 25	Q2 – 25	Q1 – 25	Q5 – 24	Q4 – 23
	\$	\$	\$	\$	\$	\$	\$	\$
Total revenue	1,097,691	1,115,611	1,073,140	2,491,164	2,396,151	1,489,038	1,313,252	1,997,366
Net income (loss) from continuing operations	(649,776)	(880,846)	(1,053,728)	1,695,198	(258,968)	(1,300,768)	(10,898,998)	(6,828,755)
Net income (loss)	(651,757)	(899,186)	(3,211,426)	1,779,865	(332,252)	(1,298,340)	(10,677,407)	(6,881,275)
Net income (loss) per share – basic	(0.02)	(0.03)	(0.15)	0.08	(0.03)	(0.09)	(0.78)	(0.51)
EBITDA	(427,901)	(608,215)	(2,411,655)	2,015,663	106,663	(954,378)	(11,765,046)	(6,248,566)
Adjusted EBITDA	(427,901)	(608,215)	(264,135)	(203,780)	262,289	(781,709)	1,815,643	(3,607,553)

Net income (loss) over the past 8 quarters were fluctuating significantly which is due to the timing of recognition of expense items, including share-based compensation expense, impairment losses on intangible assets, losses from business acquisitions, and unrealized losses on marketable securities. The net losses for Q2-2023 all the way up to Q5-2024 are due to the start-up costs associated with the new businesses acquired.

Net income reported for Q3-2025 is mainly due to the gain on settlement of liabilities of \$2,173,333 resulting in settlement of various loans and legal provisions.

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Net loss from continuing operations for Q4-2025 is mainly due to the impairment on property and equipment of \$831,396 related to leasehold improvements after terminating an office lease and impairment on intangible assets and goodwill of Imagine Health of \$1,236,615.

Segment information

Geographical information is summarized as follows:

	Canada \$	Korea \$	Total \$
For the six months ended September 30, 2025			
Revenue from external customers	1,346,763	866,539	2,213,302
Non-current assets	4,806,700	2,785	4,809,485
	Canada \$	Korea \$	Total \$
For the six months ended September 30, 2024			
Revenue from external customers	2,578,433	738,841	3,317,274
Non-current assets	9,304,658	252,626	9,557,284

Liquidity, Capital Resources, and Cash Flow

The Company has historically primarily financed its operations through the issuance of common shares and warrants, but operations were profitable in recent periods. Also, the management focused on improving sales and reducing operating costs. The consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

For the six months ended September 30, 2025, net cash used in operating activities from continuing operations was \$818,978 (2024: \$1,283,820), net cash provided by investing activities was \$18,548 (2024: \$41,666), and net cash provided in financing activities from continuing operations was \$698,649 (2024: \$1,414,221).

At September 30, 2025, the Company has an accumulated deficit of \$69,650,519 (March 31, 2025: \$68,099,576) and a working capital deficit of \$1,559,475 (March 31, 2025: deficit of \$92,907). On September 30, 2025, the Company had cash and cash equivalents of \$253,444 (March 31, 2025: \$368,107).

At September 30, 2025, the Company had current assets of \$3,667,561 (March 31, 2025: \$3,200,996), including cash of \$253,444, and current liabilities was approximately \$5,227,036. Management believes that it has sufficient cash to fund its planned operations for the next twelve months. As noted above, the Company's cash flows from financing activities increased significantly.

The acquisitions of Imagine Health is complete and started to add revenues and cash flows almost immediately without any significant additional capital expenditure. Also, Arbutus Health will add revenues and cash flows in the near future.

Related Party Transactions

a) **Accounts payable and accrued liabilities**

Included in accounts payable and accrued liabilities at September 30, 2025 was \$268,450 (March 31, 2025 - \$148,265) due to officers, directors and/or companies with certain officers and directors in common of the Company.

During the year ended March 31, 2025, the Company recognized a write-off of accounts payable in the total amount of \$291,338 related to certain balances outstanding to a company controlled by a director of the Company and a company with certain officers and directors in common with the Company.

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b) Trade receivables

Included in trade receivables at September 30, 2025 was \$1,388,038 (March 31, 2025 - \$1,488,038) due to a company with certain officers and directors in common of the Company.

During the year ended March 31, 2025, the Company recognized a write-off of trade receivables in the total amount of \$108,600 related to a balance outstanding to a company with certain officers and directors in common with the Company.

c) Loans payable

As at September 30, 2025, the Company has a loan payable to New World in an amount of \$15,800 (March 31, 2025 - \$15,800). The loan is unsecured, non-interest bearing and repayable on demand.

As at September 30, 2025, the Company has a loan payable to a company controlled by the CEO in the amount of \$168,847 (March 31, 2025 - \$Nil). The loan is unsecured, non-interest bearing and repayable on demand.

d) Compensation of key management personnel

Related parties include key management personnel and others considered to have significant influence or control over the Company's operations. The Company considers key management personnel to include members of the Board of Directors and executive officers of the Company. Compensation to key management personnel is listed below:

	Six months ended September 30, 2025		Six months ended September 30, 2024	
	Amount \$	Options vested	Amount \$	Options vested
Short term compensation	240,000	-	-	-
Services included in direct costs	-	-	302,000	-
Share based compensation	-	-	210,000	-
	<u>240,000</u>	<u>-</u>	<u>265,427</u>	<u>-</u>

Off Balance Sheet Arrangements

The Company has not entered into any off balance sheet arrangements, such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative financial obligations, or with respect to any obligations under a variable interest equity arrangement.

Contingency

A former employee of the Company filed a claim for wrongful dismissal seeking damages aggregating \$135,000. The Company filed a defence and counterclaim denying the claim and counterclaiming for certain losses incurred by the Company. The Company intends to defend the claim vigorously and the outcome of the claim cannot be reasonably estimated at this time.

Critical Accounting Estimates

Accrued liabilities, provisions and contingent consideration - Certain estimates and assumptions that have a significant risk of causing material adjustments to the carrying amount of assets and liabilities within the next fiscal year include accrued liabilities, provisions and contingent consideration. These estimates are based on management's assumptions, based on current circumstances, that management believes are a reasonable basis upon which to estimate the future liabilities.

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Specifically for provisions, that the amount of the estimate is reliable and that management has determined that there is an expectation that future outflows of assets will be necessary to cover the provided for amounts.

Fair value of intangible assets and goodwill - With respect to intangible assets acquired and goodwill recognized in a business combination, and at subsequent assessment dates, the Company determines fair values using such estimates such as discounts rates, growth rates and terminal growth rates. These estimates take into account any material change to the assumptions that occur when reviewed annually by management.

Risk Factors

The Company is exposed to a number of risks and uncertainties that are common to other companies engaged in the same or similar business. Material risks that could significantly affect the financial condition, operating results or business of the Company are discussed in the Company's annual MD&A for the year ended March 31, 2025. The risk factors applicable to the Company remain unchanged.

Other Information

Additional information regarding the Company is available on SEDAR+ at www.sedarplus.ca