



Neptra Foods Inc. (“Neptra” or the “Company”)

MANAGEMENT’S DISCUSSION AND ANALYSIS FOR THE THREE AND YEAR ENDED MARCH 31, 2026

Dated as of July 30, 2026

(All amounts expressed in Canadian dollars, unless otherwise stated)

Cautionary Note Regarding Forwarding Looking Statements and Disclaimer

Certain statements in this MD&A are forward-looking statements which reflect management’s expectations regarding future growth, results of operations, performance, business prospects and opportunities such as the Company's ability to meet financial commitments and its ability to raise funds when required. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations, or intentions regarding the future. When used in this MD&A, such information uses such words as “may”, “would”, “could”, “will”, “intend”, “predict”, “aim”, “seek”, “potential”, “expect”, “believe”, “plan”, “anticipate”, “estimate” or the negative of these terms, or other similar expressions intended to identify forward-looking statements. Such statements are subject to risks and uncertainties that may cause actual results, performance, or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits the Company will obtain from them. These forward-looking statements reflect management’s current views and are based on certain assumptions only as of the date of this report. These assumptions, which include management’s current expectations, the global economic environment, and the Company’s ability to manage its operating costs, may prove to be incorrect. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the Company’s business or the extent to which any factor, or combination of factors, may cause actual realities to differ materially from those contained in any forward-looking statements. There is a significant risk that such forward-looking statements or information will not prove to be accurate. No forward-looking statement is a guarantee of future results. Several risks and uncertainties could cause actual results to differ materially from those expressed or implied by the forward-looking statements.

The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information contained in this MD&A. The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

Going Concern

During the year ended March 31, 2026, the Company incurred a net loss of \$1,223,150 and as at March 31, 2026, had an accumulated deficit of \$24,217,996. The Company’s ability to continue its operations and to realize its assets at their carrying values is dependent upon the Company’s ability to raise financing and generate profits and positive cash flows from operations in order to cover its operating costs. From time to time, the Company generates working capital to fund its operations by raising capital through equity or debt financing. However, there is no assurance the Company will be able to continue to raise capital this way in the future. The accompanying consolidated financial statements do not give effect to any adjustments required for the Company to realize its assets and discharge its liabilities in other

than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements. If the going concern assumption was not appropriate for the accompanying financial statements, adjustments would be necessary to the statement of financial position classifications used. Such adjustments could be material. Additional funds will be required to enable the Company to pursue its initiatives, and the Company may be unable to obtain such financing on terms which are satisfactory to it. Furthermore, there is no assurance that the business will be profitable. These factors indicate the existence of a material uncertainty that may cast doubt about the Company's ability to continue as a going concern. Should the Company be unable to complete these plans to obtain additional financing and be unable to continue as a going concern, the Company may be forced to cease operations.

The following MD&A of the Company's financial condition and results of for the years ended March 31, 2026 and 2025 should be read in conjunction with the audited consolidated financial statements for the year ended March 31, 2026 and March 31, 2025. It should also be noted that since the Company is filing this MD&A effective July 30, 2026, general business information contained herein is reported as of the effective date noted above. The requisite financial data presented for the relevant periods has been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). All currency amounts are expressed in Canadian dollars, unless otherwise noted.

Regulatory and Filing Status

Nepra Foods Inc. is classified as a "venture issuer" for the purposes of National Instrument 51-102. This MD&A was approved by the Directors on July 30, 2026.

On July 30, 2025, the Company announced that it was unable to file its annual financial statements for the year ended March 31, 2025, the related management's discussion and analysis, and CEO and CFO certifications (collectively, the "Annual Filings") by the required deadline of July 29, 2025. As a result, the Company applied for and received a management cease trade order ("MCTO") from the applicable securities regulatory authorities. The MCTO restricted trading in the Company's securities by its Chief Executive Officer and Chief Financial Officer until the Annual Filings were completed. The Company filed the Annual Filings on August 15, 2025, and the MCTO will remain in place until formally revoked by the regulators. The MCTO was revoked August 18, 2025.

Material Events that Occurred from March 31, 2025, to March 31, 2026

On March 12, 2025, Mark Retzloff was appointed as Chairman of the board.

On June 12, 2025, the Company also entered into a renewal financing agreement for gross proceeds of USD \$170,000 (CAD \$234,371). A portion of the proceeds was used to settle the remaining balance of the prior November 18, 2024 loan. Under the terms of the renewal, the Company is required to repay USD \$209,440 (CAD \$285,927) through fixed weekly payments and incurred an upfront closing fee of USD \$5,525 (CAD \$7,617). The loan is secured against receivables and includes an early repayment incentive.

The Company completed a non-brokered private placement on June 27, 2025, issuing 4,566,667 units at a price of USD \$0.06 (CAD \$0.082) per unit for aggregate gross proceeds of approximately USD \$274,000 (CAD \$374,303). Each unit consisted of one common share and one common share purchase warrant, with each warrant exercisable at USD \$0.12 (CAD \$0.16) per share until June 27, 2027. Of the total proceeds, USD \$95,212 (CAD \$130,067) was allocated to share capital, with the balance allocated to warrant liability.

On July 16, 2025 the Company received loan proceeds of \$58,000 pursuant to the issuance of a new loan bearing interest at 0.1% per day. The loan principal plus accrued interest is due 60 days from the date of issuance. In connection with the loan, the Company issued 500,000 options to the lender, each exercisable for one share at USD\$0.12 and expiring on June 27, 2027. The loan was repaid in full on September 12, 2025.

On June 27, 2025, the Company issued 4,566,667 units pursuant to a non-brokered private placement at a price of USD \$0.06 (CAD \$0.082) per unit for aggregate gross proceeds of USD \$274,000 (CAD \$374,303). Each unit consisted of one common share and one common share purchase warrant. Of the total proceeds, USD \$178,788 (CAD \$244,237) was allocated to warrants and USD \$95,212 (CAD \$130,066) was allocated to share capital.

On September 2, 2025, the Company issued 1,277,667 units as part of the second tranche of a non-brokered private placement at a price of US\$0.06 (CAD \$0.083) per unit for aggregate gross proceeds of USD \$76,660 (CAD \$105,587). Each unit consisted of one common share and one common share purchase warrant. Of the total proceeds, USD \$76,660 (CAD \$105,587) was allocated to warrants.

On September 10, 2025, the Company issued 2,439,024 units as part of the third tranche of a non-brokered private placement at a price of US\$0.06 (CAD \$0.083) per unit for aggregate gross proceeds of USD \$146,341 (CAD \$202,737). Each unit consisted of one common share and one common share purchase warrant. Of the total proceeds, USD \$146,341 (CAD \$202,737) was allocated to warrants.

On September 19, 2025, the Company issued 400,000 common shares upon the exercise of 400,000 share purchase warrants at an exercise price of \$0.10 per share, for total cash proceeds of \$40,000.

On October 1, 2025, the Company added \$38,381 of outstanding expense reimbursements to the loan described in Note 12(d) of the accompanying interim consolidated financial statements and executed a new promissory note to replace the prior agreement.

On October 15, 2025, the Company issued 700,000 common shares pursuant to the exercise of warrants.

On October 15, 2025, the Company granted 500,000 incentive stock options to an employee of the company. The options vested at 100% on the grant date and have an exercise price of CAD \$0.13 per share and expire on October 15, 2035.

On January 1, 2026, the Company amended and restated its unsecured revolving loan facility with a company controlled by the Company's Chief Operating Officer and interim Chief Financial Officer, fixing the principal at USD \$686,030 (CAD \$1,003,922) with a single balloon repayment of principal and interest at 6% per annum due on or before December 31, 2027.

On January 30, 2026, a director and officer of the Company transferred 4,742,857 common share purchase warrants of the Company to third parties for nominal consideration. All remaining common share purchase warrants held by such individual expired unexercised on January 31, 2026.

On February 11, 2026, the Company entered into an agreement with a director and officer of the Company to convert all outstanding indebtedness under a revolving promissory note agreement including principal and accrued interest, totaling USD\$487,849 (CAD 668,704), into common shares of the Company at a conversion price of CAD\$0.10 per common share. As a result, 6,969,273 common shares will be issued in full settlement of the debt.

On February 23, 2026, the Company settled the note in full by issuing 6,969,273 common shares with a fair value of \$696,927. The carrying amount of the note derecognized on settlement was \$673,233, resulting in a loss on settlement of \$23,694 recognized in the consolidated statement of net and comprehensive loss.

Material Events that Occurred Subsequent to March 31, 2026

On April 1, 2026, the Company signed a Letter of Intent with Tscemicum Bottling Company, LLC (dba Artesian Fusion) for the acquisition of substantially all of that company's assets, including bottling equipment, inventory, leasehold improvements, intellectual property, customer contracts, and water rights. The proposed enterprise value is USD \$1,500,000 (CAD \$2,089,590), comprised of USD \$250,000 (CAD \$348,265) cash at closing, 15,000 Class A shares convertible into 1,500,000 common shares, and a USD \$1,250,000 (CAD \$1,741,325) seller-financed five-year subordinated promissory note bearing interest at approximately 7–8% per annum. The LOI is non-binding except for its exclusivity, confidentiality, and related provisions, and remains subject to due diligence and definitive agreements, with no assurance the transaction will be completed.

On April 4, 2026, 100,000 common share purchase warrants were exercised at a price of USD \$0.12 per warrant, resulting in gross proceeds of USD \$12,000 (CAD \$16,717) to the Company and the issuance of 100,000 common shares.

On April 23, 2026, the Company submitted a refund application to U.S. Customs and Border Protection for approximately USD \$308,845 (CAD \$430,343), covering tariffs paid on product imported between June 2025 and March 2026; the refund was received in two payments totaling USD \$318,653 (CAD \$443,821) — USD \$25,324 (CAD \$35,278) on May 11, 2026 and USD \$293,330 (CAD \$408,660) on June 23, 2026 — of which management has determined that USD \$128,684 (CAD \$179,247) will be credited back to two customers and is included in trade payables.

On May 12, 2026, the Company entered into a non-binding Letter of Intent with KUUK Water, an Indigenous-owned premium glacial and artesian water company, for a non-exclusive North American distribution, warehousing, fulfillment, and e-commerce management agreement, along with facilitating pass-through working-capital support for KUUK through the Company's existing relationship with Gateway Trade Funding. The partnership is intended to complement the Company's pending Artesian Fusion bottling acquisition and remains subject to definitive agreements, due diligence, and third-party approvals, with no assurance of completion.

On July 10, 2026, 2,610,048 common share purchase warrants were exercised at a price of USD \$0.12 per warrant. Shareholders exercised warrants for aggregate gross proceeds of approximately CAD \$442,092, consisting of CAD \$300,000 from warrant exercises at CAD \$0.17045 per share and USD \$102,000 (CAD \$142,092) from warrant exercises at USD \$0.12 per share.

Company Overview

Nepra was incorporated on November 27, 2020, under the provisions of the British Columbia Business Corporations Act. The Company operates as a vertically integrated healthy plant-based food and specialty ingredient company supporting allergen free and functional food brands. The Company's head office is located at 7025 S. Revere Parkway, Unit 100, Centennial, Colorado, USA 80112. The Company's registered and records office is located at Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia, Canada, V6E 4N7.

The Company's wholly owned material subsidiaries include Nepra Foods, Ltd. ("Nepra US"), incorporated on August 15, 2019 as a limited liability company ("LLC") under the provisions of the Colorado Revised Status and Gluten Free Baking Solutions, LLC ("GFBS"), incorporated on August 10, 2016. On November 1, 2020, Nepra US converted from a LLC to a corporation.

Nepra specializes in gluten-free based food ingredients and consumer products. The global market for gluten-free foods is significant and by 2032, the market is projected to be valued at 14 billion U.S. dollars, more than double the 2022 market value¹. The Company has developed and sourced specialty ingredients and blends that make it easier for commercial bakeries and leading food brands to offer cutting-edge gluten-free products to their customers. The principal product offerings are targeted at bakeries who seek gluten-free solutions for breads, confectionary, savory, and sweet snack products. The key to Nepra's success has been and will continue to be the focus on identifying production problems in the gluten-free bakery workflow, developing ingredient compositions that meet or exceed the bakeries expectations and through that process become the ingredient supplier of choice.

The Company operates from a 31,000 sq ft. production facility and research and development ("R&D") laboratory in Centennial, Colorado and their focus is on developing and supplying gluten-free ingredients and gluten-free food products to commercial bakeries and specialty retailers.

Key Facts About Nepra:

The Company's Plant-Based Ingredients are comprised of gluten-free and allergen-free specialty ingredients and flour mixes for food manufacturers. Gluten-free has been a growing market segment in the food industry for many years

¹ Statista. (n.d.). Global gluten-free food market size from 2016 to 2025 (in billion U.S. dollars). Retrieved from <https://www.statista.com/statistics/248467/global-gluten-free-food-market-size/#:~:text=The%20global%20market%20for%20gluten,to%2014%20billion%20U.S.%20dollars>

now. Management believes that certain gluten-free foods are perceived as being less desirable than the same food in the full gluten category. Gluten-free products tend to be carbohydrate heavy, low in nutrients and lacking in flavor.

Neptra has developed ingredients that support gluten-free foods that are lower in carbohydrates, nutrient rich and full of flavor. The Company has developed relationships with ingredient manufacturers in the United States and around the world to identify certain quality ingredients. The Company's goal is to provide gluten-free foods with the same texture, flavor, and nutrition at a reasonable price upcharge, to take advantage of this market opportunity.

Neptra has developed a line of gluten-free flours that make the production process easier to manage with less end product waste. The Company has been successful in improving the quality and nutrition of gluten-free bread while reducing costs in the production and distribution process and has curated its specialty products under the Neptra Absolutely Essential Blends brand of proprietary starch blends and Rheoflex® brand of pre-gel starches and flours.

Through its strategic leverage of its manufacturing facilities and exclusive distribution agreements with international ingredient manufacturers, the Company's products are offered to commercial food manufacturers.

The Company's mission is to "promote healthy allergen-free foods". Milk, eggs, fish, shellfish, tree nuts, peanuts, wheat, and soybeans are all major food allergens according to the United States Food and Drug Administration ("FDA") and the Food Allergen Labeling and Consumer Protection Act of 2004, Public Law 108-282, Title II, as amended ("FALCPA"). The Company's products consist of (i) gluten-free and allergen-free plant-based specialty ingredients, custom formulated blends and mixes sold business-to-business or "B2B" ("Specialty Ingredients"), (ii) plant-based value-added specialty proteins ("Plant-Based Proteins"), (iii) custom formulated blended dry ingredients, ("Blending") and (iv) Specialty allergen free, gluten free dried pasta ("PROPASTA®"). The Company holds Hazard Analysis and Critical Control Points ("HACCP") and Good Manufacturing Practices ("GMP") certifications for its production facility and is currently pursuing its Global Food Safety Initiative ("GFSI") certification.

Neptra offers a variety of proprietary and special ingredients and blends for creating exceptional gluten-free, plant-based products.

- **Neptra Base 30 (EB-30):** This blend consists of modified tapioca starch, high-amylose wet-milled rice flour, and high-amylose rice starch. It appears as a fine white powder, free from lumps, foreign matter, with a neutral flavor and odor.
- **Functional Starches:** Neptra's functional starches go beyond thickening and binding. They enhance culinary creations by providing unique properties and benefits. Examples include: *RS4-type Resistant Starch (RS-3700)*: Useful for various food applications, *Cassava (RFC)*: Offers instant thickening, *Rheoflex™ Native (RFN)*: Improves texture, *Rheoflex™ Modified (RFM)*: Enhances freeze-thaw stability
- **Hemp-based Solutions:** Neptra's hemp-derived products span nutrition, sustainability, and versatile applications. Some options include *Hemp Heart Flour (HHF-50)*: A versatile ingredient, *Texturized Hemp Protein (THP®)*: Ideal for plant-based recipes, *Hemp Heart Protein 70% (HHP-70)* and *Hemp Heart Protein 80% (HHP-80)*: Rich in protein

Future State of Neptra:

The Company has been able to grow its base of core revenues on the supply of gluten free ingredients to bakeries throughout North America since its formation in 2016. The journey has been led by a proactive attempt to find solutions for commercial bakeries that recognize the need to offer gluten free products in their SKU's. Due largely to the many ingredients (upwards of 18) used in a successful gluten free application, the nature of the ingredient, the quantity used and/or the blending process can be subject to trial and error. The Company is a leading solution provider, curating ingredients that result in the correct taste and outcome for products sought by gluten-free customers. In doing so, Neptra has established loyalty and trust with its bakery customers.

Business Model:

Neptra's business model is not traditional and is unique from other ingredient manufacturers. The Company is completely solution-based and secures its customers from its position as a leader in food science and the art of ingredient blending.

- Through its ingredient formulations and blending processes, the Company can deliver specific, scalable, and consistent repeatable ingredient products and services to both US and international customers.
- The Company will generate repeatable revenue paths from customers who have relied upon the unique solution-based methods of gaining trust and loyalty with its bakery customers.
- The Company's business model has been designed as needing revolving low-cost conventional inventory financing, which as the business scales will track the anticipated growth.
- Proprietary formulations and trade secrets developed over several years are the keys to successful application of ingredient recipes into virtually all gluten-free production environments.

During the year ended March 31, 2026, the Company focused on the sale and processing of specialty ingredients and developing new products for both B2B and consumer channels.

Competitive strengths:

Product Development, Branding and Standard Operating Procedures ("SOPs"): The business commenced in Colorado, where the Company leveraged its prior relationships in the ingredient supply chain to develop trusting relationships with bakeries and with whom the Company has been a consistent solution provider to these entities. Ingredient sourcing for the gluten free product market was an essential element to success, as was the ability to provide innovative formulations using those ingredients to customers for specific product applications. These new formulations have improved the overall quality of gluten free products available to consumers.

Management Team: Neptra's management team possesses expertise in the food science and gluten-free applications for ingredients, finance, capital markets, regulations, operations, project management, and marketing. This team has proven its ability to grow and scale from the experience gained by the team over many years.

Replicable Processes and Scalability: The Company's production processes are replicable and scalable, resulting in consistent quality and function across all the Company's products.

Overall Performance

The key factors pertaining to the Company's overall performance for the year ended March 31, 2026, are as follows:

The Company recorded revenue of \$8,311,972 for the year ended March 31, 2026, as compared to revenue of \$6,253,768 for the year ended March 31, 2025. The increase is largely due to new customer acquisitions and increased purchases from existing customers.

The net loss for the year ended March 31, 2026 was \$1,223,150 compared to \$2,335,340 for the year ended March 31, 2025. The decrease of net loss in part reflects the increase in gross profits recognized. For the year ended March 31, 2026, the Company recorded a gross profit of \$2,772,019 compared to \$1,317,959 in the prior year. The increase in gross profit is a result of increased profit margins on starch, blended, and protein & oil products. This is partially offset by an increase in finance costs from \$691,415 in 2025 to \$814,241 in 2026. Additionally, other items in the current year included a gain on forgiveness of lease payments of \$Nil (2025 – \$721,964). The gain recognized in the prior year was driven by the renegotiation of the Company's lease terms. No similar transactions occurred in the current year. Compared to the prior year, the net loss before other items had decreased from \$2,304,861 to \$206,102. The improvement is driven by the higher gross profit mentioned above, the lower salaries \$1,248,384 (2025 – \$1,566,110),

lower professional fees \$282,998 (2025 – \$604,899), lower general and administrative expenses \$719,591 (2025 - \$866,023), and lower traveling expenses \$41,722 (2025 - \$91,561). These improvements were partially offset by the increase of accretion expense \$271,460 (2025 - \$184,406) and increase of consulting fees \$22,093 (2025 - \$10,713).

For additional information on the differences in revenue and net loss for the year ended March 31, 2026 compared to the year ended March 31, 2025, see the section titled “*Results of Operations for the Years Ended March 31, 2026 and 2025*”.

The Company's use of cash in operating activities decreased for the year ended March 31, 2026. Net cash used in operating activities was \$340,926, compared to net cash used in operating activities of \$1,197,919 for the year ended March 31, 2025. The improvement was primarily driven by a lower net loss of \$1,223,150 (2025 - \$2,335,340), and the non-cash loss on change in fair value of \$119,135 (2025 - \$Nil) and share based payments of \$66,795 (2025 - \$Nil), which increased the net loss without consuming cash. It was further supported by a favourable inventory movement, which provided \$132,827 of cash (2025 - used \$552,532), and the non-recurrence of the prior year's gain on forgiveness of lease payments of \$Nil (2025 - \$721,964). These improvements were partially offset by higher growth in accounts receivable of \$556,270 (2025 - \$261,896), and by prepaid expenses and deposits, which used \$6,168 (2025 - provided \$539,531). This was partially mitigated by a favourable movement in accounts payable and accrued liabilities, which provided \$22,981 of cash (2025 - \$744,342). For additional information on the Company's cashflows, see the section titled “*Cash Flows*”.

Working capital deficit decreased to \$1,808,194 as of March 31, 2026, compared to a deficit of \$3,794,788 as of March 31, 2025. This change was primarily due to an increase in cash and accounts receivable coupled with a significant decrease in current loan payables. These were partially offset by increase of factoring facility. For additional information on the Company's liquidity and capital resources, see the section titled “*Liquidity and Capital Resources*”.

Results of Operations for the Years Ended March 31, 2026 and 2025

Revenue

For the year ended March 31, 2026, the Company generated total revenues of \$8,311,972 which is an increase of \$2,058,204 from revenue of \$6,253,768 for the year ended March 31, 2025. The increase in revenue is mostly a result of purchases from new customers and improved sales of starch products.

Cost of sales and gross profit

For the year ended March 31, 2026, the Company's cost of sales and gross profit were \$5,539,953 and \$2,772,019, respectively, compared to \$4,935,809 and \$1,317,959 for the year ended March 31, 2025 and gross profit margin of 33.35% for the year ended March 31, 2026, compared to 21.07% for the year ended March 31, 2025. The variation in gross profit margin is a result of the increase of gross profit margin on starch products, blended products, protein & oil products. The variation in gross profit margin was also impacted by an increase in revenue from starch products from the comparative period.

Expenses

Professional fees decreased by \$321,901 from \$604,899 for the year ended March 31, 2025, to \$282,998 for the year ended March 31, 2026. The decrease was primarily due to lower legal and accounting costs compared to the prior-year period.

Research and development expenses decreased by \$57,291 from \$95,450 for the year ended March 31, 2025, to \$38,159 for the year ended March 31, 2026. The Company continued to limit spending on development activities to conserve cash.

Salaries and benefits decreased by \$317,726 from \$1,566,110 for the year ended March 31, 2025, to \$1,248,384 for the year ended March 31, 2026. The decrease was primarily attributable to reduced headcount and cost-saving measures undertaken by the company.

General and administrative costs for the year ended March 31, 2026 and 2025 is summarized as follows:

	For the year ended March 31,			
	2026	2025	Change (\$)	Change (%)
Advertising and Promotion	\$ 5,404	\$ 55,368	(49,964)	-90%
Equipment rent	14,009	80,052	(66,043)	-83%
Insurance expense	60,248	1,569	58,679	3740%
Meals and entertainment	4,671	199,464	(194,793)	-98%
Office expense	153,984	311,309	(157,325)	-51%
Other rent	334,324	17,502	316,822	1810%
Repairs and maintenance	4,682	17,523	(12,841)	-73%
Shareholder communication	65,535	46,353	19,182	41%
Utilities	39,171	43,062	(3,891)	-9%
Subscriptions and Dues	37,563	93,821	(56,258)	-60%
Total	\$ 719,591	\$ 866,023	(146,432)	-17%

General and administrative costs decreased by \$146,432, or 17%, from \$866,023 for the year ended March 31, 2025, to \$719,591 for the year ended March 31, 2026. The decrease was primarily due to lower meals and entertainment, office, and equipment rent expenses, partly offset by higher other rent, insurance, and shareholder communication expenses.

Other items

Finance costs increased to \$814,241 from \$691,415, primarily driven by interest and accretion incurred on the Company's loans and lease liabilities. Other income decreased to \$2,591 from \$142,841. The Company recognized a foreign exchange loss of \$6,586, compared to a loss of \$3,976 in the prior year. In the prior year, the Company also recorded a gain on forgiveness of lease payments of \$721,964 and a loss on sale of assets of \$121,862, neither of which recurred in the current year. The Company recorded a loss on settlement of debt of \$74,495, compared to a loss of \$78,031 in the prior year. In addition, the Company recognized a loss on the change in fair value of warrant liabilities of \$119,135, compared to \$Nil in the prior year. As a result, net loss for the year decreased to \$1,223,150 from \$2,335,340.

Results of Operations for the Three Months Ended March 31, 2026 and 2025

Revenue

For the three months ended March 31, 2026, the Company generated total revenues of \$2,338,825 which is an increase of \$47,434 from revenue of \$2,291,391 for the three months ended March 31, 2025. The increase in revenue is mostly a result of purchases from new customers and improved sales of starch products.

Cost of sales and gross profit

For the three months ended March 31, 2026, the Company's cost of sales and gross profit were \$1,422,430 and \$916,395, respectively, compared to \$1,884,300 and \$407,091, for the three months ended March 31, 2025 and gross profit margin of 39.18% for the three months ended March 31, 2026 compared to 17.77% for the three months ended March 31, 2025. The variation in gross profit margin is a result of the increase of gross profit margin on starch products, blended products, protein & oil products. The variation in gross profit margin was also impacted by an increase in revenue from starch products from the comparative quarter.

Expenses

Professional fees decreased by \$26,718 from \$102,146 for the three months ended March 31, 2025, to \$75,428 for the three months ended March 31, 2026. The decrease was primarily due to lower legal and accounting costs compared to the prior-year period.

Research and development expenses decreased by \$44,086 from \$44,304 for the three months ended March 31, 2025, to \$218 for the three months ended March 31, 2026. The Company continued to limit spending on development activities to conserve cash.

Salaries and benefits decreased by \$107,219 from \$441,876 for the three months ended March 31, 2025, to \$334,657 for the three months ended March 31, 2026. The decrease was primarily attributable to reduced headcount and cost-saving measures undertaken by the company.

General and administrative costs for the three months ended March 31, 2026 and 2025 is summarized as follows:

	For the three months ended March 31,			
	2026	2025	Change (\$)	Change (%)
Advertising and Promotion	\$ -	\$ 3,480	(3,480)	- 100%
Equipment rent	3,439	2,372	1,067	45%
Insurance expense	5,877	20,986	(15,109)	-72%
Meals and entertainment	-	16	(16)	-100%
Office expense	82,034	80,376	1,658	2%
Other rent	82,294	78,324	3,970	5%
Repairs and maintenance	-	181	(181)	-100%
Shareholder communication	1,930	17,105	(15,175)	-89%
Utilities	12,583	11,933	650	5%
Subscriptions and Dues	12,851	16,781	(3,930)	-23%
Total	\$ 201,008	\$ 231,554	(30,546)	-13%

General and administrative costs decreased by \$30,546, or 13%, from \$231,554 for the three months ended March 31, 2025, to \$201,008 for the three months ended March 31, 2026. The decrease was primarily due to insurance expense, shareholder communication expense. These reductions were partly offset by higher rent, equipment, and office expense.

Other items

Finance costs decreased to \$190,992 from \$211,202, primarily due to lower interest expenses. The Company recognized a foreign exchange loss of \$7,226, compared to a loss of \$70 in the prior-year period. In addition, the Company recorded a loss on settlement of debt of \$23,574 compared to \$147,045 in the prior period. Additionally, a loss of \$110,209 on the change in fair value of warrant liabilities was recognized, compared to \$nil in the comparative quarter.

Summary of Quarterly Results

The following financial data was derived from the eight most recently completed financial quarters:

	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025
Revenue	\$ 2,338,825	\$ 2,231,708	\$ 1,925,448	\$ 1,815,991
Net income (loss) for the period	\$ (184,846)	\$ 84,966	\$ (782,670)	\$ (340,600)
Loss per share - basic and diluted	\$ (0.00)	\$ 0.00	\$ (0.01)	\$ (0.00)
Weighted average number of shares outstanding	118,461,391	113,462,409	109,726,752	104,343,730

	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Revenue	\$ 2,291,391	\$ 1,450,641	\$ 1,206,553	\$ 1,305,183
Net loss for the period	\$ (996,996)	\$ (559,191)	\$ 81,269	\$ (860,422)
Loss per share - basic and diluted	\$ (0.01)	\$ (0.01)	\$ 0.00	\$ (0.01)
Weighted average number of shares outstanding	102,197,386	101,111,574	97,805,877	77,971,698

For the three months ended March 31, 2026, the Company's cost of goods sold and gross profit were \$1,422,430 and \$916,395, respectively, compared to \$1,884,300 and \$407,091 for the three months ended March 31, 2025 and gross profit margin of 39.18% for the three months ended March 31, 2026 compared to 17.77% for the three months ended March 31, 2025. The variation in gross profit margin is a result of the increase of gross profit margin on starch products, blended products, and protein & oil products. The variation in gross profit margin was also impacted by an increase in revenue from starch products from the comparative quarter.

For the three months ended December 31, 2025, the Company's cost of goods sold and gross profit were \$1,594,978 and \$636,730, respectively, compared to \$1,053,061 and \$397,580 for the three months ended December 31, 2024 and gross profit margin of 28.53% for the three months ended December 31, 2025 compared to 27.41% for the three months ended December 31, 2024. The variation in gross profit margin is a result of the gross profit margin on starch increasing from the comparative quarter due to a decline in the costs of ingredients. The variation in gross profit margin is a result of the gross profit margin on starch and protein and oil products increasing from the comparative quarter due to a decline in the costs of ingredients. The variation in gross profit margin was also impacted by an increase in revenue from blended products and services products from the comparative quarter.

For the three months ended September 30, 2025, the Company's cost of goods sold and gross profit were \$1,264,304 and \$661,144, respectively, compared to \$924,841 and \$281,712 for the three months ended September 30, 2024 and gross profit margin of 34.34% for the three months ended September 30, 2025 compared to 23.35% for the three months ended September 30, 2024. The variation in gross profit margin is a result of the gross profit margin on starch products increasing from the comparative quarter due to a decline in the costs of ingredients. The variation in gross profit margin was also impacted by an increase in revenue from starch products from the comparative quarter. Furthermore, the variation in gross profit margin was further impacted by equipment lease renegotiations occurring during the three months ended September 30, 2024, which resulted in a decline in depreciation on production in the current period.

For the three months ended June 30, 2025, the Company's cost of goods sold and gross profit were \$1,258,241 and \$557,750, respectively, compared to \$1,073,607 and \$231,576 for the three months ended June 30, 2024 and gross

profit margin of 30.7% for the three months ended June 30, 2025 compared to 17.7% for the three months ended June 30, 2024. The variation in gross profit margin is a result of the gross profit margin on starch products increasing from the comparative quarter due to a decline in the costs of ingredients. The variation in gross profit margin was also impacted by an increase in revenue from blending services from the comparative quarter. Furthermore, the variation in gross profit margin was further impacted by equipment lease renegotiations occurring during the three months ended September 30, 2024, which resulted in a decline in depreciation on production in the current period.

For the three months ended March 31, 2025, the Company's cost of goods sold and gross profit were \$1,884,300 and \$407,091, respectively, compared to \$727,614, and \$27,534 for the three months ended March 31, 2024 and gross profit margin of 17.77% for the three months ended March 31, 2025 compared to 3.65% for the three months ended March 31, 2024. The variation in gross profit margin is a result of the gross profit margin on starch products increasing from the comparative quarter due to a decline in the costs of ingredients. The variation in gross profit margin was also impacted by an increase in revenue from blending services from the comparative quarter. Furthermore, the variation in gross profit margin was further impacted by equipment lease renegotiations occurring during the three months ended September 30, 2024, which resulted in a decline in depreciation on production.

For the three months ended December 31, 2024, the Company's cost of sales and gross profit were \$1,053,061 and \$397,580, respectively, compared to \$1,158,107, and \$1,107,567 for the three months ended December 31, 2023 and gross profit margin of 27.41% for the three months ended December 31, 2024 compared to 4.36% for the three months ended December 31, 2023. The variation in gross profit margin is a result of the gross profit margin on starch products increasing from the comparative quarter due to a decline in the costs of ingredients. The variation in gross profit margin was also impacted by an increase in revenue from blending services from the comparative quarter. Furthermore, the variation in gross profit margin was further impacted by equipment lease renegotiations occurring during the three months ended September 30, 2024, which resulted in a decline in depreciation on production.

For the three months ended September 30, 2024, the Company's cost of sales and gross profit were \$924,841 and \$281,712, respectively, compared to \$843,568, and \$42,889 for the three months ended September 30, 2023 and gross profit margin of 23.35% for the three months ended September 30, 2024 compared to 4.84% for the three months ended December 31, 2023. The variation in gross profit margin is a result of the gross profit margin on starch products increasing from the comparative quarter due to a decline in the costs of ingredients. The variation in gross profit margin was also impacted by an increase in revenue from blending services from the comparative quarter. Furthermore, the variation in gross profit margin was further impacted by equipment lease renegotiations occurring during the three months ended September 30, 2024, which resulted in a decline in depreciation on production.

Revenue decreased from \$1,305,183 for the three months ended June 30, 2024, to \$1,206,553 for the three months ended September 30, 2024. In the three months ended June 30, 2024, higher volumes of starch products were sold resulting in a significant increase in revenue. In the three months ended September 30, 2024, production slowed as a result of the delayed launch of certain products by customers. Net loss decreased from \$860,422 for the three months ended June 30, 2024, to \$81,269 for the three months ended September 30, 2023. The decrease in quarterly net loss is primarily attributed to a gain of \$708,748 on lease modification as the Company's equipment lease was renegotiated resulting in more favourable terms.

Liquidity and Capital Resources

As at March 31, 2026, the Company had a working capital deficit of \$1,808,194, representing a decrease of \$1,986,594 from the deficit of \$3,794,788 as at March 31, 2025. The improvement was primarily driven by a \$2,375,106 decrease in the current portion of loan payable and a \$142,084 decrease in accounts payable and accrued liabilities, partially offset by a \$353,326 increase in the factoring facility and a \$235,200 decrease in inventory.

Over the next twelve months, the Company will need additional capital to fund operations and settle obligations as obligations come due. The Company's access to financing is uncertain. There can be no assurance of continued access to significant debt or equity funding. The Company may be unable to obtain such financing on terms which are satisfactory to it. The Company plans to fund capital as needed through the use of share and debt issuances.

Cash Flows

A summary of cash flows for the years ended March 31, 2026 and 2025, is as follows

	March 31, 2026	March 31, 2025	Change
Operating activities	\$ (340,926)	\$ (1,197,919)	-72%
Investing activities	-	49,186	-100%
Financing activities	463,374	1,129,914	-59%
Effect of change in foreign exchange rates on cash	(7,605)	(2,369)	221%
Change in cash	114,843	(21,188)	-642%

Cash used in operating activities was \$340,926 for the year ended March 31, 2026, compared to cash used in operating activities of \$1,197,919 for the year ended March 31, 2025, representing an improvement of approximately \$856,993. The net loss decreased to \$1,223,150 from \$2,335,340 which drove the reduction in operating cash outflows coupled with non-cash charges in the current year, including a \$119,135 loss on the change in fair value of warrant liabilities and \$66,795 of share-based payment, together with lower working capital outflows than in the prior year. The prior year included a \$721,964 gain on forgiveness of lease payments, which did not recur in the current year, and \$75,813 of bad debt expense compared to \$10,066 in the current year.

No investing activities occurred during the year ended March 31, 2026. During the year ended March 31, 2025, investing activities provided cash of \$49,186 on proceeds from the sale of property and equipment.

Cash provided by financing activities was \$463,374 for the year ended March 31, 2026, compared to cash provided by financing activities of \$1,129,914 in the prior year, representing a decrease of \$666,540. The current year reflected loan borrowings of \$4,891,199, proceeds from the issuance of units of \$682,627, proceeds from the exercise of warrants of \$629,205, and net accounts receivable factoring proceeds of \$355,846. These inflows were partially offset by loan repayments of \$5,577,070 and lease liability repayments of \$518,433.

Overall, cash increased by \$114,843 during the year ended March 31, 2026, compared to a decrease of \$21,188 in the prior period, bringing the Company's cash balance to \$159,580 at March 31, 2026.

Related Party Disclosures

The Company defines its related parties as its key members of management, companies controlled by its key members of management, and family members of its key members of management. Key members of management consist of the Directors and Officers who are responsible for planning, directing, and controlling the activities of the Company. Details of the Company's key members of management as follows:

- Chadwick White, Former Chief Executive Officer ("CEO"), Chief Innovation Officer ("CIO"), Chief Visionary Officer ("CVO") and Director of the Company. Chadwick White was appointed to the Board of Directors and as CIO on April 21, 2021. On December 1, 2022, Chadwick White was appointed as the Company's CEO. On August 9, 2024, Chadwick White resigned as CEO and was appointed CVO.
- David Wood, Chief Operations Officer ("COO"), Director of the Company, interim CFO and interim Corporate Secretary. David Wood was appointed to the Board of Directors and as CEO of the Company on April 15, 2021. On December 1, 2022, David Wood resigned as the Company's CEO and was appointed as the Company's COO on the same date. David Wood assumed the role as the Company's interim CFO and interim Corporate Secretary on July 14, 2023.
- Paul Feldman, Chief Engineer (appointed January 1, 2021).
- Marc Olmsted, Manager of Research and Development and Director of the Company (appointed April 15, 2021, terminated July 16, 2024).
- William Hogan, Chief Executive Officer ("CEO"). William Hogan was appointed CEO on August 9, 2024.

- Tim Hogan, Chairperson of the Compensation Committee and Independent Director of the Company (appointed October 4, 2024).
- Andrew Contiguglia, Chairperson of the Audit Committee and Independent Director of the Company (appointed October 4, 2024, resigned October 15, 2025).
- Mark Retzloff, Chairperson of the Board of the Directors (appointed March 12, 2025).
- Paul Lyman, a Director of the Company (appointed October 22, 2025)

Related party balances

As at March 31, 2026, accounts payable and accrued liabilities include \$3,215 (March 31, 2025 – \$Nil) owed to the Chief Executive Officer (“CEO”). The amount represents unpaid salary and is unsecured, non-interest bearing and due on demand.

As at March 31, 2026, accounts payable and accrued liabilities include \$1,816 (March 31, 2025 – \$Nil) owed to a family member of the CEO and to a Director of the Company. The amount represents unpaid salary and is unsecured, non-interest bearing and due on demand.

As at March 31, 2026, included in due from related parties is \$603 (March 31, 2025 - \$621) due from the Chief Visionary Officer (“CVO”), Director, and former CEO of the Company. The amount is unsecured, non-interest bearing and due on demand.

As at March 31, 2026, included in accounts payable and accrued liabilities is \$60,259 (March 31, 2025 - \$61,492) due to the CVO, Director, and former CEO of the Company. The amount consists of expenses charged to a credit card and is unsecured, non-interest bearing and due on demand. As at March 31, 2026, also included in accounts payable and accrued liabilities is \$4,018 (March 31, 2025 - \$3,312) owed to the CVO, Director, and former CEO. This amount consists of salary owed and is unsecured, non-interest bearing and due on demand.

As at March 31, 2026, included in accounts payable and accrued liabilities is \$15,443 (March 31, 2025 - \$16,623) due to a company controlled by the COO (former CEO), Director of the Company, interim CFO, and interim Corporate Secretary. The amount consists of expense reimbursements and is unsecured, non-interest bearing, and due on demand. As at March 31, 2026, also included in accounts payable and accrued liabilities is \$Nil (March 31, 2025 - \$67,727) owed to the same company. The amount consists of interest payable on a revolving loan facility.

As at March 31, 2026, included in accounts payable and accrued liabilities is \$87,129 (March 31, 2025 - \$96,842) due to the COO and interim CFO. The amount consists of expenses charged to a credit card and is unsecured, non-interest bearing and due on demand. Additionally, included in accounts payable and accrued liabilities due to the COO and interim CFO is \$3,215 (March 31, 2025 - \$3,312). This amount consists of salary owed and is unsecured, non-interest bearing and due on demand. Also included in accounts payable and accrued liabilities is \$67,567 (March 31, 2025 - \$11,714) due to the COO and interim CFO. This amount consists of expense reimbursements and is unsecured, non-interest bearing and due on demand.

As at March 31, 2026, included in accounts payable and accrued liabilities is \$36,829 (March 31, 2025 - \$37,946) due to the Chief Engineer of the Company. The amount consists of salary owed and is unsecured, non-interest bearing and due on demand. As at March 31, 2026, also included in accounts payable and accrued liabilities is \$12,703 (March 31, 2025 - \$13,089) owed to the Chief Engineer. This amount consists of expense reimbursements and is unsecured, non-interest bearing and due on demand.

As at March 31, 2026, included in accounts payable and accrued liabilities is \$8,787 (March 31, 2025 - \$9,206) due to the family members of the CVO, Director, and former CEO of the Company. The amount consists of salary owed and is unsecured, non-interest bearing and due on demand.

As at March 31, 2026, also included in accounts payable and accrued liabilities is \$2,479 (March 31, 2025 - \$2,880) due to the family members of the COO (former CEO), Director of the Company, interim CFO and interim Corporate Secretary. The amount consists of salary owed and is unsecured, non-interest bearing and due on demand.

As at March 31, 2026, included in accounts payable and accrued liabilities is \$Nil (March 31, 2025 - \$1,148) due to the former Director of Research and Development and Director of the Company. The amount consists of salary owed and is unsecured, non-interest bearing and due on demand.

Related party transactions

During the years ended March 31, 2026 and 2025, the Company incurred charges for salaries and benefits, professional fees, and share-based payments with related parties. The following table outlines related party transactions for the years months ended March 31, 2026 and 2025.

	For the years ended March 31,	
	2026	2025
Salaries and benefits		
Chadwick White, CEO, CIO, and Director	\$ 145,888	\$ 144,431
Family members of Chadwick White	147,963	189,191
Marc Olmsted, Manager of R&D and Director	-	61,110
Paul Feldman, Chief Engineer	-	26,425
William Hogan	69,332	-
Family member of William & Tim Hogan	54,862	-
David Wood, COO (former CEO), Director, interim CFO and Interim Corporate Secretary	147,963	144,349
Family members of David Wood	-	333
Professional Fees		
Mark Retzlöff, Chairperson of the Board	13,816	-
Total	\$ 579,824	\$ 565,839

Revolving loans

Robert G. Wood and Company, Inc.

During the year ended December 31, 2020, the Company entered into unsecured revolving loan facilities with Robert G. Wood and Company, Inc. and Fire Fighter Trucks of Colorado, LLC. These companies are controlled by David Wood, COO (former CEO), Director of the Company, interim CFO and interim Corporate Secretary. Initially, under each loan facility, up to USD\$200,000 could be borrowed. These facilities were unsecured, bore interest at a rate of 6% per annum and would mature on December 31, 2025. During the fifteen months ended March 31, 2023, the loan facility with Fire Fighter Trucks of Colorado, LLC was cancelled. No principal or interest was owing on this facility at the time of its cancellation. On January 1, 2022, the revolving loan with Robert G. Wood and Company, Inc. was amended to increase the amount that could be loaned under the facility from USD\$200,000 to USD\$400,000 (the “First Amended Facility”), The First Amended Facility was then amended on September 5, 2022, to increase the amount that could be loaned under the facility from USD\$400,000 to USD\$650,000 (the “Second Amended Facility”). On January 1, 2024, the Second Amended Facility was amended (the “Third Amended Facility”) to increase the amount that could be borrowed under the facility from USD\$650,000 to USD\$900,000. The Third Amended Facility bore interest at 6% per annum, with the outstanding balance due on or before December 31, 2025.

On January 1, 2026, the facility was amended and restated (the “Amended and Restated Facility”) to fix the principal amount, with no further advances permitted, and to require the outstanding principal and accrued interest to be repaid in a single balloon payment, with interest at 6% per annum, on or before December 31, 2027. The Company accounted for the amendment as a substantial modification under IFRS 9: the original liability of USD \$916,866 was derecognized and a new liability was recognized at its fair value of USD \$686,030, with the difference of USD \$230,836 (CAD \$312,377), a below-market concession from a related party, recognized as an equity component. During the year ended March 31, 2026, the Company did not receive or repay any principal under the facility and

recognized interest expense of \$162,073 (year ended March 31, 2025 – \$128,316), determined using the effective interest method. As at March 31, 2026, no accrued interest in respect of the facility remained in accounts payable and accrued liabilities (March 31, 2025 – \$67,727), as the accrued and unpaid interest was capitalized into the principal of the Amended and Restated Facility on January 1, 2026.

During the year ended March 31, 2025, the Company received loan proceeds of USD\$54,500 (CAD\$75,841) and made principal repayments of USD\$Nil (CAD\$Nil) for net proceeds of USD\$54,500 (CAD\$75,841). During the year ended March 31, 2025, the Company made interest payments of USD\$13,000 (CAD\$18,091), incurred interest expenses of USD\$52,934 (CAD\$73,662), recorded accretion of USD\$92,209 (CAD\$128,317) and recorded an additional equity component of USD\$10,509 (CAD\$14,624) related to the revolving loan facility.

As at March 31, 2026, the carrying amount of the facility was CAD \$1,003,922, which is classified as non-current.

William Hogan

From January to March 2024, Nepra US received loan proceeds of USD\$600,000 (CAD\$808,948) from William Hogan, who was appointed Chief Executive Officer on August 9, 2024. In April 2024, Nepra US received additional loan proceeds of USD\$350,000 (CAD\$478,139). The loan bears interest at 6% per annum and was repayable on or before July 31, 2024. The loan is secured by a security interest in all assets of Nepra US.

On July 15, 2024, the Company reached an agreement with the lender to convert all of the outstanding USD\$950,000 principal amount of loan advances made, together with accrued and unpaid interest and all other amounts outstanding under the loan agreement, totaling USD\$970,551 (CAD\$1,335,111), into 26,445,572 common shares of the Company with a fair value of CAD \$1,190,051 (Note 14). On July 15, 2024, the Company entered into a revolving promissory note agreement with the same lender. The principal sum of the revolving promissory note is USD\$375,000 (CAD\$506,805) and is due and payable on or before July 31, 2025. Interest shall accrue at an annual rate of 6%. In the event of default, interest on the entire outstanding principal balance shall accrue at an annual rate of 12% as of the date of the occurrence of default. Borrowings under this promissory note can be fully repaid at any time during the term without a prepayment penalty.

Effective January 1, 2025, the Company entered into an agreement to amend the terms of its existing unsecured promissory note. Pursuant to the amendment (the “Amendment”), the maximum principal amount permitted to be withdrawn was increased to USD \$475,000 (CAD\$661,002). All other terms and conditions of the original promissory note remain unchanged. On the date of the Amendment, management determined that this was a non-substantial debt modification.

Effective July 31, 2025, the Company entered into an agreement to amend the terms of its existing unsecured promissory note. Pursuant to the amendment (the “Amendment #2”), the loan was due and payable on or before March 31, 2026, and the maximum principal amount permitted to be withdrawn was increased to USD \$525,000 (CAD \$726,521). All other terms and conditions of the original promissory note remain unchanged. On the date of the Amendment #2, management determined that this was a non-substantial debt modification.

During the year ended March 31, 2025, the Company drew down USD\$452,000 (CAD\$628,996) of this revolving promissory note and USD\$15,416 (CAD\$21,453) in interest has accrued.

There were no drawdowns under this revolving promissory note during the year ended March 31, 2026.

On February 23, 2026, the Company settled the revolving promissory note in full by issuing 6,969,273 common shares with a fair value of \$696,927. The carrying amount of the note derecognized on settlement was \$673,233, and the Company recognized a loss on settlement of \$23,694 in the consolidated statement of net and comprehensive loss.

Material Accounting Policies

The material accounting policies applied in the preparation of the Company's consolidated financial statements are disclosed in Note 3 of the audited consolidated financial statements for the years ended March 31, 2026, and 2025.

Changes in Accounting Policies including Initial Adoption

Initial adoption of new accounting standards:

New accounting standards or amendments to existing accounting standards that have been issued are not applicable to the Company's consolidated financial statements. The Company has not adopted any new accounting standards during the year ended March 31, 2026.

Future accounting standards issued but not yet in effect:

New accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

Use of Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. Management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. In preparing the Company's consolidated financial statements, the significant estimates and critical judgments were the same as those applied to the audited financial statements for the years ended March 31, 2026, and 2025.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements as of the date of this MD&A.

Commitments

The Company does not have any commitments as of the date of this MD&A.

Proposed Transactions

There are no proposed transactions as at the date of this MD&A.

Financial Instruments

The Company's financial instruments are grouped as follows:

FINANCIAL ASSETS	Level	March 31, 2026	March 31, 2025
FVTPL			
Cash	1	\$ 159,580	\$ 44,737
Other assets, at amortized cost			
Accounts receivable	2	1,318,140	789,504
Due from related parties	2	603	621
Total financial assets		\$ 1,478,323	\$ 834,862
FINANCIAL LIABILITIES	Level	March 31, 2026	March 31, 2025

Other liabilities, at amortized cost			
Accounts payable and accrued liabilities	2	2,422,272	2,564,356
Factoring facility	2	539,157	185,831
Loans payable	2	557,641	2,932,747
Derivative financial liabilities, at FVTPL			
Warrant liability	3	562,411	-
Total financial liabilities		\$ 4,081,481	\$ 5,682,934

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities,
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices), and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company uses judgment to select the methods used to make certain assumptions and in performing the fair value calculations in order to determine (a) the values attributed to each component of a transaction at the time of issuance, (b) the fair value measurements for certain instruments that require subsequent measurement at fair value on a recurring basis, and (c) for disclosing the fair value of financial instruments subsequently carried at amortized cost. These valuation estimates could be significantly different because of the use of judgment and the inherent uncertainty in estimating the fair value of instruments that are not quoted in an active market.

Loans payables are measured at amortized cost. Upon recognition, the fair values of the loans are estimated by discounting cash flows using interest rates of debt instruments with similar terms, maturities, and risk profile. The carrying value of the Company's accounts receivable, due from related parties and accounts payable and accrued liabilities approximate their fair values due to their short-term maturities.

Financial Instrument Risk

Through its operations, the Company is exposed to the following risks:

- Market Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This section describes the Company's objectives, policies, and processes for managing those risks and the methods used to measure them.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure those risks from previous reported periods unless otherwise stated in this section.

The overall objective of the Directors and Officers is to set policies that seek to reduce risk as much as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

a) Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as foreign currency exchange, interest rates, and equity price risk.

(i) Foreign Currency Risk:

A portion of the assets and liabilities held by the Company and its subsidiaries are denominated in currencies other than the functional currencies of the Company and its subsidiaries. This results in some exposure to foreign currency risk. All of the Company's assets and liabilities are denominated in either Canadian Dollars or United States Dollars. Assuming all other variables remain constant, a 5% weakening or strengthening of the Canadian Dollar against the United States Dollar would result in an approximate \$95,800 foreign exchange gain or loss in the condensed consolidated interim statement of comprehensive loss as at March 31, 2026.

(ii) Interest Rate Risk:

Interest rate risk is the risk that future cash flows will fluctuate because of changes in market interest rates. The interest earned on cash and restricted cash is insignificant, and the Company does not rely on interest to fund its operations. The Company's outstanding loans payable bear interest at fixed rates. As a result, as at March 31, 2026, management believes that the Company is not exposed to any significant interest rate risk.

b) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Company's cash, due from related parties and accounts receivable are exposed to credit risk. The Company limits its exposure to credit loss on cash by placing its cash with high-quality financial institutions. The Company has concentrations of credit risk with respect to accounts receivable as large amounts of its accounts receivable are concentrated amongst a small number of customers. The Company performs credit evaluations of its customers but generally does not require collateral to support accounts receivable.

The Company has certain amounts of aged receivables that are not deemed impaired as follows:

	March 31, 2026	March 31, 2025
1 - 60 days	\$ 833,768	\$ 760,396
61 - 90 days (past due)	11,942	-
Over 90 days (past due)	103,263	111,795
Provision for expected credit losses (over 90 days)	(120,795)	(114,002)
Total	\$ 828,178	\$ 758,189

The Company is exposed to increased credit risk due to major customers that comprise 10% or more of revenue. For the years ended March 31, 2026 and 2025, the following revenue was recorded from major customers:

	For the year ended March 31,	
	2026	2025
Customer A	\$ 3,710,311	\$ 2,652,045
Customer B	1,339,375	1,066,185
Customer C	975,163	924,392

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. Historically, the Company's sources of funding have been through equity financing, related party loans and convertible notes. The Company's access to financing is uncertain. There can be no assurance of continued access to significant debt or equity funding.

The following table displays the Company's aging discounted obligations:

	Within one year		Between one and five years		More than five years	
Accounts payable and accrued liabilities	\$	2,422,272	\$	-	\$	-
Accounts receivable factoring facility		539,157		-		-
Loans payable		557,642		1,142,977		-
Lease liability		330,903		1,611,300		132,808
Total	\$	3,849,974	\$	2,754,277	\$	132,808

Risks

The material risk factors involved with the Company include, but are not limited to, the following:

Dependence on key personnel and consultants

The success of the Company will be largely dependent upon the performance of its management and key employees. Failure by the Company to retain or to attract and retain additional key employees with the necessary skills could have a materially adverse impact upon the Company's growth and profitability. These individuals, and the contributions they will make, are important to the future operations and success of the Company. The unexpected loss or departure of any of the key Directors, Officers, employees or consultants of the Company could be detrimental to the Company's future operations. The Company's success will depend in part on its ability to attract and retain qualified personnel as they are needed. The competition for highly skilled technical, management, sales and other employees is high in the Company's industry and the cost of hiring and retaining such personnel has been increasing. There can be no assurance that the Company will be able to engage the services of such personnel or retain the Company's current personnel.

Limited operating history

The Company has had a limited history of operations, is in the early stage of development and must be considered a start-up. As such, the Company will be subject to many risks common to such enterprises, including start-up losses, lack and uncertainty of revenues, markets and profitability, under-capitalization, cash shortages, and limitations with respect to personnel, financial and other resources. The Company has a limited history of earnings, and its limited operating history makes it difficult to predict how its business will develop and its future operating results. There is no assurance that the Company will operate profitably or provide a return on investment in the future and the likelihood of success and any potential return on a shareholder's investment must be considered in light of the Company's early stage of operations.

Disruption of trade, suppliers, and facilities

The Company imports specialty ingredients from Asia and Canada and is at risk should there be changes in government policies or international shipping disruptions. The Company does not control the operations at third-party

facilities, including any third-party warehouses. These facilities are vulnerable to damage or interruption from earthquakes, hurricanes, floods, fires, terrorist attacks, loss of power, telecommunications failures, and similar events. The facilities could be subject to break-ins, computer viruses, denial of service attacks, sabotage, intentional acts of vandalism and other misconduct. The occurrence of a natural disaster, an act of terrorism, a decision to close the third-party facilities without adequate notice or other unanticipated problems could result in lengthy interruptions in the Company's operations.

Financing risks

There is no assurance that the Company will be able to secure the financing necessary to develop and grow its business. The Company does not presently have sufficient financial resources or operating cashflow to undertake by itself all of its planned programs. The development of the Company may therefore depend on the Company's ability to obtain additional required financing. There is no assurance that the Company will be successful in obtaining the required financing on terms acceptable to it, or at all, the lack of which could result in the loss or substantial dilution of its interests (as existing or as proposed to be acquired) in its properties. The Company's ability to continue as a going concern is dependent on its ability to raise equity capital financings, the attainment of profitable operations and the completion of further share issuances to satisfy working capital and operating needs.

Limitations of Controls and Procedures

The Company's management, including the CEO and CFO, believe that any disclosure controls and procedures or internal controls over financial reporting, 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 systems 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.

Uninsured or Uninsurable Risk

The Company may become subject to liability for risks against which it cannot insure or against which it may elect not to insure due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for the Company's usual business activities. Payment of liabilities for which the Company does not carry insurance may have a material adverse effect on its financial position and operations.

Management's Responsibility for the Financial Statements

Management of the Company, under the supervision of the Chief Executive Officer and the Chief Financial Officer, is responsible for the design and operations of internal controls over financial reporting. There have been no changes in the Company's disclosure controls and procedures during the year ended March 31, 2026, that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting.

The Company's management is responsible for establishing and maintaining adequate internal controls over financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Other MD&A Requirements

Outstanding share data

	As at March 31, 2026	As at the date of this report
Class A shares	224,089	224,089
Common shares	125,788,669	125,888,669
Warrants	8,283,358	5,573,310
Options	1,400,000	1,400,000

Additional information

Additional information related to relating to the Company is available on the Company's website at www.neprafoods.com. Public filings made by the Company with Canadian securities regulatory authorities can be found under the Company's SEDAR+ profile at www.sedarplus.ca.