

PharmaCorp Rx Inc.
Three and nine months ended September 30, 2025
Management's Discussion and Analysis

READER ADVISORY

The Management's Discussion and Analysis ("MD&A") for the three and nine months ended September 30, 2025, of the financial condition and results of operations of PharmaCorp Rx Inc. (the "Company" or "PharmaCorp") is prepared as at November 28, 2025. This discussion should be read in conjunction with the Company's unaudited Condensed Consolidated Interim Financial Statements for the three and nine-month period ended September 30, 2025, and notes thereto. Other information on the Company is available on SEDAR+ at [sedarplus.ca](https://www.sedarplus.ca).

This discussion should not be considered all-inclusive as it does not include all changes regarding general economic, political, governmental and environmental events. This MD&A contains certain statements that constitute forward-looking statements under the meaning of applicable securities laws. Please see "Forward-Looking Statement Advisory" for a discussion regarding the Company's use of such information.

This MD&A and the Condensed Consolidated Interim Financial Statements were reviewed by the Audit Committee of the Company's Board of Directors and approved by the Company's Board of Directors on November 28, 2025. All dollar figures are in thousands of Canadian dollars, except per share amounts or unless otherwise stated.

OVERVIEW OF BUSINESS

The Company was incorporated on September 1, 2021, by Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (Alberta).

PharmaCorp was initially classified as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange") effective September 1, 2021, until July 22, 2024, when it became a reporting issuer and legally changed its name to PharmaCorp Rx Inc.

The head office and registered office of the Company is located at Suite #203, 303 Wellman Lane, Saskatoon, Saskatchewan, S7T 0J1.

Pursuant to a final prospectus dated April 1, 2022, PharmaCorp completed an initial public offering ("IPO") of the Company's common shares ("Common Shares"). The IPO closed on May 16, 2022, with 20,000,000 Common Shares being issued at a price of \$0.10 per Common Share. The Company's Common Shares commenced trading on the Exchange on May 16, 2022, under the symbol PCR.X.V.

On April 20, 2023, PharmaCorp announced the signing of a Letter of Intent ("LOI") with PharmaChoice Canada Inc. ("PharmaChoice Canada"), a Canadian corporation, that operates in the pharmacy industry. The LOI contemplates terms and conditions subject to: (i) the negotiation and finalization of definitive agreements between the parties and (ii) the acquisition and operation by PharmaCorp of an independently owned PharmaChoice Canada brand pharmacy or pharmacies pursuant to the terms of the Definitive Agreements (as defined in the LOI), both of which together constitute the "Qualifying Transaction" of PharmaCorp pursuant to the policies of the Exchange. On August 31, 2023, definitive agreements in relation to a strategic alliance (the "Strategic Alliance Agreement") with PharmaChoice Canada were executed.

As a CPC, PharmaCorp's principal activities were focused on identifying and acquiring a private operating business to become its Qualifying Transaction, in order to become a reporting issuer. When PharmaCorp entered into the Strategic Alliance Agreement with PharmaChoice Canada, PharmaCorp's principal business activity were focused towards seeking to identify and evaluate assets or businesses in the pharmacy industry with a view to potentially acquire them or an interest therein by completing a purchase transaction, by exercising of a right-of-first-refusal option to purchase of PharmaChoice branded stores or by any concomitant transaction in the pharmacy market in Canada.

COMPANY DEVELOPMENTS

On May 16, 2022, the Company successfully completed its initial public offering ("IPO") of 20,000,000 common shares at a price of \$0.10 per common share for gross proceeds of \$2,000,000. Subject to terms of an agency agreement entered into in connection with the IPO, iA Private Wealth Inc. (the "Agent") received a cash commission of \$97,465, a work fee of \$10,500 (including tax), agent legal and broker fees of \$18,498 and 2,000,000 agents' warrants with a value of \$130,352. Each agent's warrant is exercisable to purchase an additional common share of the Company at a price of \$0.10 for a period of two years from close of the IPO. The total share issuance costs paid in cash related to this IPO was \$126,463. The Company is listed on the TSX-V under the trading symbol "PCR.X.V".

On April 20, 2023, PharmaCorp announced the signing of a Letter of Intent ("LOI") with PharmaChoice Canada Inc as discussed above.

On October 10, 2023, PharmaCorp engaged iA Private Wealth Inc. for a brokered public offering of up to 100,000,000 common shares in the capital of the Corporation at a price of \$0.40 per Common Share, for gross proceeds of up to \$40,000,000 (the "Offering"), with an over-allotment option of 15,000,000 or \$6,000,000. The Offering was being conducted in connection with the

Corporation's proposed "Qualifying Transaction" within the meaning of TSXV Policy 2.4 – Capital Pool Companies as previously announced.

On February 21, 2024, the Company announced that PharmaCorp had entered into a share purchase agreement dated February 14, 2024, with the shareholders of Saskatoon Family Pharmacy Ltd. ("SFP"), a PharmaChoice Canada branded pharmacy located and operating in Saskatoon, Saskatchewan, to purchase 75% of the outstanding shares of the pharmacy to form the Resulting Issuer. Upon completion of the Qualifying Transaction, the Resulting Issuer has continued the business of the pharmacy. The acquisition, together with the previously announced strategic alliance agreement with PharmaChoice Canada Inc., constitutes PharmaCorp's Qualifying transaction, as defined in Policy 2.4 – Capital Pool Companies of the policies of the TSX Venture Exchange.

On March 22, 2024, the Company issued a press release to announce that it had obtained a receipt for the preliminary long form prospectus filed with the securities regulatory authorities in each of the provinces of Canada other than Quebec. The prospectus contains important information regarding the proposed Qualifying Transaction. For further information on these press releases, please visit www.sedarplus.com.

On June 5, 2024, PharmaCorp completed its Qualifying Transaction with the acquisition of Saskatoon Family Pharmacy Ltd. and closed the first tranche of the Offering whereby the Company issued 51,994,146 common shares at a price of \$0.40 per share for gross proceeds of \$20,797,658.

On July 18, 2024, PharmaCorp closed the second and final tranche of the Offering whereby the Company issued 20,318,354 common shares at a price of \$0.40 per share for gross proceeds of \$8,127,342.

With the two tranches of Offering above, the Company issued a total of 72,312,500 common shares at a price of \$0.40 per share for total gross proceeds of \$28,925,000, before deducting the agent's fees and estimated offering expenses.

On May 1, 2025, PharmaCorp acquired a pre-1954 charter company in Ontario, Canada. The Corporation has purchased the charter for \$2,090,000.

On July 2, 2025, PharmaCorp announced that it has granted 827,603 options to purchase common shares to directors, officers, employees and consultants of the Corporation with an exercise price of \$0.48 and an expiry date of July 1, 2035.

On July 31, 2025, PharmaCorp announced that it has voluntarily filed an Annual Information Form ("AIF") for the year ended December 31, 2024.

On August 7, 2025, PharmaCorp announced that it has purchased a 100% interest in a pharmacy located in Western Canada. The aggregate purchase price for the 100% interest is \$2,400,000 and will be funded from cash.

On August 13, 2025, PharmCorp announced that it has entered into a credit agreement with Canadian Imperial Bank of Commerce ("CIBC") providing the Corporation with up to \$20,500,000 of committed credit facilities (the "Credit Facilities"), plus a \$10,000,000 accordion feature and a \$1,000,000 Visa credit facility. The Credit Facilities will support PharmaCorp's acquisition strategy and the expansion of its acquisition and operating platforms. In conjunction with the above Credit Facilities, CIBC is also supporting PharmaCorp's Pharmacist Co-Ownership Program through a separate \$5,000,000 credit facility which makes loans available to pharmacists wishing to acquire an ownership position in the PharmaCorp pharmacy where they work.

On October 2, 2025, PharmaCorp announced that it has purchased a 100% interest in two pharmacies located in Western Canada, one of which includes the associated land and building. The aggregate purchase price for the 100% interest is \$3,400,000 and will be funded from cash and shares.

On October 2, 2025, PharmaCorp announced that it has purchased a 100% interest in a pharmacy located in Eastern Canada. The aggregate purchase price for the 100% interest is \$5,300,000 and will be funded from cash and available funds under the Corporation's credit facility.

On October 17, 2025, Pharmacorp announced that it has filed its Final Short Form Base Shelf Prospectus. The Prospectus allows the Corporation to qualify the distribution by way of prospectus in Canada of up to \$100 million of common shares, preferred shares, warrants, debt securities, subscription receipts, units, or any combination thereof, during the 25-month period that the Prospectus is effective.

ACQUISITIONS

(i) Acquisition of Saskatoon Family Pharmacy Ltd.

On June 5, 2024, PharmaCorp acquired a 75% interest in the issued and outstanding common shares of Saskatoon Family Pharmacy Ltd. ("SFP"). The aggregate purchase price of \$1,139,613 for the 75% interest, paid in cash and shares.

Non-controlling interests were calculated at \$158,725 based on their proportionate interest in the recognized amounts of the assets and liabilities of SFP.

(ii) Acquisition of Western Canada #1

On August 30, 2024, PharmaCorp acquired a 90% interest in a pharmacy located in Western Canada. The aggregate purchase price of \$2,320,676 for the 90% interest, paid in cash.

Non-controlling interests were calculated at \$101,868 based on their proportionate interest in the recognized amounts of the assets and liabilities of the Acquired Pharmacy.

(iii) Acquisition of Atlantic Canada #1.

On October 1, 2024, PharmaCorp acquired a 100% interest in a pharmacy and real estate located in Atlantic Canada. The aggregate purchase price of \$16,396,027 for a 100% interest, paid in cash and shares.

(iv) Acquisition of Western Canada #2.

On July 31, 2025, PharmaCorp acquired a 100% interest in a pharmacy and real estate located in Western Canada. The aggregate purchase price of \$2,935,869 for a 100% interest, paid in cash and shares.

SELECTED FINANCIAL INFORMATION & SUMMARY OF QUARTERLY RESULTS

	Three months ended September 30, 2025	Three months ended June 30, 2025	Three months ended March 31, 2025	Three months ended December 31, 2024
Financial Results				
Sales	\$ 4,802,259	\$ 4,395,710	\$ 4,006,957	\$ 4,399,075
Cost of sales	2,843,299	2,647,265	2,382,942	2,728,800
Gross profit	1,958,960	1,748,445	1,624,015	1,670,275
Operating expenses				
Depreciation	222,331	188,639	187,459	191,562
General and Administrative	397,577	416,638	308,071	347,279
Share-based payment expense	205,068	-	-	(448,231)
Professional fees	504,419	304,448	71,689	353,581
Interest on long term debt	9,408	5,352	5,565	5,949
Salaries, wages and benefits	1,128,381	1,169,401	828,630	867,916
Net income (loss) from operations	(508,223)	(336,033)	222,601	352,219
Other income (expense)				
Interest expense	(10,395)	(7,893)	(8,141)	(8,447)
Rental Income	32,857	32,743	32,400	31,200
Other Income	1,500	-	10,841	49,732
Interest income	56,182	83,415	104,328	191,499
Net income (loss) before income taxes	\$ (428,079)	\$ (227,768)	\$ 362,029	\$ 616,203
Net income (loss) for the period	\$ (409,177)	\$ (385,725)	\$ 254,299	\$ 723,234

	Three months ended September 30, 2024	Three months ended June 30, 2024	Three months ended March 31, 2024	Three months ended December 31, 2023
Financial Results				
Sales	\$ 1,104,423	\$ 291,416	\$ -	\$ -
Cost of sales	688,999	192,752	-	-
Gross profit	<u>415,424</u>	<u>98,664</u>	<u>-</u>	<u>-</u>
Operating expenses				
Depreciation	75,883	22,428	-	-
General and Administrative	105,357	62,649	223	157
Share-based payment expense	731,385	-	-	-
Professional fees	254,188	533,889	225,866	242,194
Interest on long term debt	6,223	2,088	-	-
Salaries, wages and benefits	<u>364,034</u>	<u>84,685</u>	<u>-</u>	<u>-</u>
Loss from operations	<u>(1,121,646)</u>	<u>(607,075)</u>	<u>(226,089)</u>	<u>(242,351)</u>
Other income (expense)				
Interest expense	(7,430)	(2,297)	-	-
Rental Income	1,200	-	-	-
Other Income	-	-	-	-
Interest income	<u>151,083</u>	<u>15,047</u>	<u>23,620</u>	<u>26,159</u>
Net loss before income taxes	<u>\$ (976,793)</u>	<u>\$ (594,325)</u>	<u>\$ (202,469)</u>	<u>\$ (216,192)</u>
Net loss for the period	<u>\$ (977,621)</u>	<u>\$ (594,076)</u>	<u>\$ (202,469)</u>	<u>\$ (216,192)</u>

Sales

For the three and nine months ended September 30, 2025, the Company's sales were \$4,802,259 and \$13,204,926 respectively (2024: \$1,104,423 and \$1,395,839 respectively), relating to the operations of 4 pharmacies. This consists of sales from prescription medication, over-the-counter medication, and general merchandise.

Cost of Sales

For the three and nine months ended September 30, 2025, the Company's cost of sales were \$2,843,299 and \$7,873,505 respectively (2024: \$688,999 and \$881,751 respectively), relating to the operations of 4 pharmacies. Cost of sales, as a percentage of sales, was 59% and 60% for the three and nine months ending September 30, 2025, corresponding to cost of materials.

Gross Profit

For the three and nine months ended September 30, 2025, the Company's gross profit was \$1,958,960 and \$5,331,421 respectively (2024: \$415,424 and \$514,088 respectively), with margins of 41% and 40%, relating to the operations of 4 pharmacies.

Depreciation

For the three and nine months ended September 30, 2025, the Company's depreciation expense was \$222,331 and \$598,429 respectively (2024: \$75,883 and \$98,311 respectively), relating to intangible assets, right-of-use assets, and fixed assets acquired on acquisitions.

General and Administrative

For the three and nine months ended September 30, 2025, the Company's general and administration was \$397,577 and \$1,122,287 respectively (2024: \$105,357 and \$168,229 respectively), related to operations of 4 pharmacies which include IT upgrades.

Share-based Payment Expense

For the three and nine months ended September 30, 2025, the Company's share-based payment expense was \$205,068 (2024: \$731,385), estimated using the Black-Scholes method.

Professional Fees

For the three and nine months ended September 30, 2025, the Company's professional fees were \$504,419 and \$880,556 respectively (2024: \$254,188 and \$1,013,944 respectively), primarily due to legal fees related to the acquisition of entities.

Interest on long-term debt

For the three and nine months ended September 30, 2025, the Company's interest on long-term debt expense was \$9,408 and \$20,325 respectively (2024: \$6,223 and \$8,311 respectively), relating to debt acquired.

Salaries, wages and benefits

For the three and nine months ended September 30, 2025, the Company's salaries, wages and benefits expense was \$1,128,381 and \$3,126,413 respectively (2024: \$364,034 and \$448,719 respectively), relating to the operations of 4 pharmacies and corporate office.

Interest expense on lease liabilities

For the three and nine months ended September 30, 2025, the Company's interest expense was \$10,395 and \$26,429 respectively (2024: \$7,430 and \$9,727 respectively), relating to the accretion of the lease liabilities acquired.

Interest income

For the three and nine months ended September 30, 2025, interest income was \$56,182 and \$243,925 respectively (2024: \$151,083 and \$189,749 respectively), for interest earned on the cash balance.

SUMMARY OF QUARTERLY RESULTS

The following table highlights revenue, expenses, net income (loss) and earnings (loss) per share for the twenty-four most recently completed months, and quarters ended September 30, 2025, June 30, 2025, March 31, 2025, December 31, 2024, September 30, 2024, June 30, 2024, March 31, 2024, and December 31, 2023.

	Three months ended September 30, 2025	Three months ended June 30, 2025	Three months ended March 31, 2025	Three months ended December 31, 2024
Revenue	\$ 4,892,798	\$ 4,511,868	\$ 4,154,526	\$ 4,671,506
Expenses	5,320,877	4,739,635	3,792,498	4,055,054
Net income (loss) for the period	(428,079)	(227,767)	362,028	616,452
Earnings/(Loss) per share basic & diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ 0.01

	Three months ended September 30, 2024	Three months ended June 30, 2024	Three months ended March 31, 2024	Three months ended December 31, 2023
Revenue	\$ 1,256,706	\$ 306,463	\$ 23,620	\$ 26,159
Expenses	2,233,499	900,539	226,089	242,351
Net loss for the period	(976,793)	(594,076)	(202,469)	(216,192)
Loss per share basic & diluted	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.00)

CASH FLOWS

	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Cash flow from (used) in:		
Operating activities	\$ 492,967	\$ (989,593)
Investing activities	(11,337,144)	(2,010,791)
Financing activities	2,982,422	27,435,211
Net increase (decrease) in cash	(7,861,755)	24,434,827
Cash, beginning of period	12,886,556	2,241,761
Cash, end of period	\$ 5,024,801	\$ 26,676,588

Operating activities

During the nine months ended September 30, 2025, cash used in operating activities was \$492,967 compared to \$989,593 used for the nine months ended September 30, 2024. The change in cash flow provided by operating activities year over year was due to changes in non-cash working capital items and pharmacy operations.

Investing activities

During the nine months ended September 30, 2025, cash used in investing activities was \$11,337,144 compared to \$2,010,791 in the nine months ended September 30, 2024. The change in cash flow used by investing activities year over year was due to the purchase of the charter, acquiring Western Canada #2, Eastern Canada #1, as well as finalizing Atlantic #1 NAV calculation.

Financing activities

During the nine months ended September 30, 2025, cash provided by financing activities was \$2,982,422 compared to cash provided by financing activities of \$27,435,211 for the nine months ended September 30, 2024. The change in cash flow used by financing activities year over year was due to lease payments, repayment of long-term debt, and a draw down on our credit facility in 2025 compared to the funds received during the Offering in 2024.

SHARE CAPITAL

[a] Authorized

The Company is authorized to issue the following:

- Unlimited number of common shares of the Company (“**Common Shares**”) without nominal or par value.
- Unlimited number of voting preferred shares without par value.

[b] Issued

At December 31, 2024, the Company had 117,295,525 Common Shares issued and outstanding. 20,000,000 common shares were held in escrow until completion of the Qualifying Transaction. 25% of these escrowed Common Shares have been released on the issuance of the final exchange bulletin and an additional 25% will be released on the dates 6 months, 12 months and 18 months following the initial release.

[c] Stock Options

The Company has a stock option plan that provides for the issuance of options to eligible persons. On May 16, 2022, the Company granted 4,000,000 options to directors and officers. The option price under each option granted must be no less than the discount market price as defined by the Exchange. The term of the options are 10 years, and the directors determine the vesting period.

On July 18, 2024, the Company granted 3,850,000 options to directors and officers.

On December 18, 2024, the Company granted 15,000 options to directors, officers, and contractors.

On July 1, 2025, the Company granted 754,166 options to directors and officers.

The option price under each option granted must be no less than the discount market price as defined by the Exchange. The term of the options are 10 years, and the directors determine the vesting period.

The maximum number of outstanding options must be no more than 10% of the issued and outstanding shares at any point in time. Any Common Shares acquired pursuant to the exercise of options prior to the completion of a Qualifying Transaction must be deposited in escrow and will be subject to escrow until a final exchange bulletin is issued. See SEDAR+ filings for further information on stock options.

[d] Warrants

As at September 30, 2025, there are no warrants outstanding.

SEGMENTED RESULTS

A segment is a component of the Company for which separate discrete financial information is available for evaluation by the chief operating decision makers of the Company. As at September 30, 2025, the Company operates two operating segments which pertain to its 'non-wholly' and 'wholly' owned pharmacies.

We are looking to introduce the concept of comparable ("comp") vs. non-comparable ("non-comp") stores. A store becomes a comp store after 13 months of ownership, once we are lapping a full year of results under our management.

Our third store, acquired in October 2024, is not yet a comp store under this definition but has been included in the comp figures for this quarter to maintain consistency with the presentation of our Q1 and Q2 2025 results. This store forms part of the initial group of three legacy acquisitions completed between June and October 2024.

On a go-forward basis, the comp store group will include only those locations owned and operated by PharmaCorp for at least 13 months and will form the basis for same-store sales and prescription count growth metrics.

Same-store sales, a supplementary financial measure, were 9.4% in Q3 2025, reflecting continued organic growth across our pharmacy network. Prescription volumes continue to grow, with comp store script growth at 7.2% in Q3 2025, demonstrating sustained patient engagement and activity across the network.

While the 'corporate' financial information is disclosed separately in the table below, it does not represent an operating segment. Instead, it is provided to facilitate reconciliation of the financial information related to the 'non-wholly' and 'wholly' owned pharmacies with the Company's total financial information.

	Nine months ended		Change	
	September 30, 2025	September 30, 2024	\$	%
Sales				
Non-wholly owned pharmacies	\$ 4,721,473	\$ 1,395,839	\$ 3,325,634	238%
Wholly owned pharmacies	8,483,453	-	8,483,453	100%
Total	13,204,926	1,395,839	11,809,087	846%
Cost of sales				
Non-wholly owned pharmacies	2,823,250	881,751	1,941,499	220%
Wholly owned pharmacies	5,050,255	-	5,050,255	100%
Total	7,873,505	881,751	6,991,754	793%
Gross profit				
Non-wholly owned pharmacies	1,898,223	514,088	1,384,135	269%
Wholly owned pharmacies	3,433,198	-	3,433,198	100%
Total	5,331,421	514,088	4,817,333	937%
Operating expenses				
Non-wholly owned pharmacies	1,648,342	462,426	1,185,916	256%
Wholly owned pharmacies	2,300,002	-	2,300,002	100%
Corporate	2,004,735	2,006,473	(1,738)	0%
Total	5,953,079	2,468,899	3,484,180	141%
Gain(Loss) from operations				
Non-wholly owned pharmacies	249,881	51,662	198,219	384%
Wholly owned pharmacies	1,133,197	-	1,133,197	100%
Corporate	(2,004,735)	(2,006,473)	1,738	0%
Total	(621,657)	(1,954,811)	1,333,154	-68%

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2025, the Company had cash of \$5,024,801 (September 30, 2024 - \$26,676,588) and working capital of \$5,118,448 (September 30, 2024 - \$26,652,657). The Company's cash was primarily derived from the issuance of 72,312,500 Common Shares for gross proceeds of \$28,925,000, less amounts paid for costs relating to the closing of its first and second tranches of the Offering.

CAPITAL MANAGEMENT

The Company's capital consists of share capital. The Company's objective for managing capital is to maintain sufficient capital to identify, evaluate and complete an acquisition or other transaction.

The Company sets the amount of capital in relation to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets.

The Company's objectives when managing capital are:

- i. to maintain a flexible capital structure, which optimizes the cost of capital at acceptable risk; and,
- ii. to maintain investor, creditor and market confidence in order to complete future acquisitions and sustain the future development of the business.

The Company is not subject to any externally or internally imposed capital requirements at period-end apart from the requirements of the Exchange.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Company, as part of its operations, carries financial instruments consisting of cash, accounts receivable, accounts payable and accruals, lease liabilities and long-term debt. It is management's opinion that the Company is not exposed to significant credit, interest, or currency risks arising from these financial instruments except as otherwise disclosed.

Fair values measurement

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument. The three levels are defined based on the observability of significant inputs to the measurement, 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 or indirectly; and
- Level 3: unobservable inputs for the asset or liability.

The Company's financial instruments include cash, accounts receivable, accounts payable and accruals, lease liabilities, credit facility and long-term debt. All financial assets and liabilities of the Company are carried at amortized cost which approximates fair value due to their short-term nature.

Market risk

Market risk is the risk that changes in market prices – e.g., foreign exchange rates, interest rates and commodity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

i) Foreign exchange rates

The Company does not have assets or liabilities in a foreign currency and therefore is not exposed to foreign currency risk.

ii) Interest rate risk

The debt carries fixed rate of interest therefore there is no interest rate risk on this loan.

iii) Commodity risk

The Company is not exposed to commodity risk.

Credit risk

Credit risk is the risk that the Company's counterparties will fail to meet their financial obligations to the Company, causing a financial loss. Accounts receivable are primarily generated by the Company's subsidiaries, which arise with respect to prescription sales billed to insurance companies and third-party drug plans and, as a result, collection risk is low. There is no concentration of balances with debtors in the remaining accounts receivable. The Company does not consider its credit risk to be material. The Company does not record an expected credit loss ("ECL") as there have been no historical issues with collections.

The table below provides an analysis of the age of accounts receivable from invoice date, which are not considered impaired.

	September 30, 2025	December 31, 2024
0-30 days	\$ 653,965	\$ 30,348
31-60 days	33,785	290,294
Greater than 61 days	98,178	6,141
Gross receivables	785,928	326,783
Less allowance for expected credit losses	-	-
	<u>\$ 785,928</u>	<u>\$ 326,783</u>

Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its obligations relating to its financial liabilities. The Company's accounts payable and accrued liabilities are due in 30 days. Most of the liabilities noted below were assumed in the acquisition of pharmacies. The Company is obligated to the following contractual maturities of undiscounted cash flows as at September 30, 2025:

September 30, 2025	Less than 1 year	1 year to 3 years	3 years to 5 years	Greater than 5 years	Total
Accounts payable and accruals	\$ 2,840,588	\$ -	\$ -	\$ -	\$ 2,840,588
Long-term debt (undiscounted)	22,338	177,004	171,829	16,578	387,749
Credit facility	316,279	632,558	632,558	1,581,395	3,162,790
Lease (undiscounted)	132,246	276,077	277,732	308,637	994,692
Total	<u>\$ 3,311,451</u>	<u>\$ 1,085,639</u>	<u>\$ 1,082,119</u>	<u>\$ 1,906,610</u>	<u>\$ 7,385,819</u>

Other risk factors

Planned operations will expose the Company to a variety of financial risks that arise as a result of its operating and financing activities:

Retail Pharmacy Industry is Highly Competitive - Pharmacy retail businesses compete with other drugstore chains, supermarkets, online and other discount retailers, independent pharmacies, membership clubs, convenience stores and mass merchants. Many of the Company's competitors will have longer operating histories, larger customer bases, greater experience and more extensive commercial relationships, and greater financial, technical, marketing and other resources than the Company. The Company will also face competition from other retail health care clinics, as well as other mail order pharmacies.

Retail Pharmacy Industry is Highly Regulated - Pharmacies in Canada are subject to numerous federal and provincial governmental regulations and licensing requirements and the Company will operate in an environment in which regulation and government funding via pharmacare plans can and may continue to play a key role. Non-compliance with any existing or proposed laws or regulations, particularly those that provide for the licensing and conduct of pharmacies, the licensing and conduct of pharmacists, the regulation, ownership and operation of pharmacies, the advertising of pharmacies and prescription services, the provision of information concerning prescription drugs, the distribution, pricing and sale of prescription drugs, privacy matters and restrictions or prohibitions on manufacturer allowance funding, could result in civil or regulatory proceedings, fines, penalties, injunctions, recalls or seizures, any of which may impact the Company's results of operations or financial position.

Supply Chain Issues - The loss or disruption of supply arrangements for any reason, including for issues such health epidemics or pandemics, labor disputes, loss or impairment of key manufacturing sites, inability to procure sufficient raw materials, quality control issues, ethical sourcing issues, a supplier's financial distress, natural disasters, civil unrest or acts of war or terrorism, trade sanctions or other external factors, could interrupt product supply.

Product Liability Claims and Recalls - Pharmacy retail businesses could be adversely impacted by the supply of defective or expired products, including the infiltration of counterfeit products into the supply chain, errors in re-labeling of products, product tampering, product recall and contamination or product mishandling issues. Furthermore, a disruption in business operations could occur as a result of contamination of drugs, a failure to maintain necessary shipment and storage conditions, errors in mail order processing, the unavailability of prescription drugs provided by suppliers, labor disruptions or other unanticipated disruptions, among other factors. Such disruption could reduce the Company's ability to process and dispense prescriptions and provide products and services to customers.

Changes in Reimbursement Programs, Prescription Drug Pricing and Commercial Terms - The Company will be reliant on prescription drug sales for a substantial portion of its sales and profits. Prescription drugs and their sales are subject to numerous federal,

provincial, territorial and local laws and regulations. Changes to these laws and regulations, or non-compliance with these laws and regulations, could have a material adverse impact on the Company's business, sales and profitability.

Scaling the sales and marketing team – The Company's ability to achieve significant growth in future revenue will largely depend upon the effectiveness of its sales and marketing efforts. The Company has invested and intends to continue to invest in expanding its sales force but there is no assurance that the intended expansion will occur or will be successful.

Key Employees - The success of the Company is largely dependent on the performance of its key employees and directors. The failure to retain key employees and directors and to attract and retain additional key employees with the necessary skills could have a material adverse impact upon the Company's growth and profitability. There can be no assurance that the Company will be successful in attracting and retaining such personnel and the departure of any of the members of the Company's executive team or key directors could have a material adverse effect on the Company's business, results of operations and financial condition.

Profitability and Growth - There can be no assurance that the Company's business and growth strategy will be successful. The Company's future operating results will depend on a number of factors, including; marketing, contracts with third parties, third party licenses, customer service and response to changing markets. There can be no assurance that the Company will be able to effectively manage its growth, and any failure to do so could have a material adverse effect on the Company's business, financial condition, liquidity and operations.

Third Party Licenses – The Company relies on licenses from third parties. There can be no assurance that these third-party licenses will continue to be available to the Company on commercially reasonable terms. The loss of, or inability to maintain, any of these licenses, may result in delays or reductions in products, which could materially adversely affect the Company's business, results of operations and financial condition.

Recent imposition of tariffs by the United States government and retaliatory tariffs by the Canadian government are expected to create volatility in the Canadian economy, including higher future costs for importing goods, potentially contributing to higher inflation if increased costs are passed to Canadian consumers. The timing and duration of increased tariffs create financial uncertainty for Canadian companies, and may lead to potential job losses, reduced economic activity, and weakening confidence in the future, and could disrupt supplier relationships and the supply chain, and this may increase the volatility in the Company's operational results.

OFF-BALANCE SHEET ARRANGMENTS

The Company does not have any off-balance sheet financing arrangements.

TRANSACTIONS BETWEEN RELATED PARTIES

During the three and nine months ended September 30, 2025, the Company received \$359,071 and \$924,397 respectively from PharmaChoice (September 30, 2024 - \$nil and \$104,137 respectively respectively) which includes rebates and reimbursements, less membership fees and other expenses.

The amounts owed by the Company to related parties as at September 30, 2025 is \$nil (September 30, 2024 - \$nil).

During the three and nine months ended September 30, 2025, the Company incurred director and committee fees of \$28,500 (September 30, 2024 - \$7,250).

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of these condensed interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the interim consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The impacts of such estimates are pervasive throughout these condensed interim consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Note 2 and 3 to the Company's interim financial statements as at September 30, 2025 contains a description of the accounting policies, judgements, estimates and assumptions that are considered significant.

SUBSEQUENT EVENTS

On October 2, 2025, PharmaCorp announced that it has purchased a 100% interest in two pharmacies located in Western Canada, one of which includes the associated land and building. The aggregate purchase price for the 100% interest is \$3,400,000 and will be funded from cash and shares.

On October 2, 2025, PharmaCorp announced that it has purchased a 100% interest in a pharmacy located in Eastern Canada. The aggregate purchase price for the 100% interest is \$5,300,000 and will be funded from cash and available funds under the Corporation's credit facility. As at September 30, 2025, a deposit of \$5,035,030 was deposited in trust ahead of the closing for this acquisition.

On November 13, 2025 PharmaCorp announced that it has closed its previously announced bought deal public offering co-led by Canaccord Genuity Corp. and Acumen Capital Finance Partners Limited, and including Raymond James Ltd., iA Private Wealth Inc., and Bloom Burton Securities Inc. (the "Underwriters") pursuant to which the Underwriters purchased, on a bought deal basis, 54,855,000 units (the "Units") in the capital of the Company at a price of C\$0.42 per Unit (the "Offering Price") for aggregate gross proceeds to the Company of approximately C\$23.0 million, which includes the full exercise of the over-allotment option (the "Offering").

ADDITIONAL INFORMATION

Additional information relating to the Company is available on the SEDAR+ website www.sedarplus.ca

Forward Looking Statement Advisory

This MD&A contains certain forward looking statements and forward looking information (collectively referred to herein as "forward looking statements") within the meaning of applicable Canadian securities laws. All statements other than statements of present or historical fact are forward looking statements. Forward looking information is often, but not always, identified by the use of words such as "could", "should", "can", "anticipate", "expect", "believe", "will", "may", "projected", "sustain", "continues", "strategy", "potential", "projects", "grow", "take advantage", "estimate", "well positioned" or similar words suggesting future outcomes. In particular, this MD&A may contain forward looking statements relating to future opportunities and business strategies.

The forward looking statements regarding the Company are based on certain key expectations and assumptions of the Company concerning anticipated financial performance, business prospects and strategies. Although management of the Company consider these assumptions to be reasonable based on information currently available to them, they may prove to be incorrect.

By their very nature, forward looking statements involve inherent risks and uncertainties (both general and specific) and risks that forward looking statements will not be achieved. Undue reliance should not be placed on forward looking statements, as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations and anticipations, estimates and intentions expressed in the forward looking statements, including among other things: general economic and market factors, including business competition, changes in government regulations or in tax laws; as well as those factors detailed from time to time in the Company's interim and annual financial statements and management's discussion and analysis of those statements. Readers are cautioned that the foregoing list is not exhaustive.

The forward looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward looking statements included in this MD&A are made as of the date of this MD&A and the Company does not undertake and is not obligated to publicly update such forward looking statements to reflect new information, subsequent events or otherwise unless so required by applicable securities laws.