doseology

Doseology Sciences Inc.

Management's Discussion & Analysis

For the three and six months ended December 31, 2024 and 2023

This management's discussion and analysis ("MD&A") provides a review of Doseology Sciences Inc.'s (the "Company") business operations and is intended to help readers understand the significant factors that affect the performance of the Company and those that may impact its future performance. This MD&A has been prepared as of November 26, 2024 and should be read in conjunction with the Company's condensed interim consolidated financial statements for the period ended December 31, 2024.

All amounts in this MD&A are expressed in Canadian dollars, unless otherwise indicated.

CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking information" that is based on expectations, estimates and projections as of the date of this MD&A. Often, but not always, such forward-looking information can be identified by the use of forward-looking words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information in this MD&A. Many of such risks and uncertainties are beyond the control of the Company. Please refer to the non-exhaustive list of risks and uncertainties included in this MD&A.

While the Company anticipates that subsequent events and developments may cause its views to change, it will not update this forward-looking information, except as required by law. This forward-looking information should not be relied upon as representing the views of the Company as of any date after the date of this MD&A. The Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those current expectations described in forward-looking information. However, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended and that could cause actual actions, events or results to differ materially from current expectations. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.

The words "we", "our", "us", "Company", "Doseology" and "Dose" refer to Doseology Sciences Inc., together with its predecessors, subsidiaries, and/or the management and employees of the Company's subsidiary.

BUSINESS OVERVIEW

The Company, along with its wholly owned subsidiary Dose Labs Inc., is building a progressive supplement brand focused on providing mental health and wellness solutions. Doseology products are science-backed and health expert-formulated, addressing today's top wellness needs such as cognition and sleep quaility. Doseology is committed to optimizing well-being through the power of fungi. The Company trades on the Canadian Securities Exchange under the symbol "MOOD", the OTCQB Venture Market in the United States under the symbol "DOSEF", and the Frankfurt Stock Exchange under the symbol "VU7".

STRATEGY AND OUTLOOK

Consumer Packaged Goods

Doseology continued to direct its efforts towards driving sales of its branded line of functional mushroom tinctures. The unique proprietary formulas stack 100% mushroom fruiting bodies (for maximum purity and potency) with real medicinal botanicals, improving on the single-extract tinctures commonly available in other competitor products. The liquid format ensures faster absorption for an efficient wellness experience.

The Company maintained its dedication to promoting its presence through established retail sales channels in both physical and online spaces. Currently, its products are now on available in 550+ retail locations across Canada.

The Company has been focused on marketing and sales initiatives in partnership with its now four distributors including Purity Life Health Products (National), Peak Performance Products (National), ONFC (Ontario) and Horizon (BC).

During this quarter, the Issuer launched into distribution with Purity Life Health Products. This partnership aims to expand market reach and product availability. Initial purchase orders were received and product sent to four distribution centres located in Vancouver, BC, Calgary, AB, Acton, ON and Laval, QC, providing national coverage. The Company anticipates this will contribute to revenue growth and market presence in the health and wellness sector.

Strategic Review

The Board of Directors of the Company, with the support of management, has initiated a review process to explore and evaluate a broad range of strategic alternatives. The strategic review process will encompass an evaluation of the Company's current strategic direction, operations, market valuation and capital structure and will consider appropriate alternatives for the Company, which may include one or more of the following: continuation as a stand-alone public company, strategic investor participation, acquisition by or a merger with an industry partner that may involve all or part of the Company's business or assets, and any other strategic alternatives that may be identified during the strategic review. While the strategic review process is ongoing, the Company intends to continue to pursue its core strategic objectives so as to maintain and enhance the value of its current business and operations.

Mergers and Acquisitions

The Company continues to consider potential attractive acquisition targets that are accretive to earnings. The availability of public stock, the current economic environment and a strong balance sheet would allow the Company to acquire other businesses at advantageous pricing, making its acquisition strategy fruitful to current shareholders.

KEY HIGHLIGHTS

Key account growth attributed to:

Loblaw

Loblaw Companies Limited is Canada's largest food retailer and a major player in the retail. Loblaw operates numerous grocery store banners, such as Loblaws and Real Canadian Superstore. Doseology Wake & Sleep tinctures can be found in their Natural Foods sections in over 150 locations.

Sobeys

Sobeys is one of the largest supermarket chains in Canada. Doseology has strategic placement in Sobeys Atlantic, Ontario and West regions. The distribution includes various banners of select Sobeys, Safeway, and Thrifty Foods banners, making the product easily accessible to consumers throughout the country.

Metro

Metro Inc., a Canadian food retailer operating in the provinces of Quebec and Ontario. Metro is the third largest grocer in Canada, after Loblaw Companies Limited and Sobeys. Doseology can be found in select retail locations across Ontario.

RESULTS OF OPERATIONS

For the three months ended December 31, 2024 and 2023

The loss and comprehensive loss for the three months ended December 31, 2024, was $58,409 compared to $111,664 for the three months ended December 31, 2023. The decrease in loss is described in further detail below, however, it is mainly attributable to the lower operating costs. Overall, the Company has reduced its cash outflow from operations and continues to streamline operations, while growing the various sales distribution channels.

For the three months ended December 31, 2024, revenues from product sales were $4,605 compared to $13,274 for the same period ending December 31, 2023. This decrease in revenue is due to the prior year launch within various new distribution channels.

Below is a reference to the Company's statements of loss and comprehensive loss for the three months ended December 31, 2024 and 2023 along with a discussion of the key factors that lead to the changes in operating expenses:

	For three months ended December 31,		For six months ended December 31,	
	2024	2023	2024	2023
	$	$	$	$
Income				
Product sales	4,605	13,274	19,182	59,375
Cost of sales	(2,020)	(2,759)	(9,591)	(12,343)
	2,585	10,515	9,591	47,032
Expenses				
Marketing and product placement	14,062	51,571	28,538	101,228
Investor relations	-	-	-	263
Product development and other costs	466	-	1,000	-
Leasehold operating costs	-	-	-	-
Consulting fees	16,507	45,998	38,800	47,480
Management fees	6,857	-	11,762	-
Professional fees	9,292	3,898	12,532	9,487
Regulatory filings and listing fees	570	23,612	6,497	23,612
Office	1,277	6,587	3,611	20,671
Salaries and benefits	20,317	8,844	39,703	29,974
Share-based compensation	-	8,075	13,564	18,836
Depreciation and amortization	-	797	-	18,776
	(69,348)	(149,382)	(156,007)	(270,327)
Other income (expenses)				
Interest and other income	8,354	8,449	15,734	14,791
Gain on lease termination	-	18,774	-	18,774
Loss and comprehensive loss for the period	**(58,409)**	**(111,644)**	**(130,682)**	**(189,730)**

Marketing

Marketing was $14,062 for the three months ended December 31, 2024, compared to $51,571 for the same period in 2023. This decrease is primarily due to product placement expenses that were previously incurred in order to launch within various distribution channels.

Consulting Fees

Consulting fees were $16,507 for the three months ended December 31, 2024 compared to $45,998 for the same period in 2023. This decrease is related to the prior year having additional accounting and finance related expenses from the Company's financial consultant.

Management fees

Management fees were $6,857 for the three months ended December 31, 2024, compared to $nil for the same period in 2023. This increase is attributable to the Company retaining new management from prior year.

Professional Fees

Professional fees were $9,292 for the three months ended December 31, 2024 compared to $3,898 for the same period in 2023. This increase relates to general corporate matters, as well as an increase in the year end audit fees that were not previously accrued.

Regulatory filing and listing fees

Regulatory filing and listing fees were $570 for the three months ended December 31, 2024 compared to $23,612 for the same period in 2023. This decrease was primarily due to various timing of regulatory fee invoices.

Salaries and benefits

Salaries and benefits were $20,317 for the three months ended December 31, 2024 compared to $8,844 for the same period in 2023. The increase relates to the Company accounting personal under marketing in the prior year, where the net salaries and benefits has a nominal change.

SUMMARY OF QUARTERLY RESULTS

The Company's quarterly results for the last eight quarters are as follows:

	December 31, 2024 $	September 30, 2024 $	June 30, 2024 $	March 31, 2024 $
Revenue	4,605	14,577	5,296	33,851
Loss and comprehensive loss	(58,409)	(72,273)	(109,581)	(40,537)
loss per share - basic and diluted	(0.01)	(0.02)	(0.01)	(0.01)

	December 31, 2023 $	September 30, 2023 $	June 30, 2023 $	March 31, 2023 $
Revenue	13,274	46,101	11,059	9,808
Loss and comprehensive loss	(111,644)	(78,086)	(1,142,612)	(110,561)
loss per share - basic and diluted	(0.00)	(0.01)	(0.03)	-

As a start-up, for quarters ending December 31, 2024 and prior, the Company was primarily focused on market research, product development, and implementing internal systems to support the growth of the Company over the next few years. With the foundation set and the "going public" milestone reached in November 2021, from early February 2022 and onwards the Company has shifted focus to the sales and distribution of its line of functional mushroom products. As of December 31, 2024 the Company has made meaningful progress regarding its sales strategy. As further noted above in the highlights section of this MD&A, the Company has placed its products in several well-known retail chains already and the Company expects this will translate into increased revenues over the coming quarters.

The change in loss and comprehensive loss for the three months ended December 31, 2024, compared to the same period in 2023, is mainly attributable to the lower operating costs. Overall, the Company has reduced its cash outflow from operations and continues to streamline operations, while growing the various sales distribution channels. Outside of various one-time expenses, the Company has made significant progress towards decreasing operating expenses.

CAPITAL RESOURCES AND LIQUIDITY

As of December 31, 2024, the Company had cash of $931,167 (December 31, 2023 - $1,111,415) and working capital of $902,619 (December 31, 2023 - $1,165,278).

Cash used in operating activities for the period ended December 31, 2024, was $129,055 compared to $190,063 for the same period in 2023. The decrease in cash used in operating activities was a result of the Company's continued efforts to decrease overhead expenditures.

Going concern

The Company has generated minimal revenue to date and has relied on equity financings to finance its operations. The ability of the Company to continue as a going concern and meet its commitments as they become due is dependent on the Company's ability to obtain the necessary financing to fund its ongoing operations until the Company can generate sufficient revenue to sustain its operations. Although the Company has been successful in raising capital there is no assurance that this will continue as there can be unforeseen changes in regulatory environment, market conditions or other global factors.

The condensed interim consolidated financial statements were prepared on a going concern basis, which assumes the Company will be able to meet its obligations as they become due for the next twelve months. The financial statements do not give effect to any adjustment which would be necessary should the Company be unable to continue as a going concern and, therefore, be required 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 financial statements. Such adjustments could be material.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Key management personnel include directors and officers who have the authority and responsibility for planning, directing, and controlling the activities of the Company. The compensation paid to these key management personnel for the period ended December 31, 2024 and 2023 is shown below:

	Three months ended		Year Ended	
	December 31, 2024 $	December 31, 2023 $	December 31, 2024 $	December 31, 2023 $
Management fees	3,000	-	6,000	2,400
Professional fees	-	2,587		3,406
Share-based compensation	-	564	13,564	1,128
	3,000	3,151	19,564	6,934

Management fees

During the period ended December 31, 2024, the Company incurred $3,000 (December 31, 2023: $nil) in management fees to Christopher Cherry, CFO of the Company.

Professional fees and regulatory filings and listing expenses

During the period ended December 31, 2024, the Company incurred $nil (December 31, 2023: $3,406) in professional fees to a law firm where Scott Reeves, a director of the Company, is a partner.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the condensed interim consolidated financial statements in conformity with IFRS requires the Company's management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements are as follows:

Useful lives of property and equipment

Property and equipment are depreciated over their useful lives. Useful lives are based on management's estimate and using industry norms which are periodically reviewed for continued appropriateness. Changes to estimates can result in significant variations in the carrying value and amounts charged to the consolidated statement of loss and other comprehensive loss in specific periods.

Impairment

Long-lived assets, including equipment and intangibles, are reviewed for indicators of impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the CGU). Judgements and estimates are required in defining a CGU and determining the indicators of impairment and the estimates required to measure an impairment, if any.

Share-based payments

The Company measures the cost of equity-settled transactions with employees and non-employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating the fair value requires determining the most appropriate inputs to the valuation model including the expected life of the instrument, volatility, risk-free interest rate and dividend yield.

Income taxes

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these income tax provisions at the end of each reporting period. However, it is possible that at some future date an additional liability could result from audits by tax authorities. Where the outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made. Deferred tax assets are recognized where it is determined that the Company is likely to recognize their recovery from the generation of taxable income.

FINANCIAL INSTRUMENTS

Fair value

IFRS 13, *Fair Value Measurement*, establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. IFRS 13 prioritizes the inputs into three levels that may be used to measure fair value.

The following table summarizes the carrying and fair value of the Company's financial instruments. The fair values of these financial instruments approximate their carrying values mostly because of their current nature.

	December 31, 2024 $	June 30, 2023 $
Cash *	931,167	1,060,222
Accounts receivable	11,004	2,304
Accounts payable and accrued liabilities	75,539	82,492

* Cash and cash equivalents are classified as fair value through profit and loss, all other financial instruments are classified as amortized cost. Interest income, interest expense, and gains and losses from financial assets and financial liabilities classified at amortized cost are recognized in the statement of loss and comprehensive loss.

Risks arising from financial instruments and risk management

Credit risk

Credit risk is the risk of loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

Foreign exchange risk

Foreign exchange risk arises from fluctuations in the future cash flows of a financial instrument because of changes in foreign exchange rates. The Company is not subject to significant foreign exchange rate risk as predominately all its transactions occur in Canadian dollars.

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. The observable impacts on the fair value and future cash flows of financial instruments that can be directly attributable to interest rate risk include changes in profit or loss from financial instruments whose cash flows are determined with reference to floating interest rates and potential changes in value of financial instruments whose cash flows are fixed in nature. The Company does not have any financial liabilities with floating interest rates but it does hold GIC investments. The GIC's are cashable and investment terms are 90 days or less to minimize cash flow and interest rate risk. Overall, the Company is exposed to minimal cash flow risk.

Liquidity and funding risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. As at

December 31, 2024, the Company had a cash balance of $931,167 to settle the current liabilities of $75,539 which are due on demand or within 1 year.

Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions.

CAPITAL MANAGEMENT

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of equity comprising issued share capital, reserves, and deficit.

The Company manages its capital structure and adjusts it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other financing activities as deemed appropriate under specific circumstances.

The Company is not subject to externally imposed capital requirements and its overall strategy with respect to capital risk management remains unchanged as of December 31, 2024.

OUTSTANDING SHARE DATA

As at February 26, 2025, the following securities were issued and outstanding:

Issued and outstanding common shares	4,500,515
Incentive stock options	195,000
Share purchase warrants (1)	-
	4,695,515 (2)

(1) During the year ended December 31, 2024, 1,094,250 share purchase warrants expired on November 2, 2023.

(2) During the year ended June 30, 2024, on February 16, 2024, the Company announced a consolidation of its issued and outstanding common shares on the basis of one post-consolidated common share for every ten pre-consolidated common share. All shares and per share amounts in these consolidated financial statements are presented on a post-consolidated basis.

RISKS AND UNCERTAINTIES

Investing in the Company's securities involves a high degree of risk. In addition to the risks identified in this MD&A, current and prospective investors should carefully consider all the risk factors noted in the Company's final prospectus, a copy of which is available on SEDAR at www.sedar.com, before purchasing common shares or any other securities of the Company that may be offered or that are issued and outstanding from time to time. The risks identified in the Company's prospectus remain unchanged and such risk factors identified are not a definitive list of all risk factors associated with an investment in the Company or in connection with the Company's operations. The occurrence of any of such risks, or other risks not presently known to the Company or that the Company currently believes are immaterial, could materially and adversely affect the Company's investments, prospects, cash flows, results of operations or financial condition, and the Company's ability to make dividend payments to shareholders. The value of the Common Shares, or any other securities of the Company that may be offered or issued and outstanding from time to time, could decline and investors may lose all or part of their investment.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on its corporate website, www.doseology.com.