

Delivra Health Brands Inc.

Management's Discussion and Analysis

For the year ended June 30, 2026

INTRODUCTION

This Management's Discussion and Analysis ("**MD&A**") should be read in conjunction with the audited consolidated financial statements and related notes thereto of Delivra Health Brands Inc. ("**Delivra Health**" or "**us**" or "**we**" or "**our**" or the "**Company**") for the year ended June 30, 2026 (the "**Annual Financial Statements**"), which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). All amounts are expressed in thousands of Canadian dollars, except for share and per share amounts, unless otherwise stated. This MD&A has been prepared as of October 28, 2026 and includes certain statements that may be deemed "forward-looking statements". Additional information relating to the Company is available under the Company's profile at www.sedarplus.ca.

FORWARD LOOKING STATEMENTS

Certain statements contained in this MD&A constitute forward-looking statements and forward-looking information (collectively, "**Forward-Looking Statements**") and the Company cautions investors about important factors that could cause the Company's actual results to differ materially from those expressed, implied or projected in any Forward-Looking Statements included in this MD&A. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "will likely result", "are expected to", "expects", "will continue", "is anticipated", "anticipates", "may", "could", "believes", "estimates", "intends", "plans", "forecast", "projection" and "outlook") are not historical facts and may be Forward-Looking Statements that involve projections, estimates, assumptions, known and unknown risks and uncertainties which could cause actual results or outcomes to differ materially from those expressed in such Forward-Looking Statements or otherwise be materially inaccurate. No assurance can be given that these expectations or assumptions will prove to be correct and such Forward-Looking Statements included in this MD&A should not be unduly relied upon. These Forward-Looking Statements speak only to management's beliefs and expectations as of the date of this MD&A and will be updated only as required by applicable securities laws. Accordingly, any such statements are qualified in their entirety by reference to the information discussed throughout this MD&A.

Certain of the Forward-Looking Statements contained within this MD&A are based on third-party information from publicly available government sources, market research and industry analysis. While the Company is not aware of any misstatement regarding any industry or government data presented herein, we have not independently verified any such third-party information.

The Company's Forward-Looking Statements are expressly qualified in their entirety by this cautionary statement. In particular, but without limiting the foregoing, disclosure in this MD&A under the heading "Business Overview", as well as statements regarding the Company's objectives, plans, goals, future operating results, and economic performance may make reference to or involve Forward-Looking Statements. See the discussion under the heading "Risks and Uncertainties" in this MD&A for further details.

The Company cautions that the list and description of the Forward-Looking Statements, risks, assumptions and uncertainties set out above is not exhaustive.

OUR GLOBAL FOOTPRINT



BUSINESS OVERVIEW

Delivra Health is a leading global health and wellness company that is also uniquely positioned in the infused cannabis space. Delivra Health has positioned itself to provide products that help with pain, sleep, anxiety, and performance through its acquired brands LivRelief™ and Dream Water®. The Company has significant national and international penetration in the over-the-counter ("**OTC**") markets. The Company is based in British Columbia, Canada and its common shares (the "**Common Shares**") are listed on the TSX Venture Exchange ("**TSXV**") under the symbol "DHB" and on the OTCQB® Venture Market operated by OTC Market Group under the symbol "DHBUF".

Delivra Health operates a portfolio of brands under its Consumer Division consisting of Dream Products Inc. and its associated subsidiaries (collectively, "**Dream Water®"**), and Delivra Corp. (LivRelief™) and its associated subsidiaries (collectively, "**Delivra**"). A strategic component of Delivra Health's business model is to acquire established health and wellness OTC brands such as Dream Water® and LivRelief™, expand distribution, innovate with intellectual properties, and provide products that are infused with cannabis in regulated markets, capturing more consumers in both the OTC market as well as the infused cannabis market. Delivra Health leverages its established distribution network to further grow its business and uses its product development capabilities to create expanded infused versions of the established OTC brands. Dream Water® and LivRelief™ can be found in major retailers and distributors such as Shoppers Drug Mart, Walmart, Loblaws, Sobeys, Rexall, 7-Eleven, Circle K, Amazon, Casey's, KeHE, Publix, Hudson News and Wegmans amongst others. Delivra Health cannabis-infused licensed products under the LivRelief™ brand can be found in the regulated Canadian market at certain provincial dispensaries.

Our Brands



Dream Water®

Dream Water® is a consumer goods brand that provides non-habit-forming sleep solution in convenient formats to suit various consumer needs. Developed as an alternative to traditional antihistamine-based over-the-counter and prescription sleep solution, Dream Water® products are designed for ease of use and feature the Dream Water®'s proprietary SleepStat™ blend, a combination of melatonin, gamma-aminobutyric acid (GABA), and 5-hydroxytryptophan (5-HTP), ingredients widely recognized for promoting effective sleep and relaxation.

The product range includes 74ml (2.5oz) liquid sleep shots, gummies, and powder. The liquid sleep shots are available in three formulations: Original, Immunity (with Vitamin D and Zinc), and Beauty (with Biotin). Dream Water® Sleep Gummies are offered in 60-count jars and 6-count travel pouches, and 60-count jars and 10-count travel pouches for Dream Water Kids Sleep Gummies. The sleep powders come in 10, 30 and 60-count packages.

Dream Water® Original Sleep Shots are certified by the National Sanitation Foundation (NSF), an independent organization that ensures products meet rigorous health, safety, and quality standards. This certification allows the brand to sell its products to professional athletes and sports teams that undergo drug testing, confirming that the ingredients and manufacturing processes meet the highest industry standards.

Delivra

Delivra is a consumer goods company that has a proprietary transdermal delivery system platform that can shuttle pharmaceutical and natural molecules through the skin in a targeted manner. Delivra manufactures and sells a growing line of topical creams with the proprietary transdermal delivery system platform under the LivRelief™ brand for conditions such as joint and muscle pain, nerve pain, varicose veins, and wound healing creams. In parallel with its consumer products business, Delivra also has a mandate to license its patent-pending, proprietary transdermal delivery technology platform to pharmaceutical companies globally for the repurposing of pharmaceutical molecules transdermally to treat a broad range of conditions, along with licensing its OTC products globally.

In March 2020, LivRelief™ Infused launched cannabidol ("**CBD**") and tetrahydrocannabinol ("**THC**")-infused topical formulations through licensing agreements under the new Cannabis 2.0 regulations. LivRelief™ Infused topical products were one of the first topicals to enter the Canadian market under the new Cannabis 2.0 legislation and have already firmly established themselves as key products in the category.



Global Distribution



KEY FINANCIAL RESULTS

Select Financial Information	For the year ended June 30 2026 $	For the year ended June 30 2025 $	For the year ended June 30 2024 $
Net revenue	**8,629**	13,370	12,378
Gross profit	**3,335**	6,778	6,399
Expenses	**5,393**	7,619	7,109
Loss from operations	**(2,058)**	(841)	(710)
Net profit (loss) attributable to common shareholders	**(2,254)**	(1,190)	876
Net profit (loss) per share – basic and diluted	**(0.07)**	(0.04)	0.03
Weighted average number of Common Shares - basic	**31,261,781**	31,261,781	28,565,895
Adjusted EBITDA[(1)]	**(1,845)**	643	871
Current assets	**6,928**	9,578	8,757
Current liabilities	**2,647**	3,561	3,073

(1) Defined as profit or (loss) from operations before interest, taxes, depreciation and amortization and adjusted for share-based compensation, common shares issued for services, asset impairment and write-downs, discontinued operations and other non-cash items, and is a non-IFRS measure discussed in the "Adjusted EBITDA" section.

Select Statements of Financial Position Information	June 30 2026 $	June 30 2025 $
Cash	**2,853**	3,302
Non-current assets	**-**	27
Total assets	**6,928**	9,605
Current liabilities	**2,647**	3,561
Non-current liabilities	**2,057**	1,805
Equity	**2,224**	4,239

SIGNIFICANT AND RECENT DEVELOPMENTS

The following significant developments relating to the Company took place during the year ended June 30, 2026 and to the date of this MD&A:

On July 2, 2026, the Company launched its new Itch Relief Cream in the Canadian market. The LivRelief™ Itch Relief Cream is available to Company distributors, retailers and e-commerce channels as of July 2026.

On April 22, 2026, the Company announced that its wholly-owned subsidiary, LivCorp Inc., had entered into a licence agreement with Peak Processing Solutions, to manufacture, distribute and sell infused LivRelief™ branded topicals in Canada. The term of the Licence Agreement with Peak is five (5) years, renewing automatically thereafter for three (3) further terms of three (3) years each.

On March 19, 2026, the Company announced that its Dream Water® brand is launching its new Dream Water Kids Sleep Gummies in the USA market. Dream Water Kids Sleep Gummies became available to Company distributors, retailers and e commerce channels in June 2026.

On January 30, 2026, the Company announced the appointment of John Barrett as a director of the board of directors (the "**Board**") of the Company.

On August 7, 2025, the Company announced the launch of its new convenient 6-Count Sleep Gummies in key Middle Eastern markets in collaboration with its distribution partner in Saudi Arabia. This expansion has focused on the Gulf Cooperation Council (GCC) region, a historical high-growth market for wellness and sleep-support products.

OUTLOOK

Management expects sales volumes to improve through fiscal 2027 given the possible de-escalation in the geopolitical landscape and shipments are expected to resume from the USA to international partners. Management expects Adjusted EBITDA[1] to improve through fiscal 2027, supported by the Company's historical growth trends, a full-year contribution from recent product launches, and new strategic partnerships, subject to risk factors detailed in this MD&A.

Consumer

Dream Water® continues to be forward-thinking with respect to internationally compliant formulas and line extensions in both the sleep-solutions and CBD markets, including lines of products with multiple delivery formats for both categories. Formulation of CBD-infused Dream Water® continues to advance and will enter the market when regulations allow in the US. The Company continues to build out a pipeline of innovation that addresses consumers' growing demand for effective sleep solutions, in both OTC and cannabinoid-infused formats. The Company recently introduced the sleep gummies solution in Canada and is in the process of launching its Immunity Support Sleep Shots based on the innovation tested earlier in the US and based on consumer insights and trends in Canada. The Company will continue its expansions in fiscal 2027 and beyond.

2.0 Licensed infused products (LivRelief™ Infused)

Delivra Health's initial 2.0 LivRelief™ Infused product offering includes a selection of pain relief topical creams. The licensed infused topical creams utilize Delivra's transdermal technology designed to penetrate the skin, enabling effective, fast absorption, and controlled release of active ingredients directly to the target area.

Additionally, the Company plans on selling its LivRelief™ Infused topical creams in the US marketplace when regulations permit.

OVERALL PERFORMANCE

DISCUSSION OF OPERATIONS

Net revenue

Net revenue comprised the following sales: (1) Dream Water® brand sales in both US and Canada; (2) Delivra LivRelief™ brand sales in Canada; and (3) LivRelief™ cannabis-infused topical cream licensing sales in Canada.

For the year ended June 30, 2026, net revenue was $8,629, compared to $13,370 in the prior year. The $4,741, or 35.5%, net decrease in net revenue was primarily attributable to: (1) a $3,912 decline in Dream Water® sales in the USA due to a reduction in outgoing shipments to the Middle East as a result of the geopolitical conflict; (2) a $309 reduction in licensed LivRelief™ Infused sales activity; (3) a $543 reduction in LivRelief™ sales, offset by (4) an increase in Dream Water® sales in Canada by $23, driven by strong consumer demand and online marketing. The Company started implementing its market distribution strategy for licensed LivRelief™ Infused products and intends to resume its growth strategy in fiscal 2027.

The following table sets forth the disaggregation of the Company's net revenue from customer listing agreements of the Company's brands:

	For the year ended June 30 2026 $	For the year ended June 30 2025 $
Dream Water® US and Canada	**7,801**	11,690
LivRelief™	**800**	1,343
LivRelief™ Infused	**28**	337
Net revenue	**8,629**	13,370

For the year ended June 30, 2026, net revenue from Dream Water® US and Canada was $7,801, compared to $11,690 in the prior year. The $3,889 or 33% decrease in net revenue was primarily driven by a 38% and 3% decrease in USA outbound shipments to the Middle East as a result of the geopolitical conflict and e-commerce respectively. The reduction of 3% in e-commerce is the net of a reduction of 6% in USA e-commerce as a result of an e-commerce transition strategy offset by an increase of 15% in Canada e-commerce.

1 This is a non-IFRS measure as discussed in the "Adjusted EBITDA" and "Non-IFRS Measures" sections.

For the year ended June 30, 2026, net revenue from LivRelief™ was $800, compared to $1,343 in the prior year. The $543, or 40%, decrease in net revenue was driven by a decrease in retail by 68% as a result of higher sales and promotional fees compared to prior year, offset by an increase in e-commerce by 20%.

For the year ended June 30, 2026, net revenue from LivRelief™ Infused was $28, compared to $337 in the prior year. The $309, or 92%, decrease in net revenue was mainly driven by the transition from the current licensing partner to a new licensing partner.

Cost of sales

For the year ended June 30, 2026, cost of sales was $5,237, compared to $6,656 in the prior year. The $1,419 decrease in cost of sales was mainly due to a decrease in Dream Water® US sales volume. During the year ended June 30, 2026, the Company recognized an inventory write-down of $57 (2025 - $(64) inventory recovery). Inventory recoveries and write-downs estimates relate to slow moving and aging products which could be reversed in future dates if products originally written down in prior periods were sold or used in manufacturing.

Gross margin

The table below outlines gross profit (loss) and gross margin for the years ended June 30, 2026 and 2025, respectively.

	For the year ended June 30 2026 $	For the year ended June 30 2025 $
Net revenue	**8,629**	13,370
Cost of sales	**5,237**	6,656
Inventory (recovery)/write-down	**57**	(64)
Gross profit	**3,335**	6,778
Gross margin	**39%**	51%

Gross margin for the year ended June 30, 2026 was 39%, compared to 51% in the prior year. The decline reflects changes in customer, product, and channel mix, as well as higher third-party warehousing costs and costs associated with the Company's e-commerce operations and advertising initiatives. These increased expenses are consistent with broader industry trends in the e-commerce sector and align with the Company's strategic investments to enhance brand awareness and support long-term growth.

Expenses

	For the three months ended June 2026 $	For the three months ended June 2025 $	For the year ended June 2026 $	For the year ended June 2025 $
General and administration	**961**	1,177	**3,941**	4,115
Sales and marketing	**177**	309	**1,296**	1,956
Depreciation and amortization	**-**	290	**27**	1,268
Share-based compensation	**21**	66	**129**	280
	1,159	1,842	**5,393**	7,619

Total expenses decreased by $683 for the three months ended June 30, 2026, and decreased by $2,226 for the year ended June 30, 2026, compared to the same periods in the prior year. The decrease is primarily due to lower sales and marketing and depreciation and amortization expenses as described below.

General and administration

General and administration expenses decreased by $216 and $174 for the three months ended June 30, 2026 and the year ended June 30, 2026, respectively, compared to the same periods in the prior year. For the three months ended June 30, 2026, the Company incurred lower salaries, bonuses and benefits by $148 as a result of lower management bonuses, incurred lower professional and consulting services costs of $34 and lower investor relations by $19. For the year ended June 30, 2026, the Company incurred lower costs of salaries, bonuses and benefits by $328 as a result of a decrease in headcount and lower management bonuses, lower travel cost by $30, lower insurance cost by $27 offset by higher professional and consulting services by $158 and higher investors relations by $90. All increases and decreases are primarily attributable to the timing of expenditures and corporate activities necessary to support the Company's ongoing operations.

	For the three months ended June 30		For the year ended June 30	
	2026 $	2025 $	2026 $	2025 $
Insurance	**36**	48	**167**	194
Investor relations	**24**	43	**222**	132
Office and general	**89**	85	**315**	324
Professional and consulting services	**249**	283	**892**	734
Regulatory	**3**	5	**20**	45
Rent	**5**	5	**20**	23
Salaries, bonus and benefits	**536**	684	**2,177**	2,505
Travel	**19**	24	**128**	158
	961	1,177	**3,941**	4,115

Sales and marketing

Sales and marketing expenses decreased by $132 for the three months ended June 30, 2026 and $660 for the year ended June 30, 2026, compared to the same periods in the prior year. For the three-months and year ended June 30, 2026, the reduction is driven by the Company's initiatives to reduce costs and conserve cash as well as the timing and selection of sales and marketing programs and campaigns. For instance, the Company released in November 2024 two major marketing campaigns, 'Shush Your Mind' for Dream Water® and 'Quiets Chronic Pain' for LivRelief™ that were replaced by lower cost programs in fiscal 2026.

Depreciation and amortization

Depreciation and amortization decreased by $290 and $1,241 for the three months ended June 30, 2026 and the year ended June 30, 2026, respectively, compared to the same periods in the prior year. Intangible assets and property, plant and equipment are fully amortized and depreciated in the three months ended September 30, 2025.

Share-based compensation

Share-based compensation decreased by $45 and $151 for the three months ended June 30, 2026 and the year ended June 30, 2026, respectively, compared to the same periods in the prior year. The decrease is due to the timing of the vesting periods of options issued during this period compared to the same period last year.

On August 7, 2025, the Company granted an aggregate of 100,000 stock options to purchase Common Shares pursuant to its share option plan. The options are exercisable at a price of $0.30 per common share, expire on August 6, 2028, and vested immediately upon grant.

On March 19, 2026, the Company granted an aggregate of 815,000 stock options to purchase Common Shares pursuant to its share option plan. These options are exercisable at a price of $0.16 per common share, vest one-third annually over a three-year period commencing on the date of grant, and expire on March 18, 2031.

On April 22, 2026, the Company granted an aggregate of 440,000 stock options to purchase Common Shares pursuant to its share option plan. These options are exercisable at a price of $0.14 per common share, vest one-third annually over a three-year period commencing on the date of grant, and expire on April 21, 2031.

Other (expense) income

Other (expense) income, such as financing and non-operating expenses, decreased by $153 for the year ended June 30, 2026 compared to the prior year. The decrease is mainly related to a gain from extinguishment of accounts payable.

	For the year ended June 30 2026 $	For the year ended June 30 2025 $
Interest and finance costs	**(163)**	(118)
Gain (loss) from extinguishment/settlement of debt	**102**	(110)
Foreign exchange gain (loss)	**(135)**	(121)
	(196)	(349)

Interest and finance costs

Interest and finance cost increased by $45 for the year ended June 30, 2026 in comparison to the prior year, mainly due to interest expense (accretion expense) on the ACOA loan and a reduction in interest income.

Gain (loss) from extinguishment/settlement of debt

Gain (loss) from extinguishment/settlement of debt decreased by $212 for the year ended June 30, 2026 compared to the prior year, primarily due to the extinguishment of legacy accounts payable amounts in fiscal 2026 related to the Company's operations from prior years.

Adjusted EBITDA (non-IFRS measure)

Adjusted EBITDA is a metric used by management which is the profit or (loss) from operations, as reported, before interest, taxes, depreciation and amortization and adjusted for share-based compensation, Common Shares issued for services, the fair value effects of accounting for inventories, asset impairment and write-downs and reversals of write-downs, discontinued operations and other non-cash items.

	For the year ended June 30 2026 $	For the year ended June 30 2025 $
Loss from operations	**(2,058)**	(841)
Inventory (recovery)/write-down	**57**	(64)
	(2,001)	(905)
Depreciation and amortization	**27**	1,268
Share-based compensation	**129**	280
	156	1,548
Adjusted EBITDA	**(1,845)**	643

For the year ended June 30, 2026, Adjusted EBITDA decreased by $(2,488) compared to the prior year. The decrease in Adjusted EBITDA was primarily due to lower sales, offset by a reduction in sales and marketing expenses in addition to changes in customer and product mix as explained above.

LIQUIDITY AND CAPITAL RESOURCES

Management of the Company is consistently working to monitor and manage the Company's capital resources to assess if it has access to adequate liquidity to fund its operations. The Company's working capital requirements change frequently given the nature of the business; therefore, our primary liquidity requirement is for working capital and essential general corporate needs. Management's objectives with respect to liquidity and capital structure are to generate sufficient cash to fund the Company's existing operations and growth strategy.

	June 30 2026 $	June 30 2025 $
Cash provided by (used in) operating activities	**(637)**	(754)
Cash provided by (used in) financing activities	**(13)**	(36)
Effect of foreign exchange on cash	**201**	(108)
Change in cash during the period	**(449)**	(898)

Cash used by operating activities was $(637) for the year ended June 30, 2026, compared to $(754) in the prior year. The $117 net increase is due to the decrease in Adjusted EBITDA[2] compared to prior year offset by year over year favorable changes in combined working capital requirements in accounts receivable, inventories and prepaid expenses offset by unfavourable changes in accounts payable and accrued liabilities. Despite the change in cash used in operating activities this period compared to the same period last year, the Company is not expecting a working capital deficiency in the remaining periods of this fiscal year based on its internal projections of revenue growth and market expansion initiatives. However, there can be no assurance that these measures and initiatives will be successful, and the Company continues to monitor its financial position closely.

Cash used by financing activities was $(13) for the year ended June 30, 2026 compared to cash used by financing activities of $(36) for the same period in the prior year. The $23 decrease mainly came from changes related to the ACOA loan repayment schedules.

The nature of the Company's current business and the source of revenue from operations is the production and sale of Dream Water®'s sleep solution products and Delivra's pain relief consumer packaged goods. However, the Company's ability to continue in the normal course of operations is dependent on actions by management achieving profitable operations and raising additional capital. Management believes it will be able to raise capital as required in the long-term, but recognizes the risks attached thereto including, without limitation, risks due to changing market conditions. Historically, the capital requirements of the Company have

[2] This is a non-IFRS measure as discussed in the "Adjusted EBITDA" section.

been met by offering securities of the Company and completing debt financings. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in the dilution to the value of such interests. Although the Company has been successful in the past in obtaining financing, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing may be favourable to the Company. If adequate financing is not available when required, the Company may be required to delay, scale back, or eliminate various projects and programs, and may be unable to continue in operation. If the Company is unable to achieve and maintain profitable operations or raise additional funds it may require, it could have a material adverse effect on the Company's financial condition and future profitability.

The Company incurred consolidated net loss of $2,254 and $1,190 for the years ended June 30, 2026 and June 30, 2025, respectively. The Company had a negative operating cash flow of $637 for the year ended June 30, 2026 and an accumulated deficit of $172,606 as at June 30, 2026. The Company had a working capital surplus of $4,281 as of June 30, 2026. The ability of the Company to continue as a going concern is dependent upon generating profit through its operations and/or obtaining additional financing through the issuance of debt or equity. If for any reason the Company is unable to continue as a going concern, then this could have an impact on the Company's ability to realize assets at their recognized values and to extinguish liabilities in the normal course of business at the amounts stated in the consolidated statements.

As of the date of this MD&A, the Company is not aware of any trends and does not anticipate any fluctuations in its capital resources. The Company has not arranged any sources of financing that is not otherwise discussed in this MD&A. The Company has not committed to any material expenditures that are required to maintain its capacity and planned growth, and to fund its development activities.

SUMMARY OF QUARTERLY RESULTS

Net revenue for the fourth quarter of fiscal 2026 decreased by $2,616 compared to the fourth quarter of fiscal 2025 due to lower US sales of Dream Water® as per explanations provided above. Gross profit for the fourth quarter of fiscal 2026 decreased by $1,783 compared to the fourth quarter of fiscal 2025 primarily due to lower sales in the fourth quarter compared to prior year. Net loss from operations for the fourth quarter of fiscal 2026 decreased by $1,101 compared to the fourth quarter of fiscal 2025 primarily due to lower gross profit compared to the fourth quarter of fiscal 2025. Net loss in the fourth quarter of fiscal 2026 was lower than net profit in the fourth quarter of 2025 by $1,244 and due to lower sales volume leading to lower gross profit in the fourth quarter of fiscal 2026.

.	Net revenue	Gross profit	Net profit (loss) from operations	Net profit (loss)	Basic gain (loss) per share
Quarter ended	$	$	$	$	$
June 30, 2026	**1,742**	**551**	**(608)**	**(724)**	**(0.02)**
March 31, 2026	1,247	311	(978)	(1,028)	(0.03)
December 31, 2025	2,433	972	(450)	(411)	(0.01)
September 30, 2025	3,207	1,501	(22)	(91)	(0.003)
June 30, 2025	4,358	2,334	493	520	0.02
March 31, 2025	3,095	1,552	(282)	(422)	(0.01)
December 31, 2024	2,754	1,294	(647)	(812)	(0.03)
September 30, 2024	3,163	1,598	(404)	(476)	(0.02)

SHARE CAPITAL

The Company has an unlimited number of Common Shares authorized and the following securities outstanding:

	June 30 2026	As at the date of this MD&A
Common Shares	31,261,781	31,261,781
Shares reserved for issue under stock options	2,935,000	2,935,000
Shares reserved for issue under Private Placement Warrants	6,000,000	6,000,000

Please see Notes 9, 10 and 11 in the Annual Financial Statements regarding the Company's share capital and other share-based and securities compensation awards issued by the Company during the year ended June 30, 2026.

OFF BALANCE SHEET ARRANGEMENTS

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

TRANSACTIONS WITH RELATED PARTIES

The following expenses were paid to the directors and key management personnel of the Company:

	For the year ended June 30 2026 $	For the year ended June 30 2025 $
Salaries and benefits	**688**	746
Directors' fees	**240**	240
Share-based compensation	**74**	178
Total	**1,002**	1,164

As at June 30, 2026, included in accounts payable and accrued liabilities, there was $190 in directors' fees as follows: $25 to Andrew Bayfield, $50 to Jason Bednar, $100 to Frank Holler and $15 to John Barrett (June 30, 2025 – $64 of management bonuses and $180 director fees as follows: $45 to Andrew Bayfield, $45 to Jason Bednar, and $90 to Frank Holler).

COMMITMENTS AND CONTRACTUAL OBLIGATIONS

As of the date of this MD&A, the Company does not have any contractual obligations beyond the accounts payable and accrued liabilities reported in the financial statements of the Company. Furthermore, the Company does not have any material contingent considerations that will have a material adverse effect on the operations of the Company.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company thoroughly examines the various financial instruments and risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include foreign exchange risk, credit risk, interest rate risk, and liquidity risk.Where material, these risks are reviewed and monitored by the Board.

The Board has overall responsibility for the determination of the Company's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. As at June 30, 2026, the Company is exposed to foreign currency risk from financial instruments denominated in currencies other than the respective entities' functional currencies. A 10% appreciation (depreciation) of USD against the CAD, with all other variables held constant, would result in an increase or decrease of $5 (2025 - $2) in the Company's profit and comprehensive profit for the year.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's trade accounts receivable. The Company's cash and trade accounts receivable are exposed to credit risk. The risk for cash is mitigated by holding these instruments with highly rated financial institutions. The Company provides credit to its customers in the normal course of business and has mitigated this risk by managing and monitoring the underlying business relationships. As at June 30, 2026, the Company is exposed to credit risk in the amount of the carrying amount of the Company's cash and trade accounts receivable. As of June 30, 2026, the maximum credit risk for the Company was approximately $4,427 (2025 – $6,642).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at June 30, 2026, the Company is not exposed to any significant interest rate risk.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. Accounts payable and accrued liabilities have maturities of 30 days or less or are due on demand and are subject to normal trade terms. As at June 30, 2026, the Company had current assets of $6,928 (June 30, 2025 - $9,578) and current liabilities of $2,647 (June 30, 2025 - $3,561). The Company's objective is to maintain its Adjusted EBITDA improvements year over year to settle transactions as they become due and to support future working capital requirements for its growth plans. The Company has addressed its liquidity through the sale of securities and the sale of non-core assets. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. Further, the Company's ability to fund operations, to execute its growth strategy and to meet scheduled financial commitments depends on the Company's future operating performance and cash flows as well as capital raising, all of which are subject to prevailing economic conditions and financial, business and other factors, some of which are beyond the Company's control. See also "Liquidity and Capital Resources" in this MD&A.

Fair value hierarchy

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

During the year ended June 30, 2026, there were no transfers of amounts between fair value levels.

The Company's other financial instruments, including cash, accounts receivable, and accounts payable and accrued liabilities are carried at cost which approximates fair value due to the relatively short maturity of those instruments. The carrying value of the Company's loans payable approximate fair value as they bear a market rate of interest.

NON-IFRS MEASURES

This MD&A includes certain measures which have not been prepared in accordance with IFRS such as Adjusted EBITDA. These non-IFRS measures are not recognized under IFRS and, accordingly, users are cautioned that these measures should not be construed as alternatives to net income determined in accordance with IFRS. The non-IFRS measures presented may not be comparable to similar measures presented by other issuers.

Adjusted EBITDA is a non-IFRS measure used by management that does not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. Management defines adjusted EBITDA as the loss from operations, as reported, before interest, taxes, depreciation and amortization and adjusted for share-based compensation, Common Shares issued for services, the fair value effects of accounting for biological assets and inventories, asset impairment and write-downs, discontinued operations and other non-cash items.

There are no comparable IFRS financial measures presented in the Annual Financial Statements. Reconciliations of the non-IFRS financial measure is presented in this MD&A. The Company provides the non-IFRS financial measure as supplemental information and in addition to the financial measures that are calculated and presented in accordance with IFRS. The supplemental non-IFRS financial measure is presented because management believes such measures provide information which is useful to shareholders and investors in understanding its performance and which may assist in the evaluation of the Company's business relative to that of its peers. Management believes the non-IFRS measure is a useful financial metric to assess the Company's operating performance on a cash basis before the impact of non-cash items, and on an adjusted basis as described above. However, such non-IFRS measure should not be considered superior to, as a substitute for or as an alternative to, and should only be considered in conjunction with, the most comparable IFRS financial measures.

RISKS AND UNCERTAINTIES

This section discusses factors relating to the business of Delivra Health that should be considered by both existing and prospective investors. The information in this section is intended to serve as an overview and should not be considered comprehensive, and Delivra Health may face additional risks and uncertainties not discussed in this section, or not currently known to the Company, or that the Company deems to be immaterial. All risks to Delivra Health's business have the potential to influence its operations in a materially adverse manner.

Imposition of Tariffs

Recent executive orders have been issued by the President of the United States, directing the U.S. to impose new or increased tariffs on certain of its trading partners, including Canada. Such executive orders, if implemented, contemplate the imposition of broad-based tariffs on imports from Canada, excluding certain energy resources, including oil and natural gas, which would be subject to a reduced tariff. In response, the Government of Canada announced retaliatory counter-tariffs. Such tariffs, if implemented, could have a material adverse effect on the Canadian economy and the Company. In addition to the tariffs on imports from Canada, the United States also announced additional tariffs on imports into the United States from Mexico and China,

respectively. There is a risk that tariffs imposed by the United States will trigger broader global trade disruptions which could have a significant adverse impact on the Canadian, United States and global economies. The timing and implementation of new tariffs are uncertain. To the extent implemented, any such tariffs may have an adverse effect on the Company's overall revenue, cash flow and profitability. Changes in governmental regulation between Canada and the United States, including tariffs, taxes and other trade barriers, may adversely affect the Company's business, results of operations and financial condition.

Geopolitical Risk

The Company is exposed to geopolitical risks that may adversely affect its operations, financial performance, and strategic plans. Political instability, armed conflict, trade restrictions, economic sanctions, changes in government policies, and other geopolitical developments in regions where the Company operates or sources materials, products, or services could disrupt supply chains, increase costs, or limit market access. In particular, increasing global tensions, including but not limited to those involving the United States, China, Russia, and the Middle East, have resulted in heightened uncertainty around international trade, regulatory enforcement, and cross-border investment. In addition, domestic and foreign policy shifts—such as changes in taxation, tariffs, or foreign ownership restrictions—could have a material impact on the Company's business environment and competitive position especially in customer concentration risk situations.

The Company may also be affected by the extraterritorial application of foreign laws, restrictions on data flows or technology transfer, and the evolving landscape of cybersecurity and information warfare. These risks may be further compounded by volatility in global financial markets, fluctuations in currency exchange rates, and inflationary pressures triggered or exacerbated by geopolitical events.

Although the Company actively monitors global developments and maintains contingency plans, the nature and timing of geopolitical risks are inherently unpredictable, and the Company may be unable to fully mitigate their potential impacts.

Inflation Risk

General inflationary pressures may increase, the Company's operating costs and influence consumer behavior towards purchasing essentials goods, which could have a material adverse effect on the Company's financial condition, results of operations and the capital expenditures required to advance the Company's business plans. There can be no assurance that any governmental action will be taken to control inflationary or deflationary cycles, that any governmental action taken will be effective or whether any governmental action may contribute to economic uncertainty. Governmental action to address inflation or deflation may also affect currency values. Accordingly, inflation and any governmental response thereto may have a material adverse effect on the Company's business, results of operations, cash flow, financial condition and the price of the Common Shares.

Additional Financing

There is no guarantee that the Company will be able to execute on its planned strategy. The continued development of the Company requires additional financing and failure to raise such capital could result in the delay or indefinite postponement of current business strategy or the Company ceasing to carry on business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to the Company. If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution. In addition, from time to time, the Company may enter into transactions to acquire assets or the shares of other companies. These transactions may be financed wholly or partially with debt, which may temporarily increase the Company's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. Debt financings may contain provisions, which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Company would be able to repay such loans in such an event or prevent the enforcement of security granted pursuant to such debt financing. The Company may require additional financing to fund its operations to the point where it is generating positive cash flows. Negative cash flow may restrict the Company's ability to pursue its business objectives.

New well-capitalized entrants may develop large-scale operations

Currently, the cannabis industry generally is comprised of individuals and small to medium-sized entities, however, the risk exists that large conglomerates and companies who also recognize the potential for financial success through investment in this industry could make strategic acquisitions. These potential competitors may have longer operating histories, significantly greater financial, technological, engineering, manufacturing, marketing and distribution resources, and be larger and better capitalized. Larger competitors could establish price setting and cost controls which would effectively "price out" many of the individuals and small to medium-sized entities who currently make up the bulk of the participants in the varied businesses operating within and in support of the medical and adult-use cannabis industry. While the approach of most laws and regulations seemingly deters this type of takeover, this industry remains nascent and as indicated above this trend is being observed, so what the landscape will be in the future remains largely unknown.

The Company's proposed business plan is subject to all business risks associated with new business enterprises, including the absence of any significant operating history upon which to evaluate an investment. The likelihood of the Company's success must

be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the formation of a new business, the development of new strategy and the competitive environment in which the Company operates. It is possible that the Company will incur losses in the future. There is no guarantee that the Company will be profitable.

Results of Future Clinical Research

Research in Canada, the U.S. and internationally regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of cannabis or isolated cannabinoids (such as CBD and THC) remains in early stages. There have been relatively few clinical trials on the benefits of cannabis or isolated cannabinoids (such as CBD and THC) and future research and clinical trials may discredit the medical benefits, viability, safety, efficacy, and social acceptance of cannabis or could raise concerns regarding, and perceptions relating to, cannabis. Given these risks, uncertainties and assumptions, prospective purchasers of the Company's securities should not place undue reliance on such articles and reports. Future research studies may reach negative conclusions regarding the medical benefits, viability, safety, efficacy, dosing, social acceptance or other facts and perceptions relating to cannabis, which could have a material adverse effect on the demand for the Company's products with the potential to lead to a material adverse effect on the Company's business, financial condition, results of operations or prospects.

Product Liability

As a manufacturer and distributor of products designed to be ingested by humans, the Company faces the inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of cannabis involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of cannabis alone or in combination with other medications or substances could occur. As a manufacturer and distributor of adult-use and medical cannabis products, or in its role as a service provider to, an entity that is a manufacturer, distributor and/or retailer of adult-use or medical cannabis products, the Company may be subject to various product liability claims, including, among other things, that the cannabis product caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the Company could result in increased costs, could adversely affect the Company's reputation with its clients and consumers generally, and could have a material adverse effect on the business, results of operations, financial condition or prospects of the Company. There can be no assurances that the Company will be able to maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to maintain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of the Company's potential products or otherwise have a material adverse effect on the business, results of operations, financial condition or prospects of the Company.

Product Recalls

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. Such recalls cause unexpected expenses of the recall and any legal proceedings that might arise in connection with the recall. This can cause loss of a significant amount of sales. In addition, a product recall may require significant management attention. Although the Company has detailed procedures in place for testing its products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of the Company's products were subject to recall, the reputations of that product and the Company could be harmed. Additionally, product recalls can lead to increased scrutiny of operations by applicable regulatory agencies, requiring further management attention and potential legal fees and other expenses.

Consumer Behaviour and Digital Shift

Digital and e-commerce platforms have created additional competition and cost to what previously existed in a traditional retail context. Retail outlets must now incur expenses in connection with growing both their digital and brick-and-mortar presences. These costs are being driven down to suppliers with increased listing fees, sales fees and margin requirements from retailers. Consumers now regularly default to digital platforms for more assortment and better pricing. This continued pressure from digital retailers is causing store closures, especially from the small independent operator and this impacts some of the Company’s distribution points.

Environmental, Social and Governance Legislation (ESG) Legislation and Climate-Related Disclosures

Environmental legislation has evolved in a manner that has resulted in stricter standards and enforcement, larger fines and liability for non-compliance and increased capital expenditures and operating costs. The environmental issues affecting the Company’s operations include extended producer responsibility on plastics and packaging, electricity consumption, fossil fuel use in the transport of goods, air pollution laws and regulations, regulations relating to climate change, hazardous waste regulation, and restrictions against greenhouse gas emissions. The discharge of pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require the Company to incur costs to remedy such discharge. No assurance can be given that environmental laws will not result in a curtailment of production, or a material increase in the costs of production activities that could adversely affect the Company’s financial condition, results of operations or prospects. Changes in legislation, including

carbon taxes and the implementation of other greenhouse gas reduction initiatives and regulations related to transitioning to a low carbon and more climate resilient future, could result in additional costs which could have a negative impact on the Company's financial performance if the Company is not able to identify offsetting cost reductions and efficiencies.

Supply chain legislation has also evolved in the jurisdictions in which the Company does business, which mandates disclosure of the steps taken by certain companies to prevent and reduce the risk that forced labour or child labour is used by them or in their supply chains. While the Company is not currently obliged to submit any reports under any supply chain legislation in the jurisdictions in which it conducts business, supply chain legislation is evolving, and the Company may be required to report if such legislative requirements change. Regardless of its obligation to report, however, the Company must implement effective supply chain management and oversight to ensure that the Company's suppliers are complying with the ethical standards and code of conduct set out by the Company, as failing to do so may result in legal and financial liability for the Company and operational difficulties resulting from the Company's inability to safeguard the sustainability of its business activities and interests of stakeholders. Aside from ensuring its compliance with evolving legislative obligations, the Company must also manage a number of other social and governance-related matters in order to safeguard the sustainability of its operations and the interests of its stakeholders. Such matters include ensuring product quality and safety, ethical testing and selling practices, and accurate and complete product labelling. The Company's failure to implement appropriate oversight practices to ensure the foregoing, particularly as the Company's operations continue to grow, may also result in legal and financial liability for the Company, lasting impacts on the Company's stakeholders, and subsequent long-term impact on the Company's operations. Please also see "Product Liability" and "Product Recalls" in this "Risks and Uncertainties" section for further information.

Global Economic Conditions

An economic downturn of global capital markets has been shown to make the raising of capital by equity or debt financing more difficult, and in general, negatively impacts overall share prices and market conditions. Global equity markets have experienced significant volatility and weakness as a result of COVID-19. Such volatility and weakness in the global economy and equity markets more specifically may adversely affect the Company's ability to raise necessary capital.

In addition to the above, the Company is also subject to the following risks and uncertainties that can significantly affect its financial condition and future operations. The following risk factors are described in greater detail in the Company's Annual Information Form dated March 2, 2021, for the year ended June 30, 2020 under the heading "Risks and Uncertainties" available under the Company's profile at www.sedarplus.ca, and such risk factors are hereby incorporated by reference into this document and should be reviewed in detail by all readers:

- industry competition;
- additional financing;
- access to capital;
- history of net losses;
- credit, liquidity, interest, currency and commodity price risk;
- the Company's actual financial position and results of operations may differ materially from the expectations of the Company's management;
- requirement to generate cash flow for financial obligations;
- profitability of the Company;
- ongoing costs and obligations;
- general business risk and liability;
- new well-capitalized entrants may develop large-scale operations;
- share price volatility;
- reliance on key inputs;
- reliance on facilities;
- results of future clinical research;
- holding company status;
- limited operating history;
- unfavourable publicity on consumer perception;
- product liability;
- product recalls;

- third -party transportation;
- management of growth;
- acquisition strategy risks;
- reliance on management;
- conflicts of interest;
- principal security holder;
- dividends;
- limited market for securities;
- litigation;
- perceived reputational risk for third parties;
- intellectual property;
- political and economic instability;
- ability to establish and maintain bank accounts;
- global economy risk;
- research and development;
- shelf life of inventory;
- maintenance of effective quality control system;
- scheduled maintenance, unplanned repairs, equipment outages and logistical disruptions;
- logistical disruptions;
- client risks;
- no minimum orders;
- distribution risks;
- lack of long-term client commitment risk;
- risk as a result of international expansions;
- operations in foreign jurisdictions;
- reliance upon international advisors and consultants;
- significant sales of Common Shares;
- analyst coverage;
- tax risks;
- tax issues;
- reliance on partner licences;
- general regulatory risks;
- packaging and labelling;
- advertising;
- restrictions on marketing;
- breaches of security;
- foreign jurisdiction risks;
- competition;
- product liability;
- product recalls;
- operating risk and insurance coverage;

- results of future clinical research;
- dependence on suppliers, manufacturers and contractors;
- co-investment risk;
- difficulty to forecast and reliability of data;
- competition from synthetic production and technological advances; and
- fraudulent or illegal activity by employees, contractors and consultants.

PROPOSED TRANSACTIONS

None as of the date of this MD&A.

CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reporting amounts of assets and liabilities at the date of the consolidated financial statements and reporting amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue, and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions.

A detailed summary of all of the Company's material accounting policies is included in Note 2 to the Annual Financial Statements.

Areas that often require significant management estimates and judgement include biological assets and inventory, the estimated useful lives and depreciation of property, plant and equipment, the estimated useful lives and amortization of intangible assets, goodwill, share-based compensation, warrants, accruals, provisions and the determination of the functional currency. The following is an outline of the estimates that the Company considers as critical in the preparation of its consolidated financial statements:

- Inventory is valued at the lower of cost and net realizable value. Determining net realizable value requires the Company to make assumptions about estimated selling prices in the ordinary course of business and the estimated variable costs to sell. Determining cost requires the Company to make estimates surrounding capacity and to allocate both direct and indirect costs on a systematic basis.
- The assessment of any impairment on property, plant and equipment, right-of-use asset and intangible assets is dependent upon estimates of recoverable amounts. As the recoverable amount is the higher of fair value less costs of disposal and value in use, management must consider factors such as economic and market conditions, estimated future cash flows, discount rates and asset specific risks.
- Depreciation and amortization of property, plant and equipment and intangible assets are dependent upon estimates of useful lives and when the asset is available for use, which are determined through the exercise of judgment. The assessment of the useful lives and when the asset is available for use is dependent upon estimates that take into account factors such as economic and market conditions, frequency of use, anticipated changes in laws and technological improvements.
- In calculating share-based compensation expense, the Company includes key estimates such as the rate of forfeiture of options granted, the expected life of the option, the volatility of the Company's share price, and the risk-free interest rate.
- Deferred tax assets, including those arising from tax loss carry-forwards, require management to assess the likelihood that the Company will generate sufficient taxable earnings in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depends on management's estimates of future cash flows. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

No changes have been made to the Company's critical accounting estimates during the past two financial years.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The Company has not adopted any new standards for the period beginning July 1, 2025. The Company is evaluating the impact of standards and interpretations that have been issued, but are not yet effective, up to the date of issuance of the Annual Financial Statements. The adoption of these standards and interpretations are not expected to have a material impact on the Company's financial statements.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

Information provided in this MD&A, including the Annual Financial Statements, is the responsibility of management. In the preparation of the Annual Financial Statements, estimates are sometimes necessary to make a determination of future value or certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly

reflected in the accompanying consolidated financial statements. Management maintains a system of internal controls to provide reasonable assurance that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

MANAGEMENT'S REPORT ON DISCLOSURE CONTROLS AND PROCEDURES

The Company's disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed in the Company's filings under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation. Management of the Company has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the years presented by the consolidated financial statements; and (ii) the consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the years presented. There have been no significant changes in the Company's disclosure controls and procedures, and management has not identified any material weaknesses in its disclosure controls and procedures during the year ended June 30, 2026.

LIMITATIONS OF CONTROLS AND PROCEDURES

The Company's management, including the Chief Executive Officer and the Chief Financial Officer, believe that any system of controls and procedures over financial reporting and disclosure, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.