

EDGAR SUBMISSION SUMMARY

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Entity Name	BETTERLIFE PHARMA INC.
Submission Type	20-F
Live File	On
Return Copy	On
Exchange	NONE
Confirming Copy	Off
Filer CIK	0001464165
Filer CCC	xxxxxxxx
Period of Report	01-31-2026
Shell Company	Off
Emerging Growth Company	No
Notify via Filing website Only	Off
Emails	file@discountedgar.com

Documents

Form Type	File Name	Description
20-F	betrf_20f.htm	FORM 20-F
EX-12.1	betrf_ex121.htm	CERTIFICATE
EX-12.2	betrf_ex122.htm	CERTIFICATE
EX-13.1	betrf_ex131.htm	CERTIFICATE
EX-13.2	betrf_ex132.htm	CERTIFICATE
EX-99.1	betrf_ex991.htm	CONSOLIDATED FINANCIAL STATEMENTS
EX-99.2	betrf_ex992.htm	MANAGEMENT'S DISCUSSION AND ANALYSIS
EX-101.SCH	betrf-20260131.xsd	XBRL TAXONOMY EXTENSION SCHEMA
EX-101.LAB	betrf-20260131_lab.xml	XBRL TAXONOMY EXTENSION LABEL LINKBASE
EX-101.CAL	betrf-20260131_cal.xml	XBRL TAXONOMY EXTENSION CALCULATION LINKBASE
EX-101.PRE	betrf-20260131_pre.xml	XBRL TAXONOMY EXTENSION PRESENTATION LINKBASE
EX-101.DEF	betrf-20260131_def.xml	XBRL TAXONOMY EXTENSION DEFINITION LINKBASE
GRAPHIC	betrf_ex991img10.jpg	
GRAPHIC	betrf_ex991img13.jpg	
GRAPHIC	betrf_ex991img12.jpg	
GRAPHIC	betrf_ex991img11.jpg	
GRAPHIC	betrf_ex992img1.jpg	

Module and Segment References

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F

(Mark One)

☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended January 31, 2026

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

☐ SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of an event requiring this shell company report _____

For the transition period from _____ to _____

BETTERLIFE PHARMA INC.

(Exact name of Registrant as specified in its charter)

(Translation of the Registrant's name into English)

CANADA

(Jurisdiction of incorporation or organization)

1275 West 6th Avenue, #300, Vancouver, British Columbia, Canada V6H 1A6

(Address of principal executive offices)

Ahmad Doroudian, CEO, tel: 604-221-0595, email: ahmad.doroudian@blifepharma.com address: 1275 West 6th Avenue, #300, Vancouver, British Columbia, Canada V6H 1A6

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common shares	BETR	Canadian Securities Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act.

Common Stock

(Title of Class)

SEC 1852 (05-19) **Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

None

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None

(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

151,896,675 common shares

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

☐ Yes ☒ No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

☐ Yes ☒ No

Note – Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of “large accelerated filer,” “accelerated filer,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☒

Emerging growth company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. ☐

† The term “new or revised financial accounting standard” refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☐

International Financial Reporting Standards as issued by the International Accounting Standards Board ☒

Other ☐

If “Other” has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

☐ Item 17 ☐ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

☐ Yes ☐ No

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PART I

Introduction

BetterLife Pharma Inc. (“BetterLife”, the “Company” or “we”) was incorporated in British Columbia under the Business Corporations Act on June 10, 2002. On December 5, 2019, we changed our name from Pivot Pharmaceuticals Inc. to BetterLife Pharma Inc.

BetterLife is an emerging biotechnology company primarily focused on developing compounds for the treatment of mental disorders. BetterLife is also refining and developing drug candidates from a broad set of complementary interferon-based technologies which have the potential to engage the immune system to fight viral infections.

Our registered office is located at c/o Lindsay Kenney LLP, 1500 – 401 West Georgia Street, Vancouver, B.C., Canada, V6B 5A1.

BetterLife has not earned any revenue and has an accumulated deficit of \$120,091,493 as at January 31, 2026. Our continued operations are dependent on our ability to generate future cash flows through additional financing or commercialization (refer to “Risk Factors”). Management intends to continue to pursue additional financing through issuances of equity or debentures. There is no assurance that additional funding will be available on a timely basis or on terms acceptable to us. These events or conditions indicate that a material uncertainty exists that casts substantial doubts on our ability to continue as a going concern.

Item 1. Identity of Directors, Senior Management and Advisors

The directors of the Company are Ahmad Doroudian, Doug Drysdale, Ralph Anthony Pullen and Steven Sangha. In addition, Doug Drysdale serves as our Chairman; Ahmad Doroudian serves as our Chief Executive Officer; Hooshmand Sheshbaradaran serves as Chief Operating Officer; and Moira Ong serves as our Chief Financial Officer. See Item 6 for further information. The business address for all directors and senior management is: 1275 West 6th Avenue, #300, Vancouver, British Columbia, Canada V6H 1A6.

Our PCAOB registered independent auditors are MNP LLP, Chartered Professional Accountants, Vancouver, BC, Canada. For further information, see the consolidated financial statements under Item 8.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

A. Selected Financial Data

The following selected information should be read in conjunction with our consolidated financial statements, and notes, filed with this FORM 20-F. This information, and all other financial information in this FORM 20-F, is stated in Canadian dollars unless otherwise noted.

The financial information is presented on the basis of IFRS® Accounting Standards.

Selected Consolidated Financial and Operating Data

	January 31, 2026	January 31, 2025	January 31, 2024
Operating Data			
Revenue	\$ nil	\$ nil	\$ nil
Operating expenses	(1,607,739)	(5,000,113)	(3,240,241)
Other income	94,821	1,378,229	341,731
Net loss	(1,512,918)	(3,621,884)	(2,898,510)
Net loss per share, basic and fully diluted	\$ (0.01)	\$ (0.03)	\$ (0.03)
Weighted average number of shares outstanding – basic and diluted	145,880,325	123,865,739	109,285,957
Consolidated Balance Sheet Data			
Cash	\$ 12,570	\$ 8,180	\$ 37,384
Working capital deficiency	(6,459,206)	(7,313,034)	\$ (7,022,402)
Total assets	219,903	224,963	\$ 324,746
Total long-term liabilities	27,174	49,115	\$ 673,365
Deficit	(6,486,380)	(7,362,149)	\$ (7,695,767)
Number of shares outstanding	151,896,675	129,573,385	115,825,302

Exchange Rates

In this FORM 20-F, references to “dollars”, “\$” are to Canadian dollars, unless otherwise specified. As at January 31, 2026, the exchange rate, as quoted by the Bank of Canada, was \$1.3562 for each US dollar.

B. Capitalization and Indebtedness

Refer to “Selected Financial Data”.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Forward Looking-Statements and Risk Factors
Forward-looking Statements

In this document, we are showing you a picture which is part historical (events which have happened) and part predictive (events which we believe will happen). Except for the historical information, all of the information in this document comprises “forward looking” statements. Specifically, all statements (other than statements of historical fact) regarding our financial position, business strategy and plans and objectives are forward-looking statements. These forward-looking statements are based on the beliefs of management, as well as assumptions made by, and information currently available to management. These statements involve known and unknown risks, including the risks resulting from economic and market conditions, accurately forecasting operating and capital expenditures and capital needs, successful anticipation of competition which may not yet be fully developed, and other business conditions. Our use of the words “anticipate”, “believe”, “estimate”, “expect”, “may”, “will”, “continue” and “intend”, and similar words or phrases, are intended to identify forward-looking statements (also known as “cautionary statements”). These statements reflect our current views with respect to future events. They are subject to the realization in fact of assumptions, but what we now believe will occur may turn out to be inaccurate or incomplete. We cannot assure you that our expectations will prove to be correct. Actual operating results and financial performance may prove to be very different from what we now predict or anticipate. The “risk factors” below specifically address all of the factors now identifiable by us that may influence future operating results and financial performance.

Risk Factors

Risks Related to the Business

There is substantial doubt as to whether we will continue operations. If we discontinue operations, you could lose your investment.

Our financial statements have been prepared on the going concern basis, which assumes that we will be able to realize our assets and discharge our liabilities in the normal course of business. Accordingly, no adjustments to the carrying value of the assets and liabilities have been made in our audited consolidated financial statements should we no longer be able to continue as a going concern. Any such adjustments could be material. As at January 31, 2026, we have not earned any revenue and have an accumulated deficit of \$120,091,493. Our continued operations are dependent on our ability to generate future cash flows through additional financing or commercialization. We intend to continue to pursue additional financing through issuances of equity. There is no assurance that additional funding will be available on a timely basis or on terms acceptable to us. These events or conditions indicate that a material uncertainty exists that casts substantial doubt on our ability to continue as a going concern.

If we are unable to obtain additional financing from outside sources and eventually generate enough revenues, we may be forced to sell a portion or all of our assets, or curtail or discontinue our operations. If any of these happens, you could lose all or part of your investment. Our financial statements do not include any adjustments to our recorded assets or liabilities that might be necessary if we become unable to continue as a going concern.

We have incurred operating losses in each year since our inception and we may continue to incur substantial and increasing losses for the foreseeable future. We also have negative capital cash flows from operating activities. If we cannot generate sufficient revenues to operate profitably or with positive cash flow from operating activities, we may suspend or cease our operations.

We have not generated any revenue since our inception on June 10, 2002 and we have incurred operating and net losses in each year of our existence. We experienced a net loss of \$1,512,918 for the year ended January 31, 2026, compared to a net loss of \$3,621,884 for the year ended January 31, 2025. We expect to incur substantial and increasing losses for the foreseeable future as we research, develop and commercialize our products. If our products do not achieve market acceptance, we may never generate any revenue. We also cannot assure you that we will be profitable even if we successfully commercialize our products. If we fail to generate sufficient revenues to operate profitably, or if we are unable to fund our continuing losses, you could lose all or part of your investment.

We will require substantial additional funds to complete our development and commercialization activities, and if such funds are not available we may need to significantly curtail or cease our operations.

We will require substantial funds to develop, manufacture and market our products. If we do not raise sufficient funds, our plan of operation will be delayed until such time as we raise sufficient funds, provided we are able to do so. Further, the cost of carrying out our operating activities and development activities is not fixed, and our cash levels may at any time prove to be insufficient to finance them. Our financing needs may change substantially because a number of factors which are difficult to predict or which may be outside of our control. These include increased competition, the costs of licensing existing drugs and protecting rights to our proprietary technology and the time required to obtain required licenses.

We may not succeed in raising the additional funds that we require because such funds may not be available to us on acceptable terms, if at all. We intend to seek additional funding through strategic alliances or through public or private sales of our equity securities, and we may also obtain equipment leases and pursue opportunities to obtain debt financing in the future. If we are unable to obtain sufficient funding on a timely basis, we may be forced to significantly curtail or cease our operations.

Our inability to complete our development projects in a timely manner could have a material adverse effect of our results of operations, financial condition and cash flows.

If our projects are not completed in a timely fashion, our Company could experience:

- additional competition in the industry for our products; and
- delay in obtaining future inflow of cash from financial or partnership activities, any of which could have a material adverse effect of our results of operations, financial condition and cash flows.

Any products that we may develop as a pharmaceutical product will be subject to extensive governmental regulations relating to development activities, conduct of clinical trials, manufacturing and commercialization. In the United States, for example, the prospective products that we intend to develop and market are regulated by the US Food and Drug Administration ("FDA") under its new drug development and review process. Before such products can be marketed, we must obtain clearance from the FDA by submitting an investigational new drug application, then by successfully completing human testing under three phases of clinical trials, and finally by submitting a new drug application.

The time required to obtain approvals for our prospective products from the FDA and other agencies in foreign locales with similar processes is unpredictable. We expect to be able to accelerate the approval process and to increase the chances of approval by using existing and approved drugs as the basis for our own technology. However, we cannot guarantee that our expectations will be realized, and there is no assurance that we will ever receive regulatory approval to use our proprietary substances, methods and processes. If we do not obtain such regulatory approval, we may never become profitable.

We may not commence clinical testing for any of our prospective pharmaceutical products and the commercial value of any clinical study that we may conduct will depend significantly upon our choice of indication and our patient population selection. If we are unable to commence clinical testing or if we make a poor choice in terms of clinical strategy, we may never achieve revenues.

In order to commence clinical testing, we must successfully complete and obtain positive scientific results from pre-clinical studies and, in the case of any existing drug that we are re-profiling for a new indication, adopt existing pre-clinical or early stage clinical studies to our own research. If we successfully complete any clinical study of our own, the commercial value of any such study will significantly depend upon our choice of indication and our patient population selection for that indication.

We will rely on third parties to conduct our research, development and manufacturing activities. If these third parties do not perform as contractually required, fail to meet our manufacturing requirements and applicable regulatory requirements or otherwise expected, we may not be able to commercialize our products, which may prevent us from becoming profitable.

We will rely on contract manufacturers as source suppliers for our products.

Because of our planned reliance on contract manufacturers, we may also be exposed to additional risks, including those related to intellectual property and the failure of such manufacturers to comply with strictly-enforced regulatory requirements, manufacture components to our specifications, or deliver sufficient component quantities to us in a timely manner. For example, a contract manufacturer working on our behalf may violate the intellectual property rights of a third party in manufacturing a component of one of our products, and if such a violation occurs without our knowledge, we may be held vicariously liable for the acts of our contractor, incur related costs and court mandated damages, or become enjoined from selling products which violate those third-party intellectual property rights. Similarly, if a contract manufacturer working on our behalf is found to be in violation of FDA or other national regulatory standards regarding the manufacture, packaging or labeling of any of our products, we could face any number of adverse consequences including costly regulatory investigations and fines, interruptions in the flow of our products or materials, product recalls, or liability to consumers regarding any of our products that do not meet such regulatory requirements. If any of these events occurs, if our relationship with any of our potential contract manufacturers terminates, or if any such manufacturer is unable fulfill its obligations to us for any reason, our product development and commercialization efforts could suffer and we may never realize a profit.

If we are unable to establish a sales, marketing and distribution infrastructure or enter into collaborations with partners to perform these functions, we may not be successful in commercializing our product candidates.

In order to successfully commercialize any of our product candidates, we must either develop a satisfactory sales, marketing and distribution infrastructure or enter into collaborations with partners to perform these services for us. We will require substantial resources to create such an infrastructure, and we may never possess the resources to do so. For example, we may be unable to recruit and retain an adequate number of effective sales and marketing personnel or we may incur unforeseen costs and expenses in connection with developing the necessary infrastructure.

Although we plan to develop our own sales and marketing organizations in some markets, we intend to enter into partnering, co-promotion and other distribution arrangements to commercialize our products in most markets. We may not be able to enter into collaborations on acceptable terms, if at all, and we may face competition in our search for partners with whom we may collaborate. If we are not able to build a satisfactory sales, marketing and distribution infrastructure or collaborate with one or more partners to perform these functions, we may not be able to successfully commercialize our product candidates, which could cause us to cease our operations.

Our product candidates may never gain market acceptance, which could prevent us from generating revenues.

The success of our products will depend on their acceptance by customers and the public, among other things. Market acceptance of, and demand for, any product that we develop and commercialize will depend on many factors, including:

- our ability to provide acceptable evidence of safety and efficacy;
- the effectiveness of our or our collaborators' sales, marketing and distribution strategy; and
- publicity concerning our products or competing products.

If our product candidates fail to gain market acceptance, we may be unable to generate sufficient revenue to continue our business.

We face potential product liability exposure, and any claim brought against us may cause us to divert resources from our normal operations or terminate selling, distributing and marketing any of our products. This may cause us to cease our operations as it relates to that product.

The sale of any of our products may expose us to product liability claims from consumers. Although we plan to obtain product liability insurance coverage with limits that we hope will be customary and adequate to provide us with coverage for foreseeable risks, our insurance coverage may be insufficient to reimburse us for the actual expenses or losses we may suffer.

Even if we are able to successfully defend ourselves against any potential claims, we will likely incur substantial costs in the form of unanticipated expenses and negative publicity. This could result in decreased demand for our products, an impaired business reputation, revenue loss or an inability to continue commercializing our products. Any of these consequences could cause us to cease our operations.

The manufacturing of all of our products will be subject to ongoing regulatory requirements, and may therefore be the subject of regulatory or enforcement action. The associated costs could prevent us from achieving our goals or becoming profitable.

Our products, third-party manufacturing facilities and processes and advertising and promotional activities will be subject to significant review and ongoing and changing regulation by various regulatory agencies. Our failure to comply with any regulatory requirements may subject us to administrative and judicial sanctions, which may include warning letters, civil and criminal penalties, injunctions, product seizures or detention, product recalls, total or partial suspension of production, or the denial of pending product marketing applications.

Regulatory or enforcement actions could adversely affect our ability to develop, market and sell our products successfully and harm our reputation, which could lead to reduced market demand for such products. Consequently, the costs associated with any such action could cause our business to suffer and prevent us from achieving our goals or becoming profitable.

Since certain of our directors are located outside of Canada, you may be limited in your ability to enforce Canadian civil actions against them for damages to the value of your investment.

We plan to indemnify our directors and officers against liability to us and our security holders, and such indemnification could increase our operating costs.

Our Articles allow us to indemnify our directors and officers against claims associated with carrying out the duties of their offices. Our Articles also allow us to reimburse them for the costs of certain legal defenses. Insofar as indemnification for liabilities arising under relevant securities legislation may be permitted to our directors, officers or control persons, certain securities regulations may deem that such indemnification is against public policy and is therefore unenforceable in that jurisdiction.

Since our officers and directors are aware that they may be indemnified for carrying out the duties of their offices, they may be less motivated to meet the standards required by law to properly carry out such duties, which could increase our operating costs. Further, if our officers and directors file a claim against us for indemnification, the associated expenses could also increase our operating costs.

Your legal recourse as a United States investor could be limited.

The Company is incorporated under the laws of Canada. Our audit firm and some of our lawyers are residents of Canada. As a result, if any of our Canadian or US shareholders were to bring a lawsuit in the Canada or the United States against the officers, directors or experts in Canada, it may be difficult to effect service of legal process on those people who reside outside of the United States or Canada, based on civil liability under the Securities Act of 1933 or the Securities Exchange Act of 1934 or equivalent Canadian securities laws. In addition, we have been advised that a judgment of a United States court based solely upon civil liability under these laws would probably be enforceable in Canada, but only if the U.S. court in which the judgments were obtained had a basis for jurisdiction in the matter. We also have been advised that there is substantial doubt whether an action could be brought successfully in Canada in the first instance on the basis of liability predicated solely upon the United States' securities laws.

Risks Related to Our Stock

Trading on the OTCQB and the Canadian Securities Exchange (the "CSE") may be volatile and sporadic, which could depress the market price of our common stock and make it difficult for our stockholders to resell their shares.

Our common stock is quoted on the OTCQB service of the Financial Industry Regulatory Authority and is traded on the CSE. Trading in stock quoted on the OTCQB or listed on the CSE is often thin and characterized by wide fluctuations in trading prices, due to many factors that may have little to do with our operations or business prospects. This volatility could depress the market price of our common stock for reasons unrelated to operating performance. Moreover, the OTCQB is not a stock exchange, and trading of securities on the OTCQB is often more sporadic than the trading of securities listed on a quotation system like NASDAQ or a stock exchange like Amex. Accordingly, shareholders may have difficulty reselling any of their shares.

Our stock is a penny stock. Trading of our stock may be restricted by the SEC's penny stock regulations and FINRA's sales practice requirements, which may limit a stockholder's ability to buy and sell our stock.

Our stock is a penny stock. The Securities and Exchange Commission in the United States (the "SEC") has adopted Rule 15c-2-02 which generally defines "penny stock" to be any equity security that has a market price (as defined) less than \$5.00 per share or an exercise price of less than \$5.00 per share, subject to certain exceptions. Our securities are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and "accredited investors". The term "accredited investor" refers generally to institutions with assets in excess of \$5,000,000 or individuals with a net worth in excess of \$1,000,000 or annual income exceeding \$200,000 or \$300,000 jointly with their spouse. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the SEC which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We believe that the penny stock rules discourage investor interest in, and limit the marketability of, our common stock.

In addition to the "penny stock" rules promulgated by the Securities and Exchange Commission, the Financial Industry Regulatory Authority has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, the Financial Industry Regulatory Authority believes that there is a high probability that speculative low-priced securities will not be suitable for at least some customers. The Financial Industry Regulatory Authority requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit your ability to buy and sell our stock.

You will experience dilution or subordinated stockholder rights, privileges and preferences as a result of our financing efforts.

We must raise additional capital from external sources to carry out our business plan over the next two years. To do so, we may issue debt securities, equity securities or a combination of these securities; however, we may not be able to sell these securities, particularly under current market conditions. Even if we are successful in finding buyers for our securities, such buyers could demand high interest rates or require us to agree to onerous operating covenants, which could in turn harm our ability to operate our business by reducing our cash flow and restricting our operating activities. If we choose to sell shares of our common stock, this will result in dilution to our existing stockholders. In addition, any shares of common stock we may issue may have rights, privileges and preferences superior to those of our current stockholders.

We do not intend to pay dividends and there will thus be fewer ways in which you are able to make a gain on your investment, if at all.

We have never paid dividends and do not intend to pay any dividends for the foreseeable future. To the extent that we may require additional funding currently not provided for in our financing plan, our funding sources may prohibit the declaration of dividends. Because we do not intend to pay dividends, any gain on your investment will need to result from an appreciation in the price of our common stock. There will therefore be fewer ways in which you are able to make a gain on your investment, if at all. There is also no guarantee that your investment will appreciate.

Risks Related to Our Intellectual Property

If we are unable to maintain and enforce our proprietary intellectual property rights, we may not be able to operate profitably.

Our commercial success will depend, in part, on obtaining and maintaining patent protection, trade secret protection and regulatory protection of our technologies and patents as well as successfully defending third-party challenges to such technologies and patents. We will be able to protect our technologies and patents from use by third parties only to the extent that valid and enforceable patents, trade secrets or regulatory protection cover them and we have exclusive rights to use them. The ability of our licensors, collaborators and suppliers to maintain their patent rights against third-party challenges to their validity, scope or enforceability will also play an important role in determining our future.

In addition, our commercial success will depend, in part, on maintaining patent rights we have licensed and plan to license in the future, related to products we may market in the future. Since we will not fully control the patent prosecution of any licensed patent applications, it is possible that our licensors will not devote the same resources or attention to the prosecution of the licensed patent applications as we would if we controlled the prosecution of the applications ourselves. Consequently, the resulting patent protection, if any, may not be as strong or comprehensive as it would be had we done so.

The patent positions of biopharmaceutical companies can be highly uncertain and involve complex legal and factual questions that include unresolved principles and issues. No consistent policy regarding the breadth of claims allowed regarding such companies' patents has emerged to date in the United States, and the patent situation outside the United States is even more uncertain. Changes in either the patent laws or in interpretations of patent laws in the United States or other countries may diminish the value of our intellectual property. Accordingly, we cannot predict with any certainty the range of claims that may be allowed or enforced concerning our patents or third-party patents.

We also rely on trade secrets to protect our technologies, especially where we do not believe patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. While we seek to protect confidential information, in part, through confidentiality agreements with our consultants and scientific and other advisors, they may unintentionally or willfully disclose our information to competitors. Enforcing a claim against a third party related to the illegal acquisition and use of trade secrets can be expensive and time consuming, and the outcome is often unpredictable. If we are not able to maintain patent or trade secret protection on our technologies and product candidates, then we may not be able to exclude competitors from developing or marketing competing products, and we may not be able to operate profitably.

If we are the subject of an intellectual property infringement claim, the cost of participating in any litigation could cause us to go out of business.

There has been, and we believe that there will continue to be, significant litigation and demands for licenses in our industry regarding patent and other intellectual property rights. Although we anticipate having a valid defense to any allegation that our current product candidates, production methods and other activities infringe the valid and enforceable intellectual property rights of any third parties, we cannot be certain that a third party will not challenge our position in the future. Other parties may own patent rights that we might infringe with our products or other activities, and our competitors or other patent holders may assert that our products and the methods we employ are covered by their patents. These parties could bring claims against us that would cause us to incur substantial litigation expenses and, if successful, may require us to pay substantial damages. Some of our potential competitors may be better able to sustain the costs of complex patent litigation, and depending on the circumstances, we could be forced to stop or delay our research, development, manufacturing or sales activities. Any of these costs could cause us to go out of business.

We may in the future be required to license patent rights from third-party owners in order to develop our products candidates. If we cannot obtain those licenses or if third-party owners do not properly maintain or enforce the patents underlying such licenses, we may not be able to market or sell our planned products.

We have licensed patent-protected technologies with certain parties and we may also license other intellectual property from other third parties, if we believe it is necessary or useful to use additional third-party intellectual property to develop our products. Typically, we would seek to negotiate and obtain any required third party licenses immediately following the completion of preliminary research to establish a concept and plan of development for a new product candidate. We will also be required to pay license fees, certain milestones or royalties or both to obtain such licenses, and there is no guarantee that such licenses will be available on acceptable terms, if at all. Even if we are able to successfully obtain a license, certain rights may be non- or co-exclusive, and this would give our competitors access to some of the intellectual property as us, which could ultimately prevent us from commercializing a product.

Upon obtaining a license, our business prospects will depend, in part, on the ability of our licensors to obtain, maintain and enforce patent protection on our licensed intellectual property. Our licensors may terminate our license, may not pursue and successfully prosecute any potential patent infringement claim, may fail to maintain their patent applications, or may pursue any litigation less aggressively than we would. Without protection for the intellectual property that we license, other companies may be able to offer substantially similar products for sale, and we may not be able to market or sell our planned products or generate any revenues.

Item 4. Information on the Company

A. History and Development of the Company

We are a publicly traded corporation incorporated on June 10, 2002 in the province of British Columbia, Canada under the name “649186 B.C. Ltd.”. On September 9, 2003, we changed our name to “Xerxes Health Corp.”. On June 26, 2007, we changed our name to “Neurokine Pharmaceuticals Inc.”. On April 7, 2015, we changed our name to “Pivot Pharmaceuticals Inc.” and on December 5, 2019, we changed our name to “BetterLife Pharma Inc.”.

Our registered office is located at c/o Lindsay Kenney LLP, 1500 – 401 West Georgia Street, Vancouver, B.C., Canada, V6B 5A1.

The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at <http://www.sec.gov>. Our website address is <http://www.abetterlifepharma.com>.

B. Overview

We are a biopharmaceutical company engaged in the development of patented pharmaceuticals. BETR-001 is a non-hallucinogenic second-generation Lysergic Acid Diethylamide (“LSD”) derivative molecule that mimics the projected therapeutic potential of LSD in the treatment of disorders such as major depressive disorder, anxiety disorder and neuropathic pain and other neuro-psychiatric and neurological disorders. Our company’s subsidiary, MedMelior Inc. (“MedMelior”), has two products in its pipeline: MM-001 (a topical cream formulation of interferon-alpha 2b) and MM-003 (a patent pending proprietary interferon alpha-2b (“IFNa2b”) inhalation formulation).

Our management team has implemented a business-minded and cost-conscious approach to product research and development and will use contract development and manufacturing organizations on a fee for service basis to perform any research, development or production that is required.

Platform Technologies

BETR-001

BETR-001's active chemical is 2-bromo-lysergic acid diethylamide ("2-bromo-LSD"). BETR-001 is a non-hallucinogenic neuroplastogen that is believed to mimic the projected therapeutic potential of LSD without the burden of its hallucinogenic effects. Human clinical trials were conducted several decades ago with 2-bromo-LSD synthesized from LSD. These trials showed that 2-bromo-LSD did not cause hallucinations. There has been accumulating evidence that LSD may be effective in treating neuropsychiatric disorders such as depression and anxiety. LSD's hallucinogenic properties are believed to arise from its pharmacological effects on the serotonin 5HT2A receptor. The 2-bromo modification on the LSD structure is proposed to alter the pharmacological effect of the compound on the 5HT2A receptor, and lead to 2-bromo-LSD's non-hallucinogenic properties compared to LSD, while maintaining its therapeutic potential. Previously, 2-bromo-LSD has been tested in studies in humans, mainly in healthy subjects. Most of these studies were conducted in the 1950s. In 2010, a case series study in cluster headaches was reported showing that treatment with 2-bromo-LSD was effective against cluster headaches. We plan to develop BETR-001 to treat mental health disorders including but not limited to major depressive disorder, anxiety disorder and neuropathic pain and other neuro-psychiatric and neurological disorders. BETR-001 is orally administered. Our intended goal is to develop BETR-001 as a patient self-administered medication prescribed by a psychiatrist. In terms of regulations, 2-bromo-LSD per se is not usually classified as a controlled substance, but if its synthesis uses LSD as starting material, the synthesis falls under Schedule 1 controlled substance regulations. We have developed and use a manufacturing process pathway that does not use LSD as starting material to make 2-bromo-LSD, a manufacturing process that is protected by our issued and provisional patents. This manufacturing is therefore not subject to Schedule 1 controlled substance restrictions, and we can move ahead with BETR-001 large scale synthesis without these restrictions.

2-bromo-LSD, the active ingredient in BETR-001, as synthesized by others, has been tested in human studies previously, mainly in healthy subjects. Most of these human studies were conducted at the end of the 1950's and early 1960's. The CMC (chemistry, manufacturing, controls) specifications of the 2-bromo-LSD in these studies is not known. Therefore, for purposes of US Food and Drug Administration ("FDA") or other health regulatory authority purposes to start human clinical trials, BETR-001 is classified as a new molecular entity and is currently at the preclinical stage of development.

We are currently completing GMP manufacturing of BETR-001 oral capsules. Simultaneously, we have started and plan to complete all the necessary preclinical and investigational new drug ("IND") enabling toxicology studies. Upon clearance of the IND, we currently plan to conduct a randomized placebo controlled Phase 1A clinical trial in healthy volunteers, which will then be followed with a Phase 1B trial in patients with headache disorders.

MM-001

MM-001 is a topical formulation of recombinant human IFNa2b based on the patented Biphasix™ drug formulation technology. The Biphasix formulation allows stable cream formulation of IFNa2b and its delivery across the dermis/mucosa, with minimal systemic exposure. MM-001 is being developed as topical cream for local intravaginal use to treat HPV-induced Cervical Intraepithelial Neoplasia (“CIN”), the precursor to cervical neoplasia. Current treatments of advanced CIN are all based on invasive surgical procedures. MM-001 is being developed to be a non-invasive, self-administered treatment for CIN, with minimal side effects. Small human MM-001 Phase 1-2 trials have been completed. The IFNa2b used to manufacture the MM-001 in these previous Phase 1-2 trials were sourced from outside the Company. The Company intends to complete the development of its own patent pending recombinant human IFNa2b and use that in future development of MM-001.

The active pharmaceutical ingredient in both MM-001 and MM-003 are the same. It is recombinant human IFNa2b. A proprietary recombinant human IFNa2b produced in *E. coli* is under development, which will provide the drug substance to be used for both the MM-001 cream or MM-003 inhalation formulations.

For health regulatory authority purposes to start human clinical trials, MM-001 is considered clinical stage and with certain bridging studies (to be confirmed), it can potentially begin Phase 2 studies. The previously completed MM-001 Phase 1-2 trials were conducted using MM-001 which had IFNa2b provided by Merck & Co. under a supply agreement, which is now terminated. We are now manufacturing our own proprietary IFNa2b to be used in manufacturing of MM-001 for all future trials. MM-001 has an US IND. The MM-001 IND is currently inactive. With MM-001 manufactured using the Company's own IFNa2b, the Company plans to file a new IND under which the MM-001 Phase 2b will be conducted in US. The timing of MM-001 IND and clinical trials is currently under reassessment.

MM-003

MM-003 is a patent pending proprietary recombinant human interferon alpha-2b (“IFNa2b”) inhalation formulation. IFNa2b is a known broad acting anti-viral protein that is normally naturally synthesized by the body's cells as the first line of defense against viral infections. IFNa2b has been registered and marketed for decades as Intron® A for use as intravenous, intramuscular, sub-cutaneous or intra-lesional injections to treat various kinds of cancers and hepatitis B and C. In recent studies, IFNa2b has been shown to be effective in slowing SARS-CoV-2 viral replication, and a human trial published Friday May 15, 2020 in *Frontiers of Immunology* titled “Interferon-a2b Treatment for COVID-19”, indicated that inhaled IFNa2b had therapeutic efficacy in COVID-19 disease. We have developed our own patent pending recombinant human IFNa2b and inhalation formulation, and intends to develop MM-003 as an inhaled IFNa2b for treatment of respiratory viral infections, such as but not limited to COVID-19.

For health regulatory authority purposes to start human clinical trials, MM-003 is considered to be at preclinical stage of development. The manufacturing and formulation work is currently ongoing. A pre-IND discussion has been conducted with the FDA for use of MM-003 inhalation in COVID-19. Based on FDA feedback, an inhalation GLP toxicology study in rats using MM-003, is under planning. Given the advent of effective SARS-CoV-2 vaccines, the MM-003 development timing and path are being currently reassessed. IFNa2b is a broad acting anti-viral agent, and studies show that it is effective against many viruses. The timing of MM-003 IND and clinical trials is currently under reassessment.

C. Organizational Structure

Our company operates through several subsidiaries as follows:

- MedMelior Inc. (Canada)
- Blife Therapeutics Inc. (Canada)
- Altum Pharma (Australia) Pty Ltd. (Australia)
- Altum Pharmaceuticals (HK) Limited (Hong Kong)

D. Property, Plants and Equipment

We currently lease our head office in Vancouver, British Columbia, Canada.

We plan on relying on contract manufacturers to produce sufficient quantities for large scale commercialization. These contract manufacturers will be subject to extensive government regulations. Regulatory authorities in the markets that we intend to serve require that drugs be manufactured, packaged and labeled in conformity with current GMP as set by the FDA. In this regard, we engage only contract manufacturers who have the capability to manufacture products in compliance with current GMP in bulk quantities for commercialization. We also safeguard our intellectual property when working with contract manufacturers by working only with manufacturers who in our estimation have a strong track record of safeguarding confidential information and who are willing to enter into agreements with us that impose upon them strict intellectual property protection measures.

Item 4A. Unresolved Staff Comments

None.

Item 5. Operating and Financial Review and Prospects**A. Operating Results**

	YEAR ENDED		
	January 31, 2026	January 31, 2025	January 31, 2024
Revenue	\$ nil	\$ nil	\$ nil
Operating expenses	(1,607,739)	(5,000,113)	(3,240,241)
Other income (expense):			
Accretion expense on convertible debentures	(77,547)	(154,387)	(5,353)
Change in unrealized gains/losses on derivative liabilities	197,923	(33,436)	(137,764)
Financial guarantee recovery (expense)	(30,426)	758,834	(34,050)
Gain on forgiveness/extinguishment of debts	149,993	110,219	469,129
	9,949	nil	nil
Interest expense	(154,392)	(165,087)	(45,544)
Other	(679)	9	(945)
Penalties recovery (expense)	nil	305,437	(33,742)
Settlements and legal provisions, net	nil	556,640	130,000
Net loss	\$ (1,512,918)	\$ (3,621,884)	\$ (2,898,510)

Net loss for the year ended January 31, 2026 decreased from the year ended January 31, 2025. Operating expenses decreased due primarily to decreases in consulting fees and wages, salaries and employment expenses, as described below. Within other income and expenses, the following contributed to this decrease in net loss:

- Accretion expense decreased due to conversions on principal amounts of convertible debentures totaling \$618,000 during the year ended January 31, 2026.
- In fiscal 2026, we recorded a gain on change in fair values of warrant liabilities of approximately \$198,000, compared to a loss of approximately \$33,400 reported in fiscal 2025. Our foreign currency denominated warrants continued to be out-of-money as the term to expiry decreased.
- In fiscal 2025, we recorded a recovery on financial guarantee (discussed below) compared to interest on financial guarantee in the current year, as well as recovery on penalty expense and gain from legal claim (discussed below).

Net loss for the year ended January 31, 2025 increased from the year ended January 31, 2024. Operating expenses increased due primarily to an increase in share-based payment expense, as described below. Accretion and interest expense increased due to convertible debentures we issued from December 2023 through April 2024 for net proceeds of \$1.2 million. The following items offset the increase in net loss in fiscal 2025. Approximately \$759,000 was recorded as a financial guarantee recovery to reflect financial guarantee liability at the amount issued as judgement against us by the Superior Court of Quebec (discussed below under “Commitments and Contingencies”). The amount issued as judgement was lower than what we had previously estimated. In addition, we recorded a gain from legal claim of approximately \$557,000 pursuant to the conclusion of claims against us and our subsidiary, MedMelior, in the State and Federal Courts (defined and discussed below under “Commitments and Contingencies”).

Expenses

	YEAR ENDED		
	January 31, 2026	January 31, 2025	January 31, 2024
Consulting fees	\$ 169,982	\$ 1,122,455	\$ 399,810
Foreign exchange (gain) loss	(200,861)	275,182	30,352
General and administrative	203,883	260,500	271,731
Professional fees	265,483	499,307	526,503
Research and development	85,672	424,337	570,947
Wages, salaries and employment expenses	1,083,580	2,418,332	1,440,898
Operating expenses	\$ 1,607,739	\$ 5,000,113	\$ 3,240,241

Operating expenses decreased for the year ended January 31, 2026 as compared to the year ended January 31, 2025. The decrease was mainly attributable to a decrease in consulting fees and wages, salaries and employment expenses as there were no significant stock options granted and share-based payment expenses on performance stock units decreased. In a fiscal year in which no financing was secured, we reduced all other discretionary expenses within general and administrative, professional fees and research and development expenses.

Operating expenses increased for the year ended January 31, 2025 as compared to the year ended January 31, 2024. Consulting fees and wages, salaries and employment expenses included approximately \$639,000 and \$1.41 million of share-based payment expense, respectively, related to 2.15 million of stock options and 6 million of performance stock units granted us and 2.2 million of stock options granted by MedMelior. Capital markets continued to be challenging during fiscal 2025 for financings and, due to cash constraints, we granted non-cash awards to key personnel and consultants to ensure retention of our human resources. Other areas of operating expenses, such as general and administrative expenses, professional fees and research and development expenses, decreased as we continued to minimize expenditures. Foreign exchange loss increased due to weakening of the Canadian dollar during the year ended January 31, 2025.

The table below presents material components of general and administrative expense:

	YEAR ENDED		
	January 31, 2026	January 31, 2025	January 31, 2024
Business licenses	\$ nil	\$ 654	\$ nil
Conferences	nil	2,690	6,716
Information technology	7,894	2,224	4,446
Investor relations	72,000	96,000	96,000
Office	19,795	26,278	30,815
Press release	14,872	28,258	33,749
Public listing expense	59,498	57,354	64,482
Shareholder expense	10,767	11,736	9,761
Telecommunications	2,662	2,159	nil
Travel, meals and entertainment	3,454	15,257	6,984
Website costs	12,941	17,890	18,778
	\$ 203,883	\$ 260,500	\$ 271,731

General and administrative expenses have been on a decline since fiscal 2024 as we continue to make efforts at minimizing cash outflows. Investor relations expense decreased due to the termination of our investor relations contract. During fiscal 2026, we did not attend any paid conferences, which correspondingly reduced our travel, meals and entertainment expenses.

During the year ended January 31, 2025, we reduced the number of paid conferences we attended as compared to the year ended January 31, 2024, but we incurred higher travel, meals and entertainment expenses as we focused on meetings with targeted potential investor groups and strategic partnerships.

B. Liquidity and Capital Resources

We manage our liquidity risk by reviewing, on an ongoing basis, capital requirements and capital structure. We make adjustments to our capital structure in light of changes in economic conditions and the risk characteristics of our assets. To maintain or adjust our capital structure, we may issue new common shares or debenture, acquire or dispose of assets or adjust the amount of cash. As of January 31, 2026, we believe we have adequate available liquidity to meet operating requirements and fund product development initiatives and capital expenditures. While we have incurred losses to date, with an accumulated deficit of \$120,091,493 at January 31, 2026, we anticipate the success and eventual profitability from research, development and commercialization of our product portfolio. We also ensure that we have access to public capital markets. However, there can be no assurance that we will gain adequate market acceptance for our products or be able to generate sufficient positive cash flow to achieve our business plans. Therefore, we are subject to risks including, but not limited to, inability to raise additional funds through equity and/or debt financing to support ongoing operations. See “Risk Factors”.

Working Capital

The following table presents our working capital as at January 31, 2026 and 2025:

	January 31, 2026	January 31, 2025
Current assets	\$ 219,903	\$ 224,963
Current liabilities	6,679,109	7,537,997
Working capital deficiency	\$ (6,459,206)	\$ (7,313,034)

Working capital deficiency improved as compared to January 31, 2025. During the year ended January 31, 2026, we settled approximately \$1.5 million of accounts payable and accrued liabilities, as well as amounts due to related parties, by issuing 14,999,303 common shares. In addition, principal balance of convertible debentures totaling \$618,000, plus accrued interest of approximately \$89,400, were converted into 7,073,987 units. These events contributed to a decrease in current liabilities reported as at January 31, 2026.

Statements of Cash Flows

The following table presents our cash flows for the years ended January 31, 2026, 2025 and 2024:

	YEAR ENDED		
	January 31, 2026	January 31, 2025	January 31, 2024
Net cash provided by (used in):			
Operating activities	\$ (625,455)	\$ (2,021,752)	\$ (2,472,410)
Investing activities	nil	nil	nil
Financing activities	629,263	1,992,540	2,501,543
Effect of foreign exchange rate changes on cash	582	8	(56)
Increase (decrease) in cash for the period	\$ 4,390	\$ (29,204)	\$ 29,077

During the year ended January 31, 2026, we utilized less cash in operating activities, as compared to the previous two fiscal years, primarily due to continued challenges in securing financing during the year. Financing activities included proceeds from promissory notes from related parties totaling \$411,000, subscriptions received of approximately \$198,200 and proceeds received from warrant exercise of \$25,000.

During the year ended January 31, 2025, financing activities resulted in the issuance of convertible debentures for net proceeds of \$1.2 million and common shares and share purchase warrants for proceeds of \$705,000. Cash used in operating activities decreased from the year ended January 31, 2024 as cash flow from financing activities decreased.

Commitments and Contingencies

In November 2019, our former chief executive officer filed an originating application with the Superior Court in the province of Quebec for damages stemming from a termination of employment. The former chief executive officer was seeking payment of amounts totaling approximately \$1 million, exercisability of his share purchase options until the original expiry dates, issuance of 600,000 share purchase options and an order that we not issue further common shares. In December 2023, this claim was settled for \$120,000, which was paid in 12 equal monthly instalments from January 1, 2024 to December 1, 2024.

In March 2021, Olymbec Development Inc. (“Olymbec”) filed a judicial demand before the Superior Court (Civil Division) of Quebec and a judgement for a safeguard order was obtained by Olymbec against Pivot Pharmaceuticals Manufacturing Corp. (“Pivot”), a former subsidiary, and BetterLife, as guarantor of the lease at 285-295 Kesmark Street, Quebec (the “Lease”), ordering Pivot and BetterLife to jointly pay the full amount of the Lease on the first day of each month. In May 2021, a judgement for a safeguard order was issued ordering Pivot and BetterLife to provide post-dated cheques for monthly lease payments for the months of June through November 2021. In June 2021, a judgement granted Pivot and BetterLife until June 30, 2021 to pay the outstanding lease totaling \$124,223 and to deliver post-dated cheques each in the amount of \$49,410.51 for monthly lease payments for the months of July through November 2021, which were completed. On October 25, 2023, due to non-payment of rent by Pivot, Olymbec terminated the Lease. An order for Pivot’s bankruptcy (“Pivot Bankruptcy”) was granted on December 11, 2023 by the Superior Court (Commercial Division) of Quebec. On December 16, 2024, the Superior Court (Civil Division) of Quebec issued a judgment ordering us to pay Olymbec \$367,428, representing lease unpaid by Pivot and administrative charges, plus \$15,000 as punitive damages. On March 17, 2025, this judgment was registered with the Supreme Court of British Columbia. We intend to settle the judgment under terms agreeable by both parties.

BetterLife is a guarantor on the Lease, which was assigned together with the sale of Pivot in October 2020 pursuant to which we have recorded a financial guarantee liability of \$412,854 (January 31, 2025 - \$382,428).

BetterLife and MedMelior were named as defendants in a lawsuit before the Supreme Court of the State of New York, New York County (“State Court”) by a former director of MedMelior, who served as director prior to MedMelior’s amalgamation with the Company. This former director filed a verified complaint on January 20, 2022, seeking compensatory and punitive damages in amounts believed by us to be in excess of US\$2 million and US\$10 million, respectively. During March 2022, we filed a motion to dismiss the complaint on the basis of inconvenient forum and for lack of jurisdiction. On December 1, 2022, following oral argument on the motion, the State Court dismissed the complaint in its entirety. On April 29, 2022, in response to our then-pending motion to dismiss, the former director filed a separate, parallel action, naming BetterLife and MedMelior before the United States District Court for the Southern District of New York (“Federal Court”), asserting substantially the same claims as in the State Court action. On March 3, 2023, we filed a motion to dismiss the claims filed in the Federal Court on the basis of inconvenient forum and for lack of jurisdiction. On November 27, 2023, the Federal Court dismissed the claims in their entirety, following which the former director noticed a federal appeal. In November 2024, the former director allowed the time to perfect the federal appeal to lapse. With dismissals by both the State and Federal Courts and the lapse in appeal, the former director’s claims are concluded without any payment or penalties against BetterLife and MedMelior. During the year ended January 31, 2025, we recorded \$556,640 as a gain from the legal claim within “Settlement and legal provisions, net” in the consolidated statements of loss and comprehensive loss.

At January 31, 2026, certain of our research and development programs, with a total contracted amount of \$1.97 million, were in progress of which we have paid \$1.59 million and a further \$370,000 remains to be paid in future periods.

At January 31, 2026, there may be a contingent liability related to potential interest or penalties that vendors may charge on our aged accounts payables. Due to the absence of reliable estimates for this amount, no provisions have been recorded by the Company.

C. Research and Development, Patents and Licenses, etc.

We rely on a combination of copyright, trademark and trade secret laws, as well as confidentiality procedures and contractual restrictions, to establish and protect our proprietary and intellectual property rights. These laws, procedures and restrictions provide only limited protection.

We endeavor to enter into agreements with our employees, contractors, distributors, resellers, business partners and other third parties with which we do business or wish to do business in order to limit access to and disclosure of our proprietary information. We cannot be certain that the steps we have taken will prevent unauthorized use, disclosure or reverse engineering of our technology. Moreover, others may independently develop technologies that are competitive with ours or that infringe our intellectual property rights. The enforcement of our intellectual property rights also depends on any legal actions against these infringers being successful, but these actions may not be successful, even when our rights have been infringed.

Furthermore, effective patent, trademark, copyright and trade secret protection may not be available in every country in which our products, services and solutions are sold. In addition, the legal standards relating to the validity, enforceability and scope of protection of intellectual property rights are uncertain and still evolving.

D. Trend Information

Trend information is included throughout the other sections of this Item 5. In addition, we expect our operating results to continue to fluctuate in future quarters, and in light of the current pandemic situation (see “Risk Factors”).

E. Off-Balance Sheet Arrangements

Not applicable.

F. Tabular Disclosure of Contractual Obligations

Not applicable.

G. Safe Harbor

This annual report contains forward-looking statements about us, our markets and our industry. These statements involve known and unknown substantial risks, uncertainties and other factors as described in detail under “Item 3. Key Information—D. Risk factors” in this annual report that may cause our actual results, levels of activity, performance or achievement to be materially different from those expressed or implied by the forward-looking statements. All statements, other than statements of historical fact, included in this annual report regarding our strategy, future operations, future financial position, future net sales, projected expenses, prospects and plans and objectives of management are forward-looking statements.

In some cases, you can also identify forward-looking statements by terms such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “project,” “will,” “would,” “should,” “could,” “can,” “predict,” “potential,” “continue,” “objective,” or the negatives of these terms, and similar expressions intended to identify forward-looking statements. However, not all forward-looking statements contain these identifying words.

All forward-looking statements reflect our current views about future events and are based on assumptions and subject to risks and uncertainties. Forward-looking statements in this annual report include, but are not limited to, statements about:

- our business strategies;
- our future prospects, business development, results of operations and financial condition;
- competition from local and international companies, new entrants in the market and changes to the competitive landscape;
- the adoption of new, or changes to existing, laws and regulations;
- the termination of or changes to our relationships with our partners and other third parties;
- our plans to launch and monetize new products;
- our ability to retain key personnel and attract new talent;
- our ability to adequately protect our intellectual property;
- the anticipated costs and benefits of our acquisitions;
- the outcome of ongoing or any future litigation or arbitration, including litigation or arbitration relating to intellectual property rights;
- our legal and regulatory compliance efforts; and
- worldwide economic conditions and their impact on demand of our products and services.

Given these risks and uncertainties, you should not place undue reliance on these forward-looking statements.

Also, forward-looking statements represent our management's beliefs and assumptions only as of the date of this annual report. You should read this annual report and the documents that we have filed as exhibits to this annual report completely and with the understanding that our actual future results may be materially different from what we expect.

Except as required by law, we assume no obligation to update these forward-looking statements, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

Item 6. Directors, Senior Management and Employees

A. Directors and Senior Management

The following table sets forth the name, positions held and principal occupation of each of our directors, senior management and employees upon whose work the Company is dependent. Information on such persons' share ownership is under Item 7.

Name and Positions Held (Age)	Experience and Principal Business Activities	
Doug Drysdale (56)	Chairman & Director of the Company since	2026
Ahmad Doroudian (65)	Chief Executive Officer & Director of the Company since	2020
Ralph Anthony Pullen (81)	Director of the Company since	2020
Steven Sangha (56)	Director of the Company since	2025
Hooshmand Sheshbaradaran (69)	Chief Operating Officer of the Company since	2020
Moiria Ong (51)	Chief Financial Officer of the Company since	2010

Doug Drysdale

Doug Drysdale is a biopharma operator and strategic advisor with more than 35 years of experience building healthcare companies globally. Known for combining scientific innovation with operational execution, he brings deep expertise in capital strategy, M&A and company leadership. Mr. Drysdale currently serves as Chairman of Natural Medtech, an AI-driven biosynthetic manufacturing platform focused on next-generation medicines. He also serves as a Director of Frenelle Pharma. Over nearly two decades as a Chief Executive Officer, Mr. Drysdale built and transformed four companies — two public and two private — leading 17 acquisitions across three continents and raising more than \$4.5 billion in capital. At Cybin Inc. (now Helus Pharma Inc.), he advanced psychedelic-based mental health therapies from molecule inception to Phase 3 trials in just three years, securing FDA Breakthrough Therapy designation. Previously, as Founding Chief Executive Officer of Alvogen, Inc., he scaled the company to \$500 million in revenue across 35 countries in under six years. Mr. Drysdale holds a degree in Microbial and Molecular Biology from the University of East Anglia and was named Ernst & Young Entrepreneur of the Year.

Ahmad Doroudian

Ahmad Doroudian is an accomplished executive with experience in management and development of private and publicly traded pharmaceutical companies. Dr. Doroudian has served as the Company's Chief Executive Officer since January 2020. In 2016, Dr. Doroudian founded a pharmaceutical research and development company, MedMelior Inc., which was amalgamated with the Company in 2020. From 2009 to February 2014, he was the founder, Chief Executive Officer and Director of Merus Labs Inc., a publicly listed specialty pharmaceutical company (MSL: TSX and MSL: NASDAQ) engaged in licensing and acquisition of legacy brands and innovative near-market products. From 2003 to 2009, he was involved in early-stage financing of private and publicly listed companies. From 1994 to 2002, Dr. Doroudian was the founder and Chief Executive Officer of PanGeo (Pharmex Industries) where he assembled a team that completed over \$100 million in debt and equity and guided numerous acquisitions and licensing transactions. From 1990 to 1996, he was manager of operations at Novapharm (Teva), in charge of management of manufacturing, supply chain and process development facilities in Vancouver, British Columbia. Dr. Doroudian holds an M.Sc. in Pharmaceutics and a PhD in Biopharmaceutics (pharmacokinetics and drug metabolism) from the University of British Columbia.

Ralph Anthony Pullen

Ralph Anthony Pullen has been an active participant in the Canadian capital markets for over 50 years. During that time, Mr. Pullen has filled most roles in the institutional equity markets, including sales, investment research, market strategist and investment banker. He has been a leading force in the healthcare and biotechnology industry sectors since the mid-eighties, beginning when these industries began to emerge in Canada. He was instrumental in the creation and initial funding of MDS Capital Corp., which became Canada's largest venture capital fund dedicated to life sciences. Mr. Pullen served as a board member from 1988, up to its transition to become Lumira Ventures in 2009, and then on to 2017, a 29-year span. Mr. Pullen remains active in the healthcare sector as an advisor from 2019 to date. From 2013 to 2019, Mr. Pullen was an investment banker in the healthcare and biotechnology industries with Dominick Capital Corp. and from 2006 to 2011, a partner at Paradigm Capital Inc. with corporate finance responsibility for the healthcare and biotech sector. Prior to that, Mr. Pullen was Vice Chairman at both Yorkton Securities Inc. and Loewen, Ondaatje McCutcheon. In all those roles, Mr. Pullen has led and advised on millions of dollars of fund-raising efforts in the life sciences sector. Mr. Pullen obtained his Bachelor of Arts in Economics from York University in 1969.

Steven Sangha

Steven Sangha has more than 25 years of experience in investment banking, business development, and asset management. His extensive experience with public company governance and compliance and finance led him to successfully run a private fund family office. Dr. Sangha's interest in the biotechnology and mining industries has allowed positive growth for early-stage companies with his consummate efforts in assessment, development, and financial support. He holds a doctorate of dental surgery (DDS) from the University of Western Ontario in London, Ontario, and a bachelor of pharmaceutical science (BscPharm) from the University of British Columbia in Vancouver, British Columbia.

Hooshmand Sheshbaradaran

Hooshmand Sheshbaradaran is experienced in the pharmaceutical and biotechnology sectors, in drug development, marketing, business development, financing, and executive operations. Previously, Dr. Sheshbaradaran has held senior global marketing and business development executive positions in several leading pharmaceutical companies, including Global Director of Oncology Business Development at Roche and Global Director of Oncology, New Products Marketing at Pharmacia/Pfizer. He also has extensive small biotech experience, including holding positions such as Chief Business Officer at PsiOxus Therapeutics Ltd, Head of the US subsidiary of Zeneus Pharma Ltd. (acquired by Cephalon, Inc. in 2007), and co-founder and CEO of Niiki Pharma Inc (acquired by Intezyne Technologies in 2013). Dr. Sheshbaradaran has been involved in the development of several anti-cancer drugs, including Camptosar, Ellence, Encyt, Sutent, and Vidaza. Dr. Sheshbaradaran holds a PhD in Virology (1985) from the Karolinska Institute, Stockholm.

Moiria Ong

Moiria Ong is a Chartered Professional Accountant with experience in accounting, financial reporting and consulting. From March 2010 through December 2012, Ms. Ong was the Vice President of Finance of Merus Labs International Inc., a specialty pharmaceutical company that acquired legacy branded drug portfolios. She implemented processes and controls and oversaw the financial reporting obligations of Merus Labs International Inc. as it progressed from a start-up to a fully operational entity and obtained its first public listing on the Canadian National Stock Exchange before its amalgamation with a NASDAQ/TSX listed entity. In addition to holding her Chartered Professional Accountant designation, Ms. Ong also holds a Chartered Financial Analyst designation and a Bachelor of Commerce degree from the University of British Columbia.

B. Compensation

Executive Compensation Plans and Employment Agreements

We have entered into employment agreements with our Chief Executive Officer, Chief Operating Officer and Chief Financial Officer.

The following table sets forth compensation for our directors and officers for the year ended January 31, 2026:

Name and Positions Held	Compensation	Long-term Incentive Plan Awards	Total
Ahmad Doroudian, Director, Chief Executive Officer and former Chief Business Officer ⁽¹⁾⁽⁹⁾	\$ 300,000	\$ 28,707	\$ 328,707
Hooshmand Sheshbaradaran, Chief Operating Officer ⁽²⁾⁽⁹⁾	\$ 376,054	\$ 28,707	\$ 404,760
Moira Ong, Chief Financial Officer ⁽³⁾⁽⁹⁾	\$ 264,000	\$ 28,707	\$ 292,707
Wolfgang Renz, Director ⁽⁴⁾⁽¹⁰⁾	\$ 4,500	\$ 9,374	\$ 13,874
Robert Metcalfe, Director ⁽⁵⁾⁽¹⁰⁾	\$ 26,250	\$ 9,374	\$ 35,624
Ralph Anthony Pullen, Director ⁽⁶⁾⁽¹⁰⁾	\$ 40,000	\$ 9,374	\$ 49,374
Steven Sangha, Director ⁽⁷⁾	nil	\$ 40,278	\$ 40,278
André Beaudry, Director ⁽⁸⁾	nil	\$ 6,182	\$ 6,182

- (1) Ahmad Doroudian was appointed Director and Chief Executive Officer on January 20, 2020.
- (2) Hooshmand Sheshbaradaran served as Chief Operating Officer of our subsidiary, MedMelior, which was acquired August 31, 2020. Effective May 1, 2023, Dr. Sheshbaradaran was appointed Chief Operating Officer of the Company.
- (3) Moira Ong was appointed Chief Financial Officer on December 26, 2010.
- (4) Wolfgang Renz served as Director from February 5, 2015 to July 23, 2025.
- (5) Robert Metcalfe was appointed Director on January 21, 2020 and resigned on December 15, 2025
- (6) Ralph Anthony Pullen was appointed Director on May 7, 2020.
- (7) Steven Sangha was appointed Director on March 20, 2025.
- (8) André Beaudry served as Director from July 23, 2025 to November 4, 2025.
- (9) As at January 31, 2026, outstanding compensation for Dr. Doroudian, Dr. Sheshbaradaran and Ms. Ong totaled approximately \$1.206 million.
- (10) As at January 31, 2026, outstanding compensation for Mr. Metcalfe and Mr. Pullen totaled approximately \$92,000.

Equity Compensation Plans

Effective October 1, 2019, we adopted a long-term incentive plan. Under this plan, our company may grant share purchase options, restricted stock units, performance stock units or deferred share units to its directors, officers, employees and consultants up to an amount as determined by our company and will be no more than 10% of its outstanding common shares on a fully-diluted basis. The exercise price of the share purchase options will be determined by our Company and will be no less than market price on grant date.

The following table sets forth equity compensation plans outstanding as at January 31, 2026:

Type	Outstanding
Share Purchase Options	9,095,000
Performance Stock Units	5,225,000

C. Board Practices

Each director holds office until the next annual general meeting of our Company unless his office is earlier vacated in accordance with the corporate laws of the province of British Columbia and the bylaws of our Company.

During the most recently completed fiscal year, there are no arrangements (standard or otherwise) under which directors of our Company were compensated by our Company or its subsidiaries for services rendered in their capacity as directors, nor were any amounts paid to the directors for committee participation or special assignments except as disclosed under B. Compensation. There were no arrangements under which the directors would receive compensation or benefits in the event of the termination of that office.

Our Board of Directors also serve as our audit committee. The audit committee is responsible for selecting, evaluating and recommending our company's auditors to the Board of Directors for shareholder approval; evaluating the scope and general extent of the auditors' review; overseeing the work of the auditors; recommending the auditors' compensation to the Board of Directors; and assisting with the resolution of any disputes between management and the auditors regarding financial reporting. The audit committee is also responsible for reviewing the Company's annual and interim financial statements and recommending their approval to the Board of Directors; reviewing the Company's policies and procedures with respect to internal controls and financial reporting; and establishing procedures for dealing with complaints regarding accounting, internal controls or auditing matters.

We do not have a compensation or corporate governance committee at the present time. Our Company is trading on the OTCQB as a foreign private issuer and as such it believes that it is not required to have such committees. We are also not required to have such committees in our home jurisdiction.

D. Employees

As at January 31, 2026, the Company had four (4) officers/employees.

E. Share Ownership

Our directors and officers own the indicated shares of common stock as at the date hereof; percentages are based on issued and outstanding shares outstanding as of the date hereof.

Name	No. of shares of Common Stock	Percentage of Common Shares outstanding at May 29, 2026
Doug Drysdale	1,508,000	0.93%
Ahmad Doroudian	17,664,338 ⁽¹⁾	10.92%
Hooshmand Sheshbaradaran	6,892,653	4.26%
Maira Ong	1,637,825	1.01%
Ralph Anthony Pullen	179,667 ⁽²⁾	0.11%
Steven Sangha	25,108,449	15.52%

(1) Of these, 1,143,750 common stock are held by the spouse of Dr. Doroudian and 987,148 common stock are held by a company controlled by Dr. Doroudian.

(2) Held by a company controlled by Mr. Pullen.

Item 7. Major Shareholders and Related Party Transactions.**A. Major Shareholders**

To our knowledge, two individuals beneficially own, directly or indirectly, or exercise control or direction over, common shares carrying more than 5% of the voting rights based on the common shares outstanding at May 29, 2026 as follows:

Name	No. of shares of Common Stock	Percentage of Common Shares outstanding at May 29, 2026
Ahmad Doroudian	17,664,338	10.92%
Steven Sangha	25,108,449	15.52%

The Company has approximately 328 shareholders of record at May 29, 2025, including 51 shareholders of record (15.5%) who are residents of the United States.

To our knowledge, we are not owned by any foreign government, nor are there any arrangements which may result in a change of control of the Company.

B. Related Party Transactions

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed. Details of transactions between the Company and other related parties are disclosed in the consolidated financial statements. All related party transactions were in the ordinary course of business and were measured at their exchange amounts.

C. Interest of Experts and Counsel

Not applicable.

Item 8. Financial Information**A. Consolidated Statements and Other Financial Information**

Refer to the consolidated financial statements under Item 17.

B. Significant Changes

Not applicable.

Item 9. The Offer and Listing**A. Offer and Listing Details**

The following table sets forth the high and low sales prices of our common shares listed on the CSE for the periods indicated below:

Quarter Ended	High		Low	
January 31, 2026	\$	0.07	\$	0.04
October 31, 2025	\$	0.10	\$	0.05
July 31, 2025	\$	0.14	\$	0.08
April 30, 2025	\$	0.16	\$	0.08
January 31, 2025	\$	0.18	\$	0.10
October 31, 2024	\$	0.20	\$	0.09
July 31, 2024	\$	0.19	\$	0.11
April 30, 2024	\$	0.16	\$	0.08

B. Plan of Distribution

Not applicable.

C. Markets

Our common shares are quoted on the Canadian Securities Exchange, listed for quotation on December 19, 2017, under the Symbol “BETR”. Our common stock is also quoted on the OTCQB, listed for quotation on April 13, 2010, under the Symbol “BETRF”.

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

Item 10. Additional Information**A. Share Capital****Authorized**

An unlimited number of common shares without par value are authorized in the articles of incorporation.

Issued and Outstanding

As of May 29, 2026, 161,787,025 common shares were issued and outstanding.

B. Memorandum and Articles of Association

BetterLife is registered under the *Business Corporations Act* in British Columbia.

C. Material Contracts

Except as otherwise disclosed in this FORM 20-F, we are not currently, and have not been in the last two years, party to any material contract, other than contracts entered into in the ordinary course of business.

D. Exchange Controls

There are no laws, decrees or regulations in Canada relating to restrictions on the export or import of capital, or affecting the remittance of interest, dividends or other payments to non-resident holders of our shares of common stock.

E. Taxation

The Company is a Canadian corporation which, since it has not earned any revenues in Canada, has not paid taxes in Canada.

Canadian Holders are subject to Canada taxation regarding their capital gains and losses.

Canadian Federal Income Tax Information for United States Residents

The following is a discussion of material Canadian federal income tax considerations generally applicable to holders of our common shares who acquire such shares in the Company and who, for purposes of the Income Tax Act (Canada) and the regulations thereunder, (or the “Canadian Tax Act”):

- deal at arm’s length and are not affiliated with us;
- hold such shares as capital property;
- do not use or hold (and will not use or hold) and are not deemed to use or hold our common shares, in or in the course of carrying on business in Canada;
- have not been at any time residents of Canada; and
- are, at all relevant times, residents of the United States, or U.S. Residents, under the Canada-United States Income Tax Convention (1980), (the Convention).

TAX MATTERS ARE VERY COMPLICATED AND THE CANADIAN FEDERAL INCOME TAX CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF OUR COMMON SHARES WILL DEPEND UPON THE STOCKHOLDER’S PARTICULAR SITUATION. THE SUMMARY OF MATERIAL CANADIAN FEDERAL INCOME TAX CONSEQUENCES SET FORTH BELOW IS INTENDED TO PROVIDE ONLY A GENERAL SUMMARY AND IS NOT INTENDED TO BE A COMPLETE ANALYSIS OR DESCRIPTION OF ALL POTENTIAL CANADIAN FEDERAL INCOME TAX CONSEQUENCES.

THIS DISCUSSION DOES NOT INCLUDE A DESCRIPTION OF THE TAX LAWS OF ANY PROVINCE OR TERRITORY WITHIN CANADA. ACCORDINGLY, HOLDERS AND PROSPECTIVE HOLDERS OF OUR COMMON SHARES ARE ENCOURAGED TO CONSULT WITH THEIR OWN TAX ADVISERS ABOUT THE TAX CONSEQUENCES TO THEM HAVING REGARD TO THEIR OWN PARTICULAR CIRCUMSTANCES, INCLUDING ANY CONSEQUENCES OF PURCHASING, OWNING OR DISPOSING OF OUR COMMON SHARES ARISING UNDER CANADIAN FEDERAL, CANADIAN PROVINCIAL OR TERRITORIAL, U.S. FEDERAL, U.S. STATE OR LOCAL TAX LAWS OR TAX LAWS OF JURISDICTIONS OUTSIDE THE UNITED STATES OR CANADA.

This summary is based on the current provisions of the Canadian Income Tax Act, proposed amendments to the Canadian Income Tax Act publicly announced by the Minister of Finance (Canada) prior to the date hereof (the “Proposed Amendments”), and the provisions of the Canada-US Tax Convention as in effect on the date hereof. No assurance can be given that the Proposed Amendments will be entered into law in the manner proposed, or at all. No advance income tax ruling has been requested or obtained from the Canada Revenue Agency to confirm the tax consequences of any of the transactions described herein.

This summary is not an exhaustive description of all possible Canadian federal income tax consequences for U.S. Residents, and other than the Proposed Amendments, does not take into account or anticipate any changes in law, whether by legislative, administrative, governmental or judicial decision or action, nor does it take into account Canadian provincial, U.S. or foreign tax considerations which may differ significantly from those discussed herein. No assurances can be given that subsequent changes in law or administrative policy will not affect or modify the opinions expressed herein.

A U.S. Resident will not be subject to tax under the Canadian Tax Act in respect of any capital gain on a disposition of our common shares unless such shares constitute “taxable Canadian property”, as defined in the Canadian Tax Act, of the U.S. Resident and the U.S. Resident is not eligible for relief pursuant to the Convention. Our common shares will not constitute “taxable Canadian property” if, at any time during the 60-month period immediately preceding the disposition of the common shares, the U.S. Resident, persons with whom the U.S. Resident did not deal at arm’s length, or the U.S. Resident together with all such persons, did not own 25% or more of the issued shares of any class or series of shares of our capital stock. In addition, the Convention generally will exempt a U.S. Resident who would otherwise be liable to pay Canadian income tax in respect of any capital gain realized by the U.S. Resident on the disposition of our common shares from such liability provided that the value of our common shares is not derived principally from real property situated in Canada. The Convention may not be available to a U.S. Resident that is a U.S. LLC which is not subject to tax in the U.S.

Amounts in respect of our common shares paid or credited or deemed to be paid or credited as, on account or in lieu of payment of, or in satisfaction of, dividends to a U.S. Resident will generally be subject to Canadian non-resident withholding tax at the rate of 25%. Currently, under the Convention the rate of Canadian non-resident withholding tax will generally be reduced to:

- 5% of the gross amount of dividends if the beneficial owner is a company that is resident in the U.S. and that owns at least 10% of our voting shares; or
- 15% of the gross amount of dividends if the beneficial owner is some other resident of the U.S.

United States Federal Income Tax Information for United States Holders

The following is a general discussion of material U.S. federal income tax consequences of the ownership and disposition of our common shares by U.S. Holders (as defined below). This discussion is based on the United States Internal Revenue Code of 1986, as amended, Treasury regulations promulgated thereunder, and judicial and administrative interpretations thereof, all as in effect at the date hereof and all of which are subject to change, possibly with retroactive effect. This discussion only addresses the tax consequences for U.S. Holders that will hold their common shares as a “capital asset” and does not address U.S. federal income tax consequences that may be relevant to particular U.S. Holders in light of their individual circumstances or U.S. Holders that are subject to special treatment under certain U.S. federal income tax laws, such as:

- tax-exempt organizations and pension plans;
-

- persons subject to an alternative minimum tax;
- banks and other financial institutions;
- insurance companies;
- partnerships and other pass-through entities (as determined for United States federal income tax purposes);
- broker-dealers;
- persons who hold their common shares as a hedge or as part of a straddle, constructive sale, conversion transaction, and other risk management transaction; and
- persons who acquired their common shares through the exercise of employee stock options or otherwise as compensation.

As used herein, the term “U.S. Holder” means a beneficial owner of our common shares that is:

- an individual citizen or resident of the United States;
- a corporation, a partnership or entity treated as a corporation or partnership for U.S. federal income tax purposes, that is created or organized in or under the laws of the United States or any political subdivision thereof;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; and
- a trust if both a United States Court is able to exercise primary supervision over the administration of the trust; and one or more United States persons have the authority to control all substantial decisions of the trust.

TAX MATTERS ARE VERY COMPLICATED AND THE UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF OUR COMMON SHARES WILL DEPEND UPON THE STOCKHOLDER’S PARTICULAR SITUATION. THE SUMMARY OF MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES SET FORTH BELOW IS INTENDED TO PROVIDE ONLY A GENERAL SUMMARY AND IS NOT INTENDED TO BE A COMPLETE ANALYSIS OR DESCRIPTION OF ALL POTENTIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES.

NOTE THAT THIS DISCUSSION DOES NOT INCLUDE A DESCRIPTION OF THE TAX LAWS OF ANY STATE OR LOCAL GOVERNMENT WITHIN THE UNITED STATES. ACCORDINGLY, HOLDERS AND PROSPECTIVE HOLDERS OF OUR COMMON SHARES ARE ENCOURAGED TO CONSULT THEIR TAX ADVISORS ABOUT THE U.S. FEDERAL, STATE, LOCAL, AND FOREIGN TAX CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF OUR COMMON SHARES.

Ownership of Shares

The gross amount of any distribution received by a U.S. Holder with respect to our common shares generally will be included in the U.S. Holder’s gross income as a dividend to the extent attributable to our current and accumulated earnings and profits (as determined under U.S. federal income tax principles). To the extent a distribution received by a U.S. Holder is not a dividend because it exceeds the U.S. Holder’s pro rata share of our current and accumulated earnings and profits, it will be treated first as a tax-free return of capital and reduce (but not below zero) the adjusted tax basis of the U.S. Holder’s shares. To the extent the distribution exceeds the adjusted tax basis of the U.S. Holder’s shares, the remainder will be taxed as capital gain (the taxation of capital gain is discussed under the heading “Sale of Shares” below).

For taxable years beginning before January 1, 2009, dividends received by non-corporate U.S. Holders from a qualified foreign corporation are taxed at the same preferential rates that apply to long-term capital gains. A foreign corporation is a “qualified foreign corporation” if it is eligible for the benefits of a comprehensive income tax treaty with the United States (the income tax treaty between Canada and the United States is such a treaty) or the shares with respect to which such dividend is paid is readily tradable on an established securities market in the United States (such as the Nasdaq Capital Market). Notwithstanding satisfaction of one or both of these conditions, a foreign corporation is not a qualified foreign corporation if it is a passive foreign investment company (“PFIC”) for the taxable year of the corporation in which the dividend is paid or the preceding taxable year. (Whether a foreign corporation is a PFIC is discussed below under the heading “Passive Foreign Investment Companies”). A foreign corporation that is a PFIC for any taxable year within a U.S. person’s holding period generally is treated as a PFIC for all subsequent years in the U.S. person’s holding period. Although we have not been, are not now, and do not expect to be a PFIC, and we don’t expect to pay dividends, you should be aware of the following matters in the event that we do become a PFIC and do pay dividends.

If we were to become a PFIC, then U.S. Holders who acquire our common shares may be treated as holding shares of a PFIC throughout their holding period for the purpose of determining whether dividends received from us are dividends from a qualified foreign corporation. As a consequence, dividends received by U.S. Holders may not be eligible for taxation at the preferential rates applicable to long-term capital gains.

If a distribution is paid in Canadian dollars, the U.S. dollar value of such distribution on the date of receipt is used to determine the amount of the distribution received by a U.S. Holder. A U.S. Holder who continues to hold such Canadian dollars after the date on which they are received, may recognize gain or loss upon their disposition due to exchange rate fluctuations. Generally, such gains and losses will be ordinary income or loss from U.S. sources.

U.S. Holders may deduct Canadian tax withheld from distributions they receive for the purpose of computing their U.S. federal taxable income (or alternatively a credit may be claimed against the U.S. Holder’s U.S. federal income tax liability as discussed below under the heading “Foreign Tax Credit”). Corporate U.S. Holders generally will not be allowed a dividend received deduction with respect to dividends they receive from us.

Foreign Tax Credit

Generally, the dividend portion of a distribution received by a U.S. Holder will be treated as income in the passive income category for foreign tax credit purposes. Subject to a number of limitations, a U.S. Holder may elect to claim a credit against its U.S. federal income tax liability (in lieu of a deduction) for Canadian withholding tax deducted from its distributions. The credit may be claimed only against U.S. federal income tax attributable to a U.S. Holder’s passive income that is from foreign sources.

If we were to become a qualified foreign corporation with respect to a non-corporate U.S. Holder, dividends received by such U.S. Holder will qualify for taxation at the same preferential rates that apply to long-term capital gains. In such case, the dividend amount that would otherwise be from foreign sources is reduced by multiplying the dividend amount by a fraction, the numerator of which is the U.S. Holder’s preferential capital gains tax rate and the denominator of which is the U.S. Holder’s ordinary income tax rate. The effect is to reduce the dividend amount from foreign sources, thereby reducing the U.S. federal income tax attributable to foreign source income against which the credit may be claimed. Canadian withholding taxes that cannot be claimed as a credit in the year paid may be carried back to the preceding year and then forward 10 years and claimed as a credit in those years, subject to the same limitations referred to above.

The rules relating to the determination of the foreign tax credit are very complex. U.S. Holders and prospective U.S. Holders should consult their own tax advisors to determine whether and to what extent they would be entitled to claim a foreign tax credit.

Sale of Shares

Subject to the discussion of the “passive foreign investment company” rules below, a U.S. Holder generally will recognize capital gain or loss upon the sale of our shares equal to the difference between: (a) the amount of cash plus the fair market value of any property received; and (b) the U.S. Holder’s adjusted tax basis in such shares. This gain or loss generally will be capital gain or loss from U.S. sources, and will be long-term capital gain or loss if the U.S. Holder held its shares for more than 12 months. Generally, the net long-term capital gain of a non-corporate U.S. Holder from the sale of shares is subject to taxation at a top marginal rate of 15%. A Capital gain that is not long-term capital gain is taxed at ordinary income rates. The deductibility of capital losses is subject to certain limitations.

Passive Foreign Investment Companies

We will be a PFIC if, in any taxable year either: (a) 75% or more of our gross income consists of passive income; or (b) 50% or more of the value of our assets is attributable to assets that produce, or are held for the production of, passive income. Subject to certain limited exceptions, if we meet the gross income test or the asset test for a particular taxable year, our shares held by a U.S. Holder in that year will be treated as shares of a PFIC for that year and all subsequent years in the U.S. Holder’s holding period, even if we fail to meet either test in a subsequent year.

If we were a PFIC in the future, gain realized by a U.S. Holder from the sale of PFIC Shares and certain dividends received on such shares would be subject to tax under the excess distribution regime, unless the U.S. Holder made one of the elections discussed below. Under the excess distribution regime, federal income tax on a U.S. Holder’s gain from the sale of PFIC Shares would be calculated by allocating the gain ratably to each day the U.S. Holder held its shares. Gain allocated to years preceding the first year in which we were a PFIC in the U.S. Holder’s holding period, if any, and gain allocated to the year of disposition would be treated as gain arising in the year of disposition and taxed as ordinary income. Gain allocated to all other years would be taxed at the highest tax rate in effect for each of those years. Interest for the late payment of tax would be calculated and added to the tax due for each of the PFIC Years, as if the tax was due and payable with the tax return filed for that year. A distribution that exceeds 125% of the average distributions received on PFIC Shares by a U.S. Holder during the 3 preceding taxable years (or, if shorter, the portion of the U.S. Holder’s holding period before the taxable year) would be taxed in a similar manner.

A U.S. Holder may avoid taxation under the excess distribution regime by making a qualified electing fund (“QEF”) election. For each year that we would meet the PFIC gross income test or asset test, an electing U.S. Holder would be required to include in gross income, its pro rata share of our net ordinary income and net capital gains, if any. The U.S. Holder’s adjusted tax basis in our shares would be increased by the amount of such income inclusions. An actual distribution to the U.S. Holder out of such income generally would not be treated as a dividend and would decrease the U.S. Holder’s adjusted tax basis in our shares. Gain realized from the sale of our shares covered by a QEF election would be taxed as a capital gain. U.S. Holders will be eligible to make QEF elections, only if we agree to provide to the U.S. Holders, which we do, the information they will need to comply with the QEF rules. Generally, a QEF election should be made by the due date of the U.S. Holder’s tax return for the first taxable year in which the U.S. Holder held our shares that includes the close of our taxable year for which we met the PFIC gross income test or asset test. A QEF election is made on IRS Form 8621.

A U.S. Holder may also avoid taxation under the excess distribution regime by timely making a mark-to-market election. An electing U.S. Holder would include in gross income the increase in the value of its PFIC Shares during each of its taxable years and deduct from gross income the decrease in the value of its PFIC Shares during each of its taxable years. Amounts included in gross income or deducted from gross income by an electing U.S. Holder are treated as ordinary income and ordinary deductions from U.S. sources. Deductions for any year are limited to the amount by which the income inclusions of prior years exceed the income deductions of prior years. Gain from the sale of PFIC Shares covered by an election is treated as ordinary income from U.S. sources while a loss is treated as an ordinary deduction from U.S. sources only to the extent of prior income inclusions. Losses in excess of such prior income inclusions are treated as capital losses from U.S. sources. A mark-to-market election is timely if it is made by the due date of the U.S. Holder's tax return for the first taxable year in which the U.S. Holder held our shares that includes the close of our taxable year for which we met the PFIC gross income test or asset test. A mark-to-market election is also made on IRS Form 8621.

As noted above, a PFIC is not a qualified foreign corporation and hence dividends received from a PFIC are not eligible for taxation at preferential long-term capital gain tax rates. Similarly, ordinary income included in the gross income of a U.S. Holder who has made a QEF election or a market-to-market election, and dividends received from corporations subject to such election, are not eligible for taxation at preferential long-term capital gain rates. The PFIC rules are extremely complex and could, if they apply, have significant, adverse effects on the taxation of dividends received and gains realized by a U.S. Holder. Accordingly, prospective U.S. Holders are strongly urged to consult their tax adviser concerning the potential application of these rules to their particular circumstances.

Controlled Foreign Corporation

Special rules apply to certain U.S. Holders that own stock in a foreign corporation that is classified as a "controlled foreign corporation" ("CFC"). We do not expect to be classified as a CFC. However, future ownership changes could cause us to become a CFC. Prospective U.S. Holders are urged to consult their tax advisor concerning the potential application of the CFC rules to their particular circumstances.

Information Reporting and Backup Withholding

United States information reporting and backup withholding requirements may apply with respect to distributions to U.S. Holders, or the payment of proceeds from the sale of shares, unless the U.S. Holder: (a) is an exempt recipient (including a corporation); (b) complies with certain requirements, including applicable certification requirements; or (c) is described in certain other categories of persons. The backup withholding tax rate is currently 28%. Any amounts withheld from a payment to a U.S. Holder under the backup withholding rules may be credited against any U.S. federal income tax liability of the U.S. Holder and may entitle the U.S. Holder to a refund.

F. Dividends and Paying Agents

Not applicable.

G. Statements by Experts

Not applicable.

H. Documents on Display

Not applicable.

I. Subsidiary Information

Refer to the notes to the consolidated financial statements under Item 17.

Item 11. Quantitative and Qualitative Disclosures about Market Risk

Not applicable.

Item 12. Description of Securities Other Than Equity Securities

Effective October 1, 2019, we adopted a long-term incentive plan. Under this plan, our Company may grant share purchase options, restricted stock units, performance stock units or deferred share units to our directors, officers, employees and consultants up to an amount as determined by our company and will be no more than 10% of its outstanding common shares on a fully-diluted basis. The exercise price of the share purchase options will be determined by our Company and will be no less than market price on grant date.

PART II**Item 13. Defaults, Dividend Arrearages and Delinquencies**

Not applicable.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

Not applicable.

Item 15. Controls and Procedures***Management's Report on Disclosure Controls and Procedures***

As required by Rule 13a-15 under the Exchange Act, our management evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of January 31, 2026 and determined that they were not effective.

Disclosure controls and procedures refer to controls and other procedures designed to ensure that information required to be disclosed in the reports we file or submit under the Securities Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC and that such information is accumulated and communicated to our management, including our president (our principal executive officer) and our chief financial officer (our principal financial officer and principal accounting officer), as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating and implementing possible controls and procedures.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision and with the participation of our management, including our president (our principal executive officer) and our chief financial officer (our principal financial officer and principal accounting officer), we conducted an evaluation of the effectiveness of our internal control over financial reporting as of January 31, 2026 using the criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our Company's annual or interim financial statements will not be prevented or detected on a timely basis. In its assessment of the effectiveness of internal control over financial reporting as of January 31, 2026, our Company determined that there were control deficiencies that constituted a material weakness, as described below:

1. Due to the size of our finance team and current operations of the Company, there is limited opportunity to implement review controls to ensure that complex accounting transactions have been properly accounted for. To remediate the material weakness, our Company will continue to obtain necessary external assistance to ensure that the performance of complex accounting issues can be performed accurately and on a timely basis.

Accordingly, our Company concluded that these control deficiencies resulted in a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis by the Company's internal controls.

As a result of the material weakness described above, management has concluded that our Company's internal control over financial reporting was not effective as of January 31, 2026 based on criteria established in Internal Control—Integrated Framework issued by COSO.

MNP, LLP, our independent registered public auditors, was not required to and has not issued an attestation report concerning the effectiveness of our internal control over financial reporting as of January 31, 2026 pursuant to temporary rules of the Securities and Exchange Commission that permit our Company to provide only management's report in this annual report.

Changes in Internal Controls

During the period ended January 31, 2026, there were no changes in our internal control over financial reporting that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 16A. Audit Committee Financial Expert

Our board of directors has determined that none of our the members of our audit committee qualifies as an “audit committee financial expert” as defined in Item 407(d)(5) (ii) of Regulation S-K. Mr. Ralph Anthony Pullen and Dr. Steven Sangha are “independent” as the term is used in Item 7(d)(3)(iv) of Schedule 14A under the Securities Exchange Act of 1934, as amended.

Our Company has a formal audit committee which was formed in May 2010, but currently does not have a financial expert. Our audit committee consists of Dr. Ahmad Doroudian, Mr. Doug Drysdale, Mr. Ralph Anthony Pullen and Dr. Steven Sangha. Financial information relating to quarterly reports was disseminated to all board members for review. The audited financial statements for the years ended January 31, 2026, 2025 and 2024 were provided to each member of the board in which any concerns by the members were directed to management and the auditors.

We believe that the members of our board of audit committee and our entire board of directors are collectively capable of analyzing and evaluating our financial statements and understanding internal controls and procedures for financial reporting. We believe that retaining an independent director who would qualify as an “audit committee financial expert” would be overly costly and burdensome and is not warranted in our circumstances given the early stages of our development and the fact that we have not generated any material revenues to date. In addition, we currently do not have nominating, compensation or audit committees or committees performing similar functions nor do we have a written nominating, compensation or audit committee charter. Our board of directors does not believe that it is necessary to have such committees because it believes the functions of such committees can be adequately performed by our board of directors.

Our Company has an audit committee charter which was adopted and approved by our board of directors on May 25, 2010.

Item 16B. Code of Ethics

Effective April 20, 2011, our Company’s board of directors adopted a code of business conduct and ethics that applies to, among other persons, members of our board of directors, our Company’s officers including our president, chief executive officer and chief financial officer, employees, consultants and advisors. As adopted, our code of business conduct and ethics sets forth written standards that are designed to deter wrongdoing and to promote:

1. honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
2. full, fair, accurate, timely, and understandable disclosure in reports and documents that we file with, or submit to, the Securities and Exchange Commission and in other public communications made by us;
3. compliance with applicable governmental laws, rules and regulations;
4. the prompt internal reporting of violations of the code of business conduct and ethics to an appropriate person or persons identified in the code of business conduct and ethics; and
5. accountability for adherence to the code of business conduct and ethics.

Our code of business conduct and ethics requires, among other things, that all of our Company’s senior officers commit to timely, accurate and consistent disclosure of information; that they maintain confidential information; and that they act with honesty and integrity.

In addition, our code of business conduct and ethics emphasizes that all employees, and particularly senior officers, have a responsibility for maintaining financial integrity within our Company, consistent with generally accepted accounting principles, and federal and state securities laws. Any senior officer who becomes aware of any incidents involving financial or accounting manipulation or other irregularities, whether by witnessing the incident or being told of it, must report it to our Company. Any failure to report such inappropriate or irregular conduct of others is to be treated as a severe disciplinary matter. It is against our company policy to retaliate against any individual who reports in good faith the violation or potential violation of our Company’s code of business conduct and ethics by another.

Our code of business conduct and ethics was included as an exhibit to our annual report on Form 10-K filed with the SEC on May 11, 2011. We will provide a copy of the code of business conduct and ethics to any person without charge, upon request. Requests can be sent to: BetterLife Pharma Inc., 1275 West 6th Avenue, #300, Vancouver, British Columbia V6H 1A6.

Item 16C. Principal Accountant Fees and Services

The aggregate fees billed for the most recently completed fiscal year ended January 31, 2026 and for the fiscal year ended January 31, 2025 for professional services rendered by the principal accountant for the audit of our annual financial statements and review of the financial statements included in our quarterly reports on Form 10-Q, where applicable, and services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for these fiscal periods were as follows:

	Year Ended	
	January 31, 2026	January 31, 2025
	\$	\$
Audit Fees	125,000	120,322
Audit Related Fees	Nil	Nil
Tax Fees	Nil	Nil
All Other Fees	Nil	Nil
Total	125,000	120,322

Item 16D. Exemptions from the Listing Standards for Audit Committees

Not applicable.

Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Not applicable.

Item 16F. Change in Registrant's Certifying Accountant

Not applicable.

Item 16G. Corporate Governance

Not applicable.

Item 16H. Mine Safety Disclosure

Not applicable.

PART III

Item 17. Financial Statements

The following consolidated financial statements are filed as Exhibit 99.1 with this FORM 20-F. All of the financial information is presented in accordance with International Financial Reporting Standards.

- Consolidated Audited Financial Statements for the years ended January 31, 2026, 2025 and 2024.

Item 18. Financial Statements

Refer to Exhibit 99.1.

Item 19. Exhibits

Exhibit No.	Description of Exhibit
12.1	Certificate of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
12.2	Certificate of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
13.1	Certificate of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
13.2	Certificate of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
99.1	Consolidated Financial Statements for the years ended January 31, 2026, 2025 and 2024*
99.2	Management's Discussion and Analysis for the year ended January 31, 2026*

* Filed herewith

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on FORM 20-F and that it has duly caused and authorized the undersigned to sign this registration statement on its behalf.

BETTERLIFE PHARMA INC.

Date: May 29, 2026

/s/ Ahmad Doroudian

Ahmad Doroudian
Chief Executive Officer

**CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Dr. Ahmad Doroudian, certify that:

1. I have reviewed this annual report on Form 20-F of BETTERLIFE PHARMA INC. (the "Company") for the fiscal year ended January 31, 2026;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: May 29, 2026

/s/ Ahmad Doroudian

Dr. Ahmad Doroudian
Chief Executive Officer and Director
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. ss 1350, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002
CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Moira Ong, certify that:

1. I have reviewed this annual report on Form 20-F of BETTERLIFE PHARMA INC. (the "Company") for the fiscal year ended January 31, 2026;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: May 29, 2026

/s/ Moira Ong

Moira Ong
Chief Financial Officer
(Principal Accounting Officer
and Principal Financial Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of BETTERLIFE PHARMA INC. (the "Company") on Form 20-F for the year ended January 31, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Ahmad Doroudian, Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 29, 2026

/s/ Ahmad Doroudian

Dr. Ahmad Doroudian
Chief Executive Officer and Director
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of BETTERLIFE PHARMA INC. (the "Company") on Form 20-F for the year ended January 31, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Moira Ong, Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 29, 2026

/s/ Moira Ong
Moira Ong
Chief Financial Officer
(Principal Accounting Officer and Principal Financial Officer)

BETTERLIFE PHARMA INC.
Consolidated Financial Statements
Years ended January 31, 2026, 2025 and 2024
(Expressed in Canadian dollars)



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of BetterLife Pharma Inc.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of BetterLife Pharma Inc. (the "Company") as of January 31, 2026 and 2025, and the related consolidated statements of loss and comprehensive loss, shareholders' deficit, and cash flows for each of the years in the three-year period ended January 31, 2026, and the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of January 31, 2026 and 2025, and the results of its consolidated operations and its consolidated cash flows for each of the years in the three-year period ended January 31, 2026, in conformity with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

Material Uncertainty Related to Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has not earned any revenue, incurred negative cash flows from operations, has current liabilities exceeding its current assets and has an accumulated deficit that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. This matter is also described in the "Critical Audit Matters" section of our report.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

MNP LLP

Suite 2400 - 609 Granville Street, PO Box 10203 LCD Pacific Centre, Vancouver B.C., V7Y 1E7

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MNP.ca

Going Concern Assessment

Critical Audit Matter Description

As described in note 1 to the consolidated financial statements, the consolidated financial statements of the Company are prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and, accordingly, will be able to realize its assets and discharge its liabilities in the normal course of operations. As at January 31, 2026, the Company has not earned any revenue, incurred negative cash flows from operations, has current liabilities exceeding its current assets, has an accumulated deficit and expects to incur additional losses in the future. The ability of the Company to continue as a going concern is dependent on raising capital to fund its initial business plan and ultimately to attain profitable operations. Accordingly, the Company has determined that these factors raise substantial doubt as to the Company's ability to continue as a going concern for a period of one year from the end of the audit report date. Management intends to continue to fund its business by way of debt and equity issuances as may be required, in order to satisfy the Company's obligations as they come due for at least one year from the audit report date. However, the Company has not concluded that these plans alleviate the substantial doubt related to its ability to continue as a going concern. This matter is also described in the "Material Uncertainty Related to Going Concern" section of our report.

We determined the Company's ability to continue as a going concern is a critical audit matter due to the estimation and uncertainty regarding the Company's available capital and the risk of bias in management's judgments and assumptions in their determination.

Audit Response

We responded to this matter by performing procedures over management's assessment of the Company's ability to continue as a going concern. Our audit work in relation to this included, but was not restricted to, the following:

- We enquired of Company's management and assessed Company records to assess whether there are additional factors that contribute to the uncertainties disclosed.
- We assessed the reasonableness of 12-month cash flow forecast, evaluated management's plans for future actions and whether the outcome of these plans is likely to improve the situation and whether these plans are feasible.
- We assessed management's plans in the context of other audit evidence obtained during the audit to determine whether it supported or contradicted the conclusion reached by management, and
- We assessed whether the Company's determination that there is substantial doubt about its ability to continue as a going concern was adequately disclosed in the consolidated financial statements.



MNP LLP

Chartered Professional Accountants

Vancouver, Canada

May 29, 2026

We have served as the Company's auditor since 2019.

PCAOB ID: 1930



BETTERLIFE PHARMA INC.

Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	January 31, 2026 \$	January 31, 2025 \$
Assets		
Current assets		
Cash	12,570	8,180
Accounts receivable	2,856	11,644
Prepays and other current assets	204,477	205,139
Total assets	219,903	224,963
Liabilities and Shareholders' Deficit		
Current liabilities		
Accounts payable and accrued liabilities	3,951,133	4,495,327
Due to related parties (Note 14)	1,415,082	1,476,700
Financial guarantee liability (Note 16(c))	412,854	382,428
Convertible debentures (Note 5)	285,311	820,553
Loans payable (Note 6)	74,298	50,052
Promissory notes (Note 7)	425,418	–
Warrant liabilities (Notes 9(a) and 9(b))	115,013	312,936
Total current liabilities	6,679,109	7,537,997
Non-current liabilities		
Loans payable (Note 6)	27,174	49,115
Total liabilities	6,706,283	7,587,112
Deficit		
Common shares (Note 8)	81,962,334	79,965,358
Common shares issuable (Notes 8(d) and 8(j))	241,291	43,100
Reserves (Note 11)	27,902,617	27,714,189
Accumulated other comprehensive income	201,193	195,825
Accumulated deficit	(120,091,493)	(118,596,001)
Deficit attributable to shareholders	(9,784,058)	(10,677,529)
Non-controlling interests (Note 12)	3,297,678	3,315,380
Total deficit	(6,486,380)	(7,362,149)
Total liabilities and deficit	219,903	224,963

Nature of operations and going concern (Note 1), commitments and contingencies (Note 16) and events after the reporting date (Note 21)

Approved on behalf of the Board of Directors

"Steven Sangha" Director

"Ralph Anthony Pullen" Director

(The accompanying notes are an integral part of these consolidated financial statements)

BETTERLIFE PHARMA INC.Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	Years Ended		
	January 31, 2026 \$	January 31, 2025 \$	January 31, 2024 \$
Expenses			
Consulting fees	169,982	1,122,455	399,810
Foreign exchange (gain) loss	(200,861)	275,182	30,352
General and administrative	203,883	260,500	271,731
Professional fees	265,483	499,307	526,503
Research and development	85,672	424,337	570,947
Wages, salaries and employment expenses	1,083,580	2,418,332	1,440,898
Total expenses	1,607,739	5,000,113	3,240,241
Loss from operations	(1,607,739)	(5,000,113)	(3,240,241)
Other income (expenses)			
Accretion expense (Notes 5 and 6)	(77,547)	(154,387)	(5,353)
Changes in fair values of warrant liabilities (Notes 9(a) and 9(b))	197,923	(33,436)	(137,764)
Financial guarantee recovery (expense) (Note 16(c))	(30,426)	758,834	(34,050)
Gain on extinguishment/forgiveness of debts (Note 14)	149,993	110,219	469,129
Gain on loan extinguishment (Note 6)	9,949	—	—
Interest expense	(154,392)	(165,087)	(45,544)
Other	(679)	9	(945)
Penalties recovery (expense)	—	305,437	(33,742)
Settlements and legal provisions, net (Notes 14, 16(a) and 16(d))	—	556,640	130,000
Total other income	94,821	1,378,229	341,731
Net loss for the year	(1,512,918)	(3,621,884)	(2,898,510)
Other comprehensive loss to be reclassified to profit and loss subsequently			
Foreign currency translation adjustment of foreign operations	5,092	(30,584)	(4,941)
Comprehensive loss for the year	(1,507,826)	(3,652,468)	(2,903,451)
Net loss attributable to:			
Company's shareholders	(1,495,492)	(3,520,288)	(2,889,032)
Non-controlling interests (Note 12)	(17,426)	(101,596)	(9,478)
	(1,512,918)	(3,621,884)	(2,898,510)
Comprehensive loss attributable to:			
Company's shareholders	(1,490,675)	(3,550,856)	(2,957,017)
Non-controlling interests (Note 12)	(17,151)	(101,612)	53,566
	(1,507,826)	(3,652,468)	(2,903,451)
Net loss per share, basic and diluted	(0.01)	(0.03)	(0.03)
Weighted average shares outstanding, basic and diluted	145,880,325	123,865,739	109,285,957

(The accompanying notes are an integral part of these consolidated financial statements)

BETTERLIFE PHARMA INC.

Consolidated Statements of Shareholders' Deficit
(Expressed in Canadian dollars, except share numbers)

	Common Shares		Common Shares Issuable	Reserves	Accumulated Other Comprehensive Income - Foreign Currency Translation	Deficit	Total Shareholders' Deficit	Non-Controlling Interests	Total
	Shares #	Amount \$	\$	\$	\$	\$	\$	\$	\$
Balance – January 31, 2023	90,103,873	76,571,515	74,000	24,581,942	231,003	(112,186,681)	(10,728,221)	3,194,751	(7,533,470)
Common shares issued for cash (Notes 8(k), 8(l), 8(m), 8(n) and 8(o))	25,721,429	1,888,075	(74,000)	438,621	–	–	2,252,696	(72,190)	2,180,506
Equity component of convertible debentures (Note 5)	–	–	–	60,385	–	–	60,385	–	60,385
Share-based payments (Notes 11 and 14)	–	–	–	500,263	–	–	500,263	–	500,263
Foreign currency translation adjustment of foreign operations	–	–	–	–	(4,612)	–	(4,612)	(329)	(4,941)
Net loss	–	–	–	–	–	(2,889,032)	(2,889,032)	(9,478)	(2,898,510)
Balance – January 31, 2024	115,825,302	78,459,590	–	25,581,211	226,391	(115,075,713)	(10,808,521)	3,112,754	(7,695,767)
Common shares issued for cash (Notes 8(g), 8(h) and 14)	7,050,000	705,000	–	–	–	–	705,000	–	705,000
Subscriptions received (Notes 8(j) and 12)	–	–	43,100	–	–	–	43,100	20,240	63,340
Settlement of accounts payable and due to related parties (Notes 8(e), 12 and 14)	218,750	19,688	–	–	–	–	19,688	284,000	303,688
Equity component of convertible debentures (Note 5)	–	–	–	292,219	–	–	292,219	–	292,219
Deferred tax on equity component of convertible debentures	–	78,900	–	(78,900)	–	–	–	–	–
Warrants granted as issue costs for convertible debentures (Notes 5(b), 5(c) and 5(e))	–	–	–	14,606	–	–	14,606	–	14,606
Common shares issued for conversion of debentures (Notes 5(b), 5(c), 5(d), 5(f), 8(f) and 14)	6,669,041	702,180	–	(144,872)	–	–	557,308	–	557,308
Common shares returned and cancelled (Note 8(i))	(189,708)	–	–	–	–	–	–	–	–
Share-based payments (Notes 11 and 14)	–	–	–	2,049,925	–	–	2,049,925	–	2,049,925
Foreign currency translation adjustment of foreign operations	–	–	–	–	(30,566)	–	(30,566)	(18)	(30,584)
Net loss	–	–	–	–	–	(3,520,288)	(3,520,288)	(101,596)	(3,621,884)
Balance – January 31, 2025	129,573,385	79,965,358	43,100	27,714,189	195,825	(118,596,001)	(10,677,529)	3,315,380	(7,362,149)
Settlement of accounts payable and due to related parties (Notes 8(c) and 14)	14,999,303	1,349,937	–	–	–	–	1,349,937	–	1,349,937
Exercise of warrants (Note 8(b))	250,000	27,348	–	(2,348)	–	–	25,000	–	25,000

Common shares and warrants issued for conversion of debentures (Notes 5(a), 5(c), 5(d), 8(a) and 14)	7,073,987	619,691	—	21,024	—	—	640,715	—	640,715
Subscriptions received (Note 8(d))	—	—	198,191	—	—	—	198,191	—	198,191
Share-based payments (Notes 11 and 14)	—	—	—	169,752	—	—	169,752	—	169,752
Foreign currency translation adjustment of foreign operations	—	—	—	—	5,368	—	5,368	(276)	5,092
Net loss	—	—	—	—	—	(1,495,492)	(1,495,492)	(17,426)	(1,512,918)
Balance – January 31, 2026	<u>151,896,675</u>	<u>81,962,334</u>	<u>241,291</u>	<u>27,902,617</u>	<u>201,193</u>	<u>(120,091,493)</u>	<u>(9,784,058)</u>	<u>3,297,678</u>	<u>(6,486,380)</u>

(The accompanying notes are an integral part of these consolidated financial statements)

BETTERLIFE PHARMA INC.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Years Ended		
	January 31, 2026 \$	January 31, 2025 \$	January 31, 2024 \$
Operating activities			
Net loss	(1,512,918)	(3,621,884)	(2,898,510)
Adjustments to reconcile net loss to net cash used in operating activities:			
Accretion expense (Notes 5 and 6)	77,547	154,387	5,353
Changes in fair values of warrant liabilities (Notes 9(a) and 9(b))	(197,923)	33,436	137,764
Financial guarantee liability (Note 16(c))	30,426	(758,834)	34,050
Foreign exchange loss	(200,861)	275,182	26,190
Gain on extinguishment/forgiveness of debts (Note 14)	(149,993)	(110,219)	(469,129)
Gain on extinguishment of loan	(9,949)	—	—
Interest expense	(44,215)	65,465	—
Penalties recovery	—	(305,437)	—
Settlements and legal provisions, net (Note 16(a))	—	(556,640)	(130,000)
Share-based payments (Notes 11(b), 11(c), 11(d) and 14)	169,752	2,049,925	500,263
Changes in working capital accounts:			
Amounts receivable	8,800	27,911	(22,350)
Prepays and other current assets	661	42,688	(198,603)
Accounts payable and accrued liabilities	241,907	108,830	(701,563)
Due to related parties	961,311	573,438	1,244,125
Net cash used in operating activities	(625,455)	(2,021,752)	(2,472,410)
Financing activities			
Proceeds from convertible debenture, net (Note 5)	—	1,224,200	300,000
Proceeds from exercise of warrants	25,000	—	—
Proceeds from issuance of common shares and warrants, net (Note 8)	—	705,000	2,201,543
Proceeds from promissory notes (Note 7)	411,000	—	—
Proceeds from subscriptions received (Notes 8(d), 8(j) and 14)	198,191	43,100	—
Proceeds from subscriptions received by MedMelior (Note 11)	—	20,240	—
Repayment of loans payable (Note 6)	(4,928)	—	—
Net cash provided by financing activities	629,263	1,992,540	2,501,543
Effects of exchange rate changes on cash	582	8	(56)
Net change in cash	4,390	(29,204)	29,077
Cash – beginning of year	8,180	37,384	8,307
Cash – end of year	12,570	8,180	37,384

Supplemental cash flow disclosures (Note 13)

(The accompanying notes are an integral part of these consolidated financial statements)

BETTERLIFE PHARMA INC.

Notes to the Consolidated Financial Statements
For the Years Ended January 31, 2026, 2025 and 2024
(Expressed in Canadian dollars)

1. Nature of Operations and Going Concern

BetterLife Pharma Inc. (the “Company”) was incorporated in British Columbia under the Business Corporations Act on June 10, 2002 whose common shares are publicly traded on the Canadian Securities Exchange under the symbol “BETR” and on the OTCQB under the symbol “BETRF”. The Company is a biopharmaceutical company engaged in the development of patented pharmaceuticals.

These consolidated financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

As at January 31, 2026, the Company has not earned any revenue and has an accumulated deficit of \$120,091,493 (January 31, 2025 - \$118,596,001). During the year ended January 31, 2026, the Company incurred a net loss of \$1,512,918 (2025 - \$3,621,884; 2024 - \$2,898,510) and negative cash flows from operating activities of \$615,505 (2025 - \$2,021,752; 2024 - \$2,472,410). As at January 31, 2026, the Company’s current liabilities exceeded its current assets by \$6,459,206 (January 31, 2025 - \$7,313,034).

To date, the Company has funded operations through equity offerings and debt financings. As the Company is pre-commercialization and has limited liquidity, it is exploring alternatives to address its limited liquidity, including potential merger or business combinations in addition to equity and debt financings. There can be no assurances that any of the explored alternatives would be successful.

The continued operations and future viability of the Company are dependent on the ability:

- To raise cash flows from financing activities to cover operating losses and liabilities as they come due;
- To negotiate flexible payment terms with suppliers; and
- To cut costs to achieve its plans.

Management intends to continue to pursue additional financing through issuances of equity or debentures. There is no assurance that additional funding will be available on a timely basis or on terms acceptable to the Company. These events or conditions indicate that a material uncertainty exists that casts substantial doubt on the Company’s ability to continue as a going concern and ultimately on the appropriateness of the use of accounting policies applicable to a going concern. These consolidated financial statements do not reflect the adjustments or reclassifications of assets and liabilities which would be necessary if the Company were unable to continue its operations. Such adjustments could be material.

The head office and principal address of the Company is located at 1275 West 6th Avenue, #300, Vancouver, BC, Canada, V6H 1A6.

2. Material Accounting Policies

(a) Basis of Compliance

These consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee (“IFRIC”).

BETTERLIFE PHARMA INC.

Notes to the Consolidated Financial Statements
For the Years Ended January 31, 2026, 2025 and 2024
(Expressed in Canadian dollars)

2. Material Accounting Policies (continued)

These consolidated financial statements were approved by the Board of Directors and authorized for issue on May 29, 2026.

(b) Basis of Measurement and Presentation

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value and are presented in Canadian dollars.

(c) Basis of ConsolidationSubsidiaries

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Subsidiaries are fully consolidated from the date on which the Company obtains control and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same period as the parent company, using consistent accounting policies. The Company has consolidated the assets, liabilities, revenues and expenses of its subsidiaries after the elimination of inter-company transactions and balances.

The consolidating entities include:

	<u>% of ownership</u>	<u>Jurisdiction</u>
BetterLife Pharma Inc.	Parent	Canada
MedMelior Inc.	91%	Canada
Blife Therapeutics Inc.	100%	Canada
BetterLife Pharma US Inc. (dissolved April 2024)	100%	U.S.A.
Altum Pharma (Australia) Pty Ltd.	91% ⁽¹⁾	Australia
Altum Pharmaceuticals (HK) Limited	91% ⁽¹⁾	Hong Kong

(1) Wholly-owned subsidiaries of MedMelior Inc.

Non-controlling interests

Non-controlling interests ("NCI") represents the non-controlling shareholders' portion of the net assets and net loss of MedMelior Inc. and its wholly-owned subsidiaries. Changes to the Company's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(d) Use of Estimates and Judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates are based on management's best knowledge of current events and actions that the Company may undertake in the future. 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

BETTERLIFE PHARMA INC.

Notes to the Consolidated Financial Statements
For the Years Ended January 31, 2026, 2025 and 2024
(Expressed in Canadian dollars)

2. Material Accounting Policies (continued)

The following are the critical judgments and estimates that management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

Research and development

Judgement is used to determine if expenditures for research and development will generate probable future economic benefits for capitalization. If an entity cannot demonstrate that probable future economic benefits can be generated, such expenditures are expensed.

Accounts payables, provisions and contingent liabilities

Judgment is required in estimating interest and penalties on the Company's aged accounts payables. Judgment is used to estimate consideration required to settle present legal obligations and takes into account the risks and uncertainties surrounding the obligation and probability of future losses.

Convertible debentures

The fair value of convertible debentures requires judgement on market interest rates used to discount convertible debentures.

Functional currency

The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the respective entity operates. Such determination involves certain judgements to identify the primary economic environment. The Company reconsiders the functional currency of its subsidiaries if there is a change in events and/or conditions which determine the primary economic environment.

Proceeds from issuance of units

Proceeds from unit placements are allocated between shares and warrants issued using the residual method. Proceeds are first allocated to shares according to the quoted price of existing shares at the time of issuance, then to warrants (if applicable) according to the residual value.

Determination of share-based payments

The estimation of share-based payments, including warrants, stock options and performance stock units ("PSUs"), requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The model used by the Company is the Black-Scholes valuation model at the date of the grant. The Company makes estimates as to the volatility, the forfeiture rate, the expected life, dividend yield and the time of exercise, as applicable. The expected volatility is based on the average volatility of share prices over the period of the expected life of the applicable warrants and stock options. The expected life is based on historical data. These estimates may not necessarily be indicative of future actual patterns.

The Company is required to exercise judgment on settlement of PSUs in common shares or in cash, which impacts classification and valuation of PSUs issued.

Judgement is also used to estimate share-based payments for common shares issued by MedMelior, a private entity, for services and takes into account the fair value of services received or, if fair value of services received cannot be reliably estimated, the fair value of common shares.

BETTERLIFE PHARMA INC.

Notes to the Consolidated Financial Statements
For the Years Ended January 31, 2026, 2025 and 2024
(Expressed in Canadian dollars)

2. Material Accounting Policies (continued)Going concern

In light of the Company's limited liquidity, the Company is required to consider its ability to continue as a going concern which requires the exercise of significant judgement. In making this assessment, the Company prepared a cash flow forecast and considered the liquidity requirements over the next 12 months. This forecast contains a number of significant assumptions that are subject to material uncertainty. Despite this material uncertainty, the Company concludes that it is appropriate to continue to adopt the going concern basis of accounting as the Company is confident, based on its financing history, debt settlements in the subsequent period, as well as additional planned measures, that sufficient funds will be forthcoming. Accordingly, management has prepared these consolidated financial statements on a going concern basis.

(e) Foreign Currency

The Company's presentation currency is the Canadian dollar. The functional currency of the parent entity, BetterLife Pharma Inc., and its subsidiaries, MedMelior Inc. and Blife Therapeutics Inc., is the Canadian dollar. The functional currency of the U.S. subsidiary, BetterLife Pharma US Inc., is the U.S. dollar. The functional currency of the Hong Kong subsidiary, Altum Pharmaceuticals (HK) Limited, is the Hong Kong dollar. The functional currency of the Australian subsidiary, AltumPharma (Australia) Pty Ltd., is the Australian dollar.

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Company and its subsidiaries at the exchange rate in effect at the transaction date. Monetary assets and liabilities denominated in other than the functional currency are translated at the exchange rates in effect at the financial position date. The resulting exchange gains and losses are recognized in the consolidated statements of loss and comprehensive loss. Non-monetary assets and liabilities denominated in other than the functional currency that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value is determined. Non-monetary items that are measured in terms of historical cost in other than the functional currency are translated using the exchange rate at the date of transaction.

Foreign operations

For consolidation purposes, the assets and liabilities of foreign operations are translated to the presentation currency using the exchange rate prevailing at the financial position date. The income and expenses of foreign operations are translated to the presentation currency using the average rates of exchange during the period. All resulting exchange differences are recorded as other comprehensive loss and accumulated in a separate component of shareholders' equity or deficit, described as foreign currency translation adjustment.

(f) Financial InstrumentsFinancial instruments - classification and measurement*Financial Assets*

The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments of principal and interest ("SPPI"). Financial assets are initially measured at fair value and are subsequently measured at either (i) amortized cost; (ii) fair value through other comprehensive income, or (iii) at fair value through profit or loss.

BETTERLIFE PHARMA INC.

Notes to the Consolidated Financial Statements
For the Years Ended January 31, 2026, 2025 and 2024
(Expressed in Canadian dollars)

2. Material Accounting Policies (continued)

- **Amortized cost**

Financial assets classified and measured at amortized cost are those assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are SPPI. Financial assets classified at amortized cost are measured using the effective interest method. The Company's accounts receivable, excluding tax receivables, are classified in this category.

- **Fair value through other comprehensive income ("FVTOCI")**

Financial assets classified and measured at FVTOCI are those assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise to cash flows that are SPPI.

- **Fair value through profit or loss ("FVTPL")**

Financial assets classified and measured at FVTPL are those assets that do not meet the criteria to be classified at amortized cost or at FVTOCI. The Company's cash is classified in this category.

Financial Liabilities

All financial liabilities are initially recognized at fair value plus or minus transactions costs that are directly attributable to issuing the financial liability. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL. The Company's accounts payable and accrued liabilities, due to related parties, financial guarantee liability, convertible debentures and loans payable are measured at amortized cost. The Company's warrant liabilities are measured at FVTPL.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred. Financial liabilities are derecognized when the obligation is discharged, cancelled or expired.

Financial instruments - impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses. The Company shall recognize in the consolidated statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

The Company classifies and discloses fair value measurements based on a three-level hierarchy:

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

BETTERLIFE PHARMA INC.

Notes to the Consolidated Financial Statements
For the Years Ended January 31, 2026, 2025 and 2024
(Expressed in Canadian dollars)

2. Material Accounting Policies (continued)**(g) Compound Financial Instruments**

Compound financial instruments issued by the Company comprise of convertible debentures that can be converted into common shares and share purchase warrants at the option of the holder, when the number of common shares and share purchase warrants are fixed and do not vary with changes in fair value.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in the consolidated statements of loss and comprehensive loss. On conversion, the financial liability, along with the equity component recognized initially, is reclassified to equity and no gain or loss is recognized.

(h) Cash and Cash Equivalents

Cash in the consolidated statement of financial position is comprised of cash and short-term deposits which have an original maturity of three months or less or are readily convertible into a known amount of cash. At January 31, 2026 and 2025, the Company had no cash equivalents.

(i) Provisions and Contingent Liabilities

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the consolidated statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Company. It can also be a present obligation arising from past events that is not recognized because it is not probable that an outflow of economic resources will be required, or the amount of obligation cannot be measured reliably.

A contingent liability is not recognized but is disclosed in the notes to the consolidated financial statements where material. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognized as a provision.

BETTERLIFE PHARMA INC.

Notes to the Consolidated Financial Statements
For the Years Ended January 31, 2026, 2025 and 2024
(Expressed in Canadian dollars)

2. Material Accounting Policies (continued)**(j) Equity**Common shares

Common shares represent the amount received on the issue of common shares, less issuance costs, net of any underlying income tax benefit from these issuance costs. If common shares are issued when stock options and warrants are exercised, share capital will comprise of the compensation costs previously recorded as reserves. In addition, if common shares are issued as consideration for the acquisition of a form of non-monetary assets, they are measured at their fair value according to the quoted price on the date of issuance.

Unit placements

Proceeds from unit placements are allocated between common shares and share purchase warrants issued using the residual method. Proceeds are first allocated to common shares according to the quoted price of existing common shares at the time of issuance and any residual in the proceeds is allocated to warrants. If the warrant is exercised, the value attributed to the warrant is transferred to share capital.

The Company may modify the terms of warrants originally granted. When modifications exist, the Company will maintain the original fair value of the warrant.

Other elements of equity

Reserves include charges related to stock options, compensation options and share purchase warrants until such stock options and share purchase warrants are exercised.

(k) Share-based Payments

The Company grants share purchase options, restricted stock units ("RSUs"), PSUs and deferred share units ("DSUs") under its Long-term Incentive Plan described in Note 11 to employees, consultants, directors and others providing similar services.

The fair value of share purchase options granted is measured at the grant date using an option pricing model. Subsequently, the fair value of share purchase options ultimately expected to vest is charged to operations over the vesting period. Share purchase options granted to third parties in exchange for goods or services are measured at the fair value of the goods or services received and charged to operations over the vesting period. If the Company cannot estimate reliably the fair value of the goods or services received, the Company measures their value based on the fair value of the share purchase options granted.

The fair values of RSUs, PSUs and DSUs granted are measured at grant dates share prices and the expense is allocated over the vesting period based on the best available estimate of the number of RSUs, PSUs and DSUs expected to vest. Non-market vesting conditions are included in assumptions about the number of RSUs, PSUs and DSUs that are expected to be issued or paid. Estimates are subsequently revised if there is any indication that the number of RSUs, PSUs or DSUs expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior period if the number of RSUs, PSUs or DSUs that are ultimately issued or paid are different to that estimated on vesting. The accumulated charges related to RSUs, PSUs and DSUs recorded in reserves are transferred to common shares on issuance of common shares in payment of vested RSUs, PSUs and DSUs.

BETTERLIFE PHARMA INC.

Notes to the Consolidated Financial Statements
For the Years Ended January 31, 2026, 2025 and 2024
(Expressed in Canadian dollars)

2. Material Accounting Policies (continued)**(l) Comprehensive Income (Loss)**

Comprehensive income or loss is the change in net assets arising from transactions and other events and circumstances from non-owner sources. Financial assets that are measured at fair value through other comprehensive income will have revaluation gains and losses included in other comprehensive income or loss until the asset is removed from the consolidated statement of financial position. Certain gains and losses on the translation of amounts between the functional and presentation currency of the Company are included in other comprehensive income or loss. Gains and losses on translation of foreign subsidiaries are initially recognized in other comprehensive income or loss. Accumulated other comprehensive income or loss on translation of foreign subsidiaries are reclassified from equity to deficit on disposal of the subsidiary.

(m) Income (Loss) Per Share

The Company presents the basic and diluted earnings or loss per share data for its common shares, calculated by dividing the earnings or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted earnings or loss per share is determined by adjusting the earnings or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares. For the years ended January 31, 2026, 2025 and 2024, basic net loss per share equals diluted net loss per share as the Company incurred net losses during these years and the Company's stock options and warrants were anti-dilutive.

(n) Taxes

Tax expense comprises current and deferred tax. Income tax expense is recognized in the consolidated statements of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

BETTERLIFE PHARMA INC.

Notes to the Consolidated Financial Statements
For the Years Ended January 31, 2026, 2025 and 2024
(Expressed in Canadian dollars)

2. Material Accounting Policies (continued)**(o) Related Party Transactions**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control and may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

(p) Segment Reporting

The Company presents and discloses segmental information based on information that is regularly reviewed by the Chief Executive Officer and the Board of Directors. The allocation of resources between the different operating segments and the assessment of the performance of the operating segments is the responsibility of the Chief Executive Officer.

The Company has determined that it has only one operating segment: Development and commercialization of patented pharmaceuticals.

3. New Accounting Pronouncements

The following new accounting standards and interpretations will be adopted by the Company subsequent to January 31, 2026.

(a) IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements, which will replace IAS 1 Presentation of Financial Statements. IFRS 18 will establish a revised structure for the consolidated statements of comprehensive income and improve comparability across entities and reporting periods. IFRS 18 is effective for annual periods beginning on or after January 1, 2027, with early adoption permitted. The new standard is required to be adopted retroactively, with certain transition provisions. The Company is evaluating the impact of adopting IFRS 18 on the consolidated financial statements.

(b) IFRS 9 – Financial Instruments and IFRS 7 – Financial Instruments: Disclosures

In May 2024, the IASB issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures, to provide further guidance on the timing of recognition and derecognition of financial instruments at settlement date, except for regular way purchases or sales of financial assets, and certain financial liabilities meeting conditions for a new exception which permits companies to elect to derecognize certain financial liabilities settled via electronic payment systems earlier than the settlement date. Additional guidance was also provided on assessing whether a financial asset meets the solely payments of principal and interest criterion, and issued new disclosure requirements. This amendment is effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The Company has evaluated the impact of the standard on the Company's consolidated financial statements and has determined that there is no material impact.

4. Intangible Assets

The Company is currently developing several drug candidates and holds a portfolio of patents related to them. The relevant intangible assets have been fully impaired in prior years and currently are recorded at carrying values of \$nil.

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5. Convertible Debentures

	Convertible Debentures \$
Balance, January 31, 2023	—
Proceeds from issuances of convertible debentures (Notes 5(a) and 14)	300,000
Transfer of conversion component to equity	(60,385)
Accretion and interest	5,619
Balance, January 31, 2024	245,234
Proceeds from issuances of convertible debentures (Notes 5(b), 5(c), 5(d), 5(e) and 14)	1,243,000
Transfer of conversion component to equity	(292,219)
Transaction costs (Notes 5(b), 5(c) and 5(e))	(33,406)
Accretion and interest	239,553
Interest payments	(26,526)
Conversion (Notes 5(a), 5(b), 5(c), 5(e), 8(f) and 14)	(555,083)
Balance, January 31, 2025	820,553
Accretion and interest	105,473
Conversion (Notes 5(a), 5(c), 5(d), 8(a) and 14)	(640,715)
Balance, January 31, 2026	285,311

(a) On December 31, 2023, the Company issued unsecured convertible debentures for \$300,000 (Note 14). The debentures bear interest at 10% per annum, have a maturity date of June 30, 2025 and are convertible into units, with each unit consisting of one common share and one share purchase warrant, at a conversion price equal to \$0.10 per unit. Each share purchase warrant received on conversion will have an exercise price of \$0.10 per warrant and will expire on December 31, 2025. The effective interest rate had been determined to be 15.1% per annum.

In May and July 2024, principal and accrued interest of \$300,000 and \$3,534, respectively, were converted into a total of 3,035,342 common shares and 3,035,342 share purchase warrants of the Company (Note 14). Carrying value of \$263,498 of convertible debentures were allocated to common shares (Note 8(f)). The residual method was used to allocate the proceeds between the common shares and the warrants which resulted in a value of \$nil allocated to the warrants (Note 9(c)).

In May 2025, accrued interest totaling \$993 was converted into a total of 9,932 common shares and 9,932 share purchase warrants of the Company. Carrying value of \$844 of accrued interest was allocated to common shares (Note 8(a)). The residual method was used to allocate the proceeds between the common shares and the warrants which resulted in a value of \$149 allocated to the warrants (Note 9(c)).

(b) On February 29, 2024, the Company issued unsecured convertible debentures for \$65,000. The debentures bear interest at 10% per annum, have maturity date of February 28, 2026 and are convertible into units, with each unit consisting of one common share and one share purchase warrant, at a conversion price equal to \$0.10 per unit. Each share purchase warrant received on conversion will have an exercise price of \$0.10 per warrant and will expire on August 31, 2026. The effective interest rate had been determined to be 13.6% per annum.

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5. Convertible Debentures (continued)

Transaction costs totaling \$8,955 consisted of the following: 78,000 brokers' warrants (Note 9(c)) with fair value of \$3,755 and brokers' fee of \$5,200. Brokers' warrants entitle the holder to purchase one common share at an exercise price of \$0.10 and expire on February 28, 2026. The fair values of the brokers' warrants were determined using the fair values of the common shares issued as values of services provided could not be estimated reliably. The Company used the Black-Scholes option pricing model to value the brokers' warrants.

In July 2024, principal of \$35,000 was converted into 350,000 common shares and 350,000 share purchase warrants of the Company (Note 8(f)). Carrying value of \$28,077 of convertible debentures were allocated to common shares (Note 8(f)). The residual method was used to allocate the proceeds between the common shares and the warrants which resulted in a value of \$nil allocated to the warrants (Note 9(c)).

(c) On March 28, 2024, the Company issued unsecured convertible debentures for \$780,000 (Note 14). The debentures bear interest at 10% per annum, have maturity date of March 27, 2026 and are convertible into units, with each unit consisting of one common share and one share purchase warrant, at a conversion price equal to \$0.10 per unit. Each share purchase warrant received on conversion will have an exercise price of \$0.10 per warrant and will expire on September 27, 2026. The effective interest rate had been determined to be 13.4% per annum.

Transaction costs totaling \$19,906 consisted of the following: 168,000 brokers' warrants (Note 9(c)) with fair value of \$8,706 and brokers' fee of \$11,200. Brokers' warrants entitle the holder to purchase one common share at an exercise price of \$0.10 and expire on March 27, 2026. The fair values of the brokers' warrants were determined using the fair values of the common shares issued as values of services provided could not be estimated reliably. The Company used the Black-Scholes option pricing model to value the brokers' warrants.

In July 2024, principal and accrued interest of \$295,000 and \$3,370, respectively, were converted into a total of 2,983,699 common shares and 2,983,699 share purchase warrants of the Company (Note 14). Carrying value of \$241,174 of convertible debentures were allocated to common shares (Note 8(f)). The residual method was used to allocate the proceeds between the common shares and the warrants which resulted in a value of \$nil allocated to the warrants (Note 9(c)).

In March, May, June and September 2025, principal and accrued interest of \$250,000 and \$47,315, respectively, were converted into a total of 2,973,151 common shares and 2,973,151 share purchase warrants of the Company. Carrying value of \$259,984 of convertible debentures was allocated to common shares (Note 8(a)). The residual method was used to allocate the proceeds between the common shares and the warrants which resulted in a value of \$68,477 allocated to the warrants (Note 9(c)).

(d) On April 2, 2024, the Company issued unsecured convertible debentures for \$368,000. The debentures bear interest at 10% per annum, have maturity date of April 1, 2026 and are convertible into units, with each unit consisting of one common share and one share purchase warrant, at a conversion price equal to \$0.10 per unit. Each share purchase warrant received on conversion will have an exercise price of \$0.10 per warrant and will expire on October 1, 2026. The effective interest rate had been determined to be 13.6% per annum.

In May 2025, principal and accrued interest of \$368,000 and \$41,090, respectively, were converted into a total of 4,090,904 common shares and 4,090,904 share purchase warrants of the Company. Carrying value of \$358,863 of convertible debentures was allocated to common shares (Note 8(a)). The residual method was used to allocate the proceeds between the common shares and the warrants which resulted in a value of \$97,935 allocated to the warrants (Note 9(c)).

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5. Convertible Debentures (continued)

(e) On April 30, 2024, the Company issued unsecured convertible debentures for \$30,000. The debentures bear interest at 10% per annum, have maturity date of April 29, 2026 and are convertible into units, with each unit consisting of one common share and one share purchase warrant, at a conversion price equal to \$0.10 per unit. Each share purchase warrant received on conversion will have an exercise price of \$0.10 per warrant and will expire on October 29, 2026. The effective interest rate has been determined to be 13.5% per annum.

Transaction costs totaling \$4,545 consisted of the following: 36,000 brokers' warrants (Note 9(c)) with fair value of \$2,145 and brokers' fee of \$2,400. Brokers' warrants entitle the holder to purchase one common share at an exercise price of \$0.10 and expire on April 29, 2026. The fair values of the brokers' warrants were determined using the fair values of the common shares issued as values of services provided could not be estimated reliably. The Company used the Black-Scholes option pricing model to value the brokers' warrants.

In October and December 2024, principal of \$30,000 was converted into 300,000 common shares and 300,000 share purchase warrants of the Company. Carrying value of \$24,559 of convertible debentures were allocated to common shares (Note 8(f)). The residual method was used to allocate the proceeds between the common shares and the warrants which resulted in a value of \$nil allocated to the warrants (Note 9(c)).

The convertible debentures contained no financial covenants. The liability components of the convertible debentures were determined by using discounted cash flows to measure the fair values of similar liabilities that exclude convertibility features at initial recognition. Accretion for the year ended January 31, 2026 was \$60,299 (2025 - \$138,438; 2024 - \$3,071). As at January 31, 2026, accrued interest of \$26,011 (January 31, 2025 - \$74,589) was included in convertible debentures.

6. Loans Payable

	BetterLife \$	MedMelior \$	Loans Payable \$
Balance, January 31, 2023	40,000	40,000	80,000
Accretion and interest	1,248	1,247	2,495
Balance, January 31, 2024	41,248	41,247	82,495
Interest payment	(3,025)	(2,268)	(5,293)
Accretion and interest	10,983	10,983	21,966
Balance, January 31, 2025	49,206	49,962	99,168
Loan extinguishment	—	(9,949)	(9,949)
Interest payment	(3,000)	(3,660)	(6,660)
Principal payment	—	(4,928)	(4,928)
Accretion and interest	12,492	11,349	23,841
Balance, January 31, 2026	58,698	42,774	101,472
Current, January 31, 2026	58,698	15,600	74,298
Non-current, January 31, 2026	—	27,174	27,174
Balance, January 31, 2026	58,698	42,774	101,472

In February 2021, the Company and its subsidiary, MedMelior, each entered into Canada Emergency Business Account ("CEBA") term loan agreements for \$60,000 with an initial expiry date of December 31, 2022 (amended to January 18, 2024) and interest rate of nil% per annum during this initial term.

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6. Loans Payable (continued)

The Company's CEBA term loan matures on December 31, 2026 and has an interest rate of 5% per annum.

MedMelior's CEBA term loan has an interest rate of 5% per annum. In September 2025, MedMelior's CEBA term loan was modified with the following new terms: Repayment of \$1,300 per month through September 2027 and repayment of \$28,658 on October 15, 2027. Pursuant to this modification, the Company recorded a gain on extinguishment of loan of \$9,949 in its consolidated statements of loss and comprehensive loss during the year ended January 31, 2026 (2025 - \$nil; 2024 - \$nil).

Accretion for the year ended January 31, 2026 was \$17,753 (2025 - \$15,949; 2024 - \$2,281). As at January 31, 2026, accrued interest of \$90 (January 31, 2025 - \$937) was included in loans payable.

7. Promissory Notes

	Promissory Notes \$
Balance, January 31, 2023, 2024 and 2025	—
Proceeds from issuances of promissory notes (Notes 7(a) and 7(b))	411,000
Interest	14,418
Balance, January 31, 2026	425,418

(a) On June 5, 2025, the Company issued unsecured promissory notes for \$275,000 (Note 14). The promissory notes bear interest at 6% per annum and have maturity date of May 31, 2026.

(b) On October 31, 2025, the Company issued an unsecured promissory note of \$136,000 (Note 14). The promissory note bear interest at 6% per annum and have a maturity date of May 31, 2026.

As at January 31, 2026, accrued interest of \$14,418 (January 31, 2025 - \$nil) was included in promissory notes.

8. Common Shares

Authorized: Unlimited number of common shares without par value

During the year ended January 31, 2026:

(a) The Company issued units pursuant to conversion of convertible debentures at conversion price of \$0.10 as follows (Notes 5(a), 5(c) and 5(d)):

Issuance Date of Convertible Debentures	Allocated To		Number of	
	Common Shares \$	Warrants \$	Common Shares Issued	Warrants Granted
December 31, 2023	844	149	9,932	9,932
March 28, 2024	259,984	68,477	2,973,151	2,973,151
April 2, 2024	358,863	97,935	4,090,904	4,090,904
	619,691	166,561	7,073,987	7,073,987

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8. Common Shares (continued)

(b) The Company issued 250,000 common shares pursuant to the exercise of 250,000 share purchase warrants for proceeds of \$25,000. \$2,348 previously recorded as fair value of share purchase warrants were reclassified to common shares during the year ended January 31, 2026.

(c) On April 30, 2025, the Company issued 14,999,303 common shares with a fair value of \$1,349,937 pursuant to the settlement of accounts payable and amounts due to related parties totaling \$1,499,930 (Note 14). A gain on settlement of debts of \$149,993 was recorded within gains from extinguishment/forgiveness of debts on the consolidated statements of loss and comprehensive loss.

(d) The Company received \$198,191 in subscription proceeds.

During the year ended January 31, 2025:

(e) On April 2, 2024, the Company issued 218,750 common shares with a fair value of \$19,688 to a third party for settlement of accounts payable.

(f) The Company issued units pursuant to conversion of convertible debentures at conversion price of \$0.10 as follows (Notes 5(b), 5(c), 5(d), 5(f) and 13):

Issuance Dates of Convertible Debentures	Allocated To		Number of	
	Common Shares \$	Warrants \$	Common Shares Issued	Warrants
December 31, 2023	323,883	—	3,035,342	3,035,342
February 29, 2024	36,394	—	350,000	350,000
March 28, 2024	310,296	—	2,983,699	2,983,699
April 30, 2024	31,607	—	300,000	300,000
	<u>702,180</u>	<u>—</u>	<u>6,669,041</u>	<u>6,669,041</u>

(g) On June 14, 2024, the Company closed on a non-brokered private placement and issued 5,300,000 units at price of \$0.10 per unit for gross proceeds of \$530,000 (Note 14). Each unit consisted of one common share and one share purchase warrant entitling the holder to purchase one common share at an exercise price of \$0.13 and expiring on June 13, 2026. The residual method was used to allocate the proceeds between the common shares and the warrants which resulted in a value of \$nil allocated to the warrants (Note 9(c)).

(h) On July 2, 2024, the Company closed on a non-brokered private placement and issued 1,750,000 units at price of \$0.10 per unit for gross proceeds of \$175,000. Each unit consisted of one common share and one share purchase warrant entitling the holder to purchase one common share at an exercise price of \$0.13 and expiring on July 1, 2026. The residual method was used to allocate the proceeds between the common shares and the warrants which resulted in a value of \$nil allocated to the warrants (Note 9(c)).

(i) On October 4, 2024, 189,708 common shares were returned to the Company and cancelled.

(j) The Company received subscription proceeds totaling \$43,100.

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8. Common Shares (continued)

During the year ended January 31, 2024:

(k) On March 14, 2023, the Company closed on a brokered private placement and issued 15,000,000 units at price of \$0.10 per unit for gross proceeds of \$1,500,000 (Note 14). Each unit consisted of one common share and one share purchase warrant entitling the holder to purchase one common share at an exercise price of \$0.15 and expiring on March 14, 2028. The residual method was used to allocate the proceeds between the common shares and the warrants which resulted in a value of \$225,000 allocated to warrants (Note 9(c)).

Share issue costs totaling \$228,972 consisted of the following: 840,000 brokers' warrants with fair value of \$39,972, brokers' fee of \$84,000 and other transaction costs of \$105,000. Brokers' warrants entitle the holder to purchase one common share at an exercise price of \$0.10 and expiring on March 14, 2025. The fair values of the brokers' warrants were determined using the fair values of the common shares issued as values of services provided could not be estimated reliably. The Company used the Black-Scholes option pricing model to value the brokers' warrants (Note 9(c)).

(l) On March 14, 2023, the Company closed on a non-brokered private placement and issued 3,571,429 units at price of US\$0.07 per unit for gross proceeds of \$357,143 (US\$250,000). Each unit consisted of one common share and one share purchase warrant entitling the holder to purchase one common share at an exercise price of US\$0.11 and expiring on March 14, 2028. The residual method was used to allocate the proceeds between the common shares and the warrants which resulted in a value of \$48,846 allocated to warrants (Note 9(a)).

(m) On July 10, 2023, the Company closed on a non-brokered private placement and issued 2,200,000 units at price of \$0.10 per unit for gross proceeds of \$220,000. Each unit consisted of one common share and one share purchase warrant entitling the holder to purchase one common share at an exercise price of \$0.15 and expiring on July 9, 2028. The residual method was used to allocate the proceeds between the common shares and the warrants which resulted in a value of \$44,000 allocated to warrants (Note 9(c)).

(n) On August 31, 2023, the Company closed on a non-brokered private placement and issued 2,950,000 units at price of \$0.10 per unit for gross proceeds of \$295,000 (Note 14). Each unit consisted of one common share and one share purchase warrant entitling the holder to purchase one common share at an exercise price of \$0.10 and expiring on August 30, 2025. The residual method was used to allocate the proceeds between the common shares and the warrants which resulted in a value of \$44,250 allocated to warrants (Note 9(c)).

Share issue costs totaling \$12,999 consisted of the following: 114,000 brokers' warrants with fair value of \$5,399 and brokers' fee of \$7,600. Brokers' warrants entitle the holder to purchase one common share at an exercise price of \$0.10 and expiring on August 30, 2025. The fair values of the brokers' warrants were determined using the fair values of the common shares issued as values of services provided could not be estimated reliably. The Company used the Black-Scholes option pricing model to value the brokers' warrants (Note 9(c)).

(o) On December 15, 2023, the Company closed on a non-brokered private placement and issued 2,000,000 units at price of \$0.10 per unit for gross proceeds of \$200,000 (Note 14). Each unit consisted of one common share and one share purchase warrant entitling the holder to purchase one common share at an exercise price of \$0.10 and expiring on December 14, 2025. The residual method was used to allocate the proceeds between the common shares and the warrants which resulted in a value of \$80,000 allocated to warrants (Note 9(c)).

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9. Share Purchase Warrants

(a) Warrant liabilities

At January 31, 2026, the Company has 3,571,429 share purchase warrants with exercise prices denominated in US dollars (January 31, 2025 – 3,571,429). When non-compensatory warrants have an exercise price denominated in a currency which is different from the functional currency of the Company (Canadian dollar), the warrants are treated as financial liabilities. These warrants are therefore classified as financial liabilities with changes in fair value recognized in the consolidated statements of loss and comprehensive loss. The warrant liabilities are measured using Level 3 inputs within the fair value hierarchy.

The following table summarizes the continuity of liability-classified warrants:

	Number of Warrants	Weighted Average Exercise Price US\$	Weighted Average Remaining Contractual Life (Years)	Liability Amount \$
Balance, January 31, 2023	–	–	–	–
Granted (Note 9(h))	3,571,429	0.11	5.00	48,846
Change in fair value	–	–	–	176,247
Balance, January 31, 2024	3,571,429	0.11	4.12	225,093
Change in fair value	–	–	–	79,345
Balance, January 31, 2025	3,571,429	0.11	3.12	304,438
Change in fair value	–	–	–	(189,425)
Balance, January 31, 2026	3,571,429	0.11	2.12	115,013

At January 31, 2026, the following liability-classified warrants were outstanding:

Number of Warrants	Exercise Price US\$	Expiry Date
3,571,429	0.11	March 14, 2028

The fair values of warrant liabilities at January 31, 2026 and 2025 were estimated using the Black-Scholes option pricing model with the following assumptions:

	January 31, 2026	January 31, 2025
Risk free interest rates	2.56%	2.64%
Volatilities	121%	114%
Fair values of common shares	US\$0.038	US\$0.089
Expected dividends	Nil%	Nil%
Expected lives	2.12 years	3.12 years
Exercise prices	US\$0.11	US\$0.11
Fair values of warrants	US\$0.02	US\$0.06

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9. Share Purchase Warrants (continued)**(b) Warrant liabilities of MedMelior**

At January 31, 2026, MedMelior has no share purchase warrants with exercise prices denominated in U.S. dollars (January 31, 2025 – 221,333). When non-compensatory warrants have an exercise price denominated in a currency which is different from the functional currency of MedMelior (Canadian dollar), the warrants are treated as financial liabilities. These warrants are therefore classified as financial liabilities with changes in fair value recognized in the consolidated statements of loss and comprehensive loss. The warrant liabilities are measured using Level 3 inputs within the fair value hierarchy.

The following table summarizes the continuity of liability-classified warrants of MedMelior:

	Number of Warrants	Weighted Average Exercise Price US\$	Weighted Average Remaining Contractual Life (Years)	Liability Amount \$
Balance, January 31, 2023	96,667	1.25	1.36	20,700
Granted (Note 12)	221,333	1.25	2.00	72,190
Change in fair value	–	–	–	(38,483)
Balance, January 31, 2024	318,000	1.25	1.02	54,407
Expired	(96,667)	(1.25)	–	–
Change in fair value	–	–	–	(45,909)
Balance, January 31, 2025	221,333	1.25	0.31	8,498
Expired	(221,333)	(1.25)	–	–
Change in fair value	–	–	–	(8,498)
Balance, January 31, 2026	–	–	–	–

The fair values of warrant liabilities at January 31, 2025 were determined using the Black-Scholes option pricing model, using the following assumptions:

	January 31, 2025
Risk free interest rates	2.89%
Volatilities	101%
Fair values of common shares	US\$0.63
Expected dividends	Nil%
Expected lives	0.31 years
Exercise prices	US\$1.25
Fair values of warrants	US\$0.03

At January 31, 2026, there were no liability-classified warrants of MedMelior outstanding.

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9. Share Purchase Warrants (continued)

(c) Equity-classified warrants

The following table summarizes the continuity of equity-classified warrants:

	Number of Warrants	Weighted Average Exercise Price \$	Weighted Average Remaining Contractual Life (years)
Balance, January 31, 2023	30,140,643	0.52	1.21
Granted (Notes 8(k), 8(m), 8(n) and 8(o))	23,104,000	0.14	4.24
Expired	(438,095)	(0.70)	—
Balance, January 31, 2024	52,806,548	0.35	1.90
Granted (Notes 5(b), 5(c), 5(d), 5(f), 8(f), 8(g) and 8(h))	14,001,041	0.12	1.93
Expired	(23,316,250)	(0.50)	—
Balance, January 31, 2025	43,491,339	0.20	1.89
Granted (Notes 5(a), 5(c), 5(d) and 8(a))	7,073,987	0.10	1.33
Expired	(12,385,573)	(0.36)	—
Exercised	(250,000)	(0.10)	—
Balance, January 31, 2026	37,929,753	0.13	1.28

At January 31, 2026, the following equity-classified warrants were outstanding:

Number of Warrants	Exercise Price \$	Expiry Date
78,000	0.10	February 28, 2026
168,000	0.10	March 27, 2026
36,000	0.10	April 29, 2026
5,300,000	0.13	June 13, 2026
1,750,000	0.13	July 1, 2026
2,950,000	0.10	August 30, 2026
350,000	0.10	August 31, 2026
5,706,849	0.10	September 27, 2026
4,090,904	0.10	October 1, 2026
300,000	0.10	October 29, 2026
15,000,000	0.15	March 14, 2028
2,200,000	0.15	July 9, 2028
37,929,753		

During the years ended January 31, 2026, 2025 and 2024, the fair values of equity-classified warrants issued pursuant to conversion of convertible debentures (Notes 5(a), 5(b), 5(c), 5(d) and 5(f)) and to the Company's financings (Notes 8(g), 8(h), 8(k), 8(m), 8(n) and 8(o)) were estimated using the residual method.

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9. Share Purchase Warrants (continued)

There were no equity-classified warrants issued during the year ended January 31, 2026 that were estimated using the Black-Scholes option pricing model. Fair values of other equity-classified warrants issued during the years ended January 31, 2025 and 2024 were estimated using the Black-Scholes option pricing model with the following assumptions:

	January 31, 2025	January 31, 2024
Nature of warrants	Brokers' warrants (Notes 5(b), 5(c) and 5(e))	Brokers' warrants (Notes 7(k) and 7(n))
Dates of grant	February 29, March 28 and April 30, 2024	March 14 and August 31, 2023
Risk free interest rates	4.13% to 4.33%	3.72% and 4.64%
Volatilities	114% to 115%	114% and 112%
Fair values of common shares on grant dates	\$0.085 to \$0.10	\$0.085
Expected dividends	Nil%	Nil%
Expected lives	Two (2) years	Two (2) years
Exercise prices	\$0.10	\$0.10
Fair values of warrants on grant dates	\$0.05 to \$0.06	\$0.05

10. Compensation Options

The following table summarizes the continuity of compensation options:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)
Outstanding and exercisable, January 31, 2024	2,015,625	0.40	0.32
Expired	(2,015,625)	(0.40)	—
Outstanding and exercisable, January 31, 2026 and 2025	—	—	—

11. Long-term Incentive Plans

Effective October 1, 2019, the Company adopted a long-term incentive plan. Under this plan, the Company may grant share purchase options, RSUs, PSUs or deferred share units to its directors, officers, employees and consultants up to an amount as determined by the Company and will be no more than 10% of its outstanding common shares on a fully-diluted basis. RSUs, PSUs and deferred share units are settled in common shares. The exercise price of the share purchase options will be determined by the Company and will be no less than market price on grant date.

Effective June 29, 2018, the Company's subsidiary, MedMelior, adopted a stock option plan. Under this plan, MedMelior may grant options to its directors, officers, employees and consultants up to an amount as determined by MedMelior. The exercise price of the stock options will be determined by MedMelior.

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11. Long-term Incentive Plans (continued)

(a) Performance Stock Units

The following table summarizes the continuity of the Company's PSUs:

	Number of PSUs
Outstanding, January 31, 2024 and 2023	25,000
Granted (Note 14)	6,000,000
Outstanding, January 31, 2025	6,025,000
Forfeited (Note 14)	800,000
Outstanding, January 31, 2026	5,225,000

At January 31, 2026, the following PSUs were outstanding:

Number of PSUs	Vesting Provisions
25,000	Vested on March 31, 2021
5,200,000	Volume weighted average common share price for five consecutive dates:
5,225,000	\$0.30 – 33.33%; \$0.50 – 33.33%; \$1.00 – 33.34%

For the year ended January 31, 2026, share-based payments related to PSUs totaled \$123,292 (2025 - \$47,810; 2024 - \$nil) and have been recorded in the Company's consolidated statements of loss and comprehensive loss.

PSUs are settled by delivery of a notice of settlement by the PSU holder. At January 31, 2026, 25,000 PSUs were vested but not yet settled (January 31, 2025 – 25,000).

The fair value of share-based payment expense was estimated using the Black-Scholes option pricing model and the following assumptions:

	January 31, 2026	January 31, 2025
Date of grant or valuation	January 31, 2026	December 16, 2024
Risk free interest rate	2.56%	2.96%
Volatilities	119%	114%
Fair value of common shares on grant date	\$0.05	\$0.11
Expected dividends	Nil%	Nil%
Expected life	1.87 years	Three (3) years
Fair value of PSUs on grant date	\$0.05	\$0.08

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11. Long-term Incentive Plans (continued)

(c) Share Purchase Options

The following table summarizes the continuity of the Company's share purchase options:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)
Outstanding, January 31, 2023	6,270,000	0.38	1.93
Granted (Note 14)	6,045,000	0.07	3.00
Forfeited/expired (Note 14)	(2,100,000)	(0.60)	—
Outstanding, January 31, 2024	10,215,000	0.15	1.94
Granted (Note 14)	2,150,000	0.14	3.00
Expired	(20,000)	(0.16)	—
Outstanding, January 31, 2025	12,345,000	0.15	1.24
Granted (Note 14)	900,000	0.09	4.33
Forfeited/expired (Note 14)	(4,150,000)	(0.27)	—
Outstanding, January 31, 2026	9,095,000	0.09	0.94

Additional information regarding share purchase options as of January 31, 2026 is as follows:

Options Outstanding	Options Exercisable	Exercise Price \$	Expiry Date	Vesting Terms
5,595,000	5,595,000	0.075	May 1, 2026	25% every six months
200,000	200,000	0.07	June 19, 2026	25% every six months
250,000	250,000	0.07	July 31, 2026	40% on grant date; 20% every two months thereafter
200,000	100,000	0.08	April 7, 2027	25% every six months
2,150,000	2,150,000	0.14	October 7, 2027	100% on grant date
700,000	350,000	0.09	July 1, 2030	25% every six months
9,095,000	8,645,000			

The fair value of share-based payment expense was estimated using the Black-Scholes option pricing model and the following assumptions:

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11. Long-term Incentive Plans (continued)

	January 31, 2026	January 31, 2025	January 31, 2024
Dates of grant or valuation	April 8, 2025 to January 31, 2026	October 8, 2024	May 2, 2023 to January 31, 2024
Risk free interest rates	2.45% to 2.91%	3.03%	3.48% to 4.63%
Volatilities	110% to 129%	112%	109% to 144%
Fair values of common shares on grant or valuation dates	\$0.05 to \$0.09	\$0.145	\$0.065 to \$0.08
Expected dividends	Nil%	Nil%	Nil%
Expected lives	Two (2) and five (5) years	Three (3) years	1.95 years to three (3) years
Exercise prices	\$0.08 and \$0.09	\$0.14	\$0.07 to \$0.16
Fair values of options on grant or valuation dates	\$0.019 to \$0.077	\$0.10	\$0.04 to \$0.17

For the year ended January 31, 2026, share-based payments related to share purchase options totaled \$46,460 (2025 - \$301,860; 2024 - \$444,023) and have been recorded in the Company's consolidated statements of loss and comprehensive loss. \$14,633 of share-based payment expense has yet to be recognized and will be recognized in future periods.

(d) Share Purchase Options of MedMelior

The following table summarizes the continuity of MedMelior's share purchase options:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)
Outstanding, January 31, 2024 and 2023	1,100,000	0.10	0.91 / 1.91 / 2.91
Granted (Note 14)	2,200,000	0.10	1.50
Expired (Note 14)	(1,100,000)	(0.10)	—
Outstanding, January 31, 2025	2,200,000	0.10	0.73
Expired (Note 14)	(2,200,000)	(0.10)	—
Outstanding, January 31, 2026	—	—	—

At January 31, 2026, there were no share purchase options of MedMelior outstanding. The fair value of share-based payment expense was estimated on grant date during the year ended January 31, 2025 using the Black-Scholes option pricing model and the following assumptions:

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11. Long-term Incentive Plans (continued)

	January 31, 2025
Date of grant	April 25, 2024
Risk free interest rate	4.44%
Volatility	99%
Fair value of common shares on grant date	\$0.86
Expected dividends	Nil%
Expected life	1.5 years
Exercise price	\$0.10
Fair value of options on grant date	\$0.77

For the year ended January 31, 2026, share-based payments related to share purchase options totaled \$nil (2025 - \$1,700,255; 2024 - \$56,240) and have been recorded in the Company's consolidated statements of loss and comprehensive loss. There is no share-based payment expense that has yet to be recognized in future periods.

12. Non-controlling Interests

At January 31, 2026, 9.14% of MedMelior's ownership interest is held by NCI (January 31, 2025 – 9.14%). The following is summarized financial information for MedMelior, before inter-company eliminations with other companies in the group.

	2026 \$	2025 \$
Current assets	21,060	34,157
Non-current assets	–	–
Current liabilities	(14,547,212)	(14,366,399)
Non-current liabilities	(27,174)	–
Net liabilities	(14,553,326)	(14,366,399)
Net liabilities attributable to NCI	(1,329,708)	(1,309,508)

	January 31, 2026 \$	January 31, 2025 \$	January 31, 2024 \$
Revenue	–	–	–
Net loss	(226,776)	(1,604,168)	(193,317)
Other comprehensive income (loss)	5,693	1	(5,503)
Total comprehensive loss	(221,083)	(1,604,167)	(198,820)
Net loss attributable to NCI	(17,426)	(101,596)	(9,478)
Net comprehensive gain (loss) attributable to NCI	276	(18)	(329)

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12. Non-controlling Interests (continued)

	January 31, 2026 \$	January 31, 2025 \$	January 31, 2024 \$
Cash flows provided by (used in) operating activities	1,377	(2,046)	3,379
Cash flows provided by investing activities	—	—	—
Cash flows (used in) provided by financing activities	(450)	1,849	—
Effects of exchange rate changes on cash	1	1	(43)
Net (decrease) increase in cash	928	(196)	3,336
Dividends paid to NCI during the year	—	—	—

During the year ended January 31, 2025, MedMelior issued 1,893,333 common shares pursuant to the settlement of \$284,000 of outstanding compensation to officers (Note 14) and received \$20,240 in subscription proceeds.

During the year ended January 31, 2024, MedMelior issued 442,667 common shares and 221,333 share purchase warrants to NCI for gross proceeds of \$428,575 that had been received prior to January 31, 2023, of which \$72,190 was allocated to liability classified warrants (Note 9(b)). Each share purchase warrant entitles the holder to purchase one common share of MedMelior at an exercise price of US\$1.25 and expires on May 23, 2025.

13. Supplemental Cash Flow Disclosures

	January 31, 2026 \$	January 31, 2025 \$	January 31, 2024 \$
Supplemental disclosures:			
Interest paid	6,660	31,817	—
Non-cash investing and financing activities:			
Common shares issued for settlement of amounts due to related parties and accounts payable	1,349,937	19,688	—
Common shares of MedMelior issued for settlement of amounts due to related parties	—	284,000	—
Brokers' warrants granted as issue costs for convertible debentures	—	14,606	—
Common shares and share purchase warrants issued for conversion of debentures and accrued interest	619,691	702,180	—
Brokers' warrants granted as share issue costs	—	—	45,371

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14. Related Party TransactionsKey Management Compensation

Key management includes those persons having authority and responsibility for planning, directing and controlling the activities, directly or indirectly, of the Company and includes the chief executive officer, chief operating officer and chief financial officer. During the year ended January 31, 2026, compensation of key management and directors of the Company, consisting of salaries, consulting fees, directors' fees and share-based payments, totaled \$1,171,505 (2025 - \$2,708,168; 2024 - \$1,525,222), of which \$160,701 were share-based payments related to share purchase options and PSUs (2025 - \$1,679,378; 2024 - \$465,949). During the year ended January 31, 2026:

- 900,000 stock options were granted to directors and officers (2025 - 1,700,000; 2024 - 5,595,000),
- 3,590,000 stock options for officers and directors expired or forfeited (2025 - nil; 2024 - 1,480,000),
- No stock options were granted by MedMelior to directors and officers (2025 - 1,800,000; 2024 - nil),
- 1,900,000 stock options of MedMelior for officers and directors expired (2025 - 1,000,000; 2024 - nil), and
- No PSUs were granted to directors and officers (2025 - 4,875,000; 2024 - nil).

Other Related Party Transactions

At January 31, 2026, the Company owed \$1,415,082 to key management and directors (January 31, 2025 - \$1,476,700), of which \$92,797 bear interest at 8% per annum (January 31, 2025 - \$408,332). During the year ended January 31, 2026, the Company recorded no gains from legal claim within "Settlement and legal provisions, net" in the consolidated statements of loss and comprehensive loss related to a former director of MedMelior (2025 - \$556,640; 2024 - \$nil) (Note 16(d)).

During the year ended January 31, 2026:

- The Company issued 10,308,039 common shares to settle \$1,030,804 of amounts due to officers and directors.
- The Company issued promissory notes of \$411,000 to its Chief Executive Officer and a director, bearing interest rate at 6% per annum and maturing on May 31, 2026.
- Accrued interest of \$993 on convertible debentures originally issued to the Company's Chief Executive Officer in December 2023 were converted into a total of 9,930 common shares and 9,930 share purchase warrants (Note 5(a)).
- Accrued interest of \$795 on convertible debentures originally issued to the Company's Chief Executive Officer in March 2024 were converted into a total of 7,950 common shares and 7,950 share purchase warrants (Note 5(c)).

During the year ended January 31, 2025:

- The Company issued convertible debentures totaling \$100,000 to its Chief Executive Officer in March 2024 (Note 5(c)).
- \$107,904 of accrued advisory fees to directors were forgiven in April 2024.
- The Company issued 500,000 common shares and 500,000 share purchase warrants to its Chief Executive Officer for gross proceeds received of \$50,000 pursuant to a non-brokered private placement in June 2024 (Note 8(g)).

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14. Related Party Transactions (continued)

- \$125,000 of convertible debentures originally issued to the Company's Chief Executive Officer in December 2023 were converted into a total of 1,250,000 common shares and 1,250,000 share purchase warrants (Note 5(a)).
- \$100,000 of convertible debentures originally issued to the Company's Chief Executive Officer in March 2024 were converted into a total of 1,000,000 common shares and 1,000,000 share purchase warrants (Note 5(c)).
- Outstanding compensation to certain of the Company's officers totaling \$284,000, consisting of \$200,000 and \$84,000 of outstanding compensation in the Company and MedMelior, respectively, were settled through the issuance of 1,893,333 common shares of MedMelior (Note 12) in July 2024.

During the year ended January 31, 2024:

- The Company issued 2,000,000 common shares and 2,000,000 share purchase warrants to its Chief Executive Officer for gross proceeds received of \$200,000 pursuant to a brokered private placement in March 2023 (Note 5(k)).
- \$469,129 of amounts owing to officers in MedMelior were forgiven in April 2023, which was recorded under "Gain on extinguishment/forgiveness of debts" on the consolidated statements of loss and comprehensive loss.
- The Company issued 1,000,000 common shares and 1,000,000 share purchase warrants to its Chief Executive Officer for gross proceeds received of \$100,000 pursuant to a non-brokered private placement in August 2023 (Note 5(n)).
- The Company issued 1,000,000 common shares and 1,000,000 share purchase warrants to its Chief Executive Officer for gross proceeds received of \$100,000 pursuant to a non-brokered private placement in December 2023 (Note 5(o)).
- The Company issued convertible debentures of \$125,000 to its Chief Executive Officer in December 2023 (Note 5(a)).

15. Income Tax

The following schedule reconciles the expected income tax expense (recovery) at the Canadian combined federal and provincial statutory rate of 27% (2025 – 27%; 2024 – 27%) to the amounts recognized in the consolidated statements of loss and comprehensive loss:

	January 31, 2026 \$	January 31, 2025 \$	January 31, 2024 \$
Net loss before taxes	(1,512,918)	(3,621,884)	(2,898,510)
Statutory rate	27.00%	27.00%	27.00%
Expected tax recovery	(408,488)	(977,909)	(782,598)
Foreign tax rate differences	(1,565)	(51,614)	2,472
Permanent differences and other	(28,319)	(123,593)	(152,792)
Share-based payments	45,833	551,753	135,071
Change in deferred tax assets not recognized	392,539	601,363	797,847
Income tax expense	—	—	—

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset. The following table summarizes the components of deferred tax:

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15. Income Tax (continued)

	2026 \$	2025 \$
Deferred tax assets:		
Financing fees	4,769	56,306
Deferred tax liabilities:		
Convertible debentures	(4,769)	(56,306)
Net deferred tax asset (liability)	—	—

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	2026 \$	2025 \$
Tax loss carryforwards – Canada	70,202,170	68,454,560
Tax loss carryforwards – Australia	16,240	28,460
Tax loss carryforwards – Hong Kong	81,440	81,440
Intangible assets	12,517,320	13,176,120
Property and equipment	10,740	13,440
Contingent liabilities and tax reserves	1,441,910	382,430
Financing costs	—	475,960
Capital loss	12,363,360	12,363,360
Total unrecognized deductible temporary differences	96,633,180	94,975,770

Financing fees will be fully amortized in 2029. The remaining unrecognized deferred tax assets will carry forward indefinitely.

The Company's unrecognized Canadian non-capital income tax losses expire as follows:

Expiry Date	Non-Capital Loss \$
2032	608,940
2034	687,130
2035	1,499,360
2036	4,769,160
2037	1,267,150
2038	1,169,740
2039	4,937,400
2040	11,051,000
2041	9,067,090
2042	13,177,460
2043	10,965,790
2044	4,575,310
2045	3,809,870
2046	2,616,770
	70,202,170

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16. Commitments and Contingencies

(a) In November 2019, the Company's former chief executive officer filed an originating application with the Superior Court in the province of Quebec for damages stemming from a termination of employment. The former chief executive officer was seeking payment of amounts totaling approximately \$1 million, exercisability of his share purchase options until the original expiry dates, issuance of 600,000 share purchase options and an order that the Company not issue further common shares. In December 2023, this claim was settled for \$120,000, which was paid in 12 equal monthly instalments from January 1, 2024 to December 1, 2024.

(b) In March 2021, Olymbec Development Inc. ("Olymbec") filed a judicial demand before the Superior Court (Civil Division) of Quebec and a judgement for a safeguard order was obtained by Olymbec against Pivot Pharmaceuticals Manufacturing Corp. ("Pivot"), a former subsidiary, and the Company, as guarantor of the lease at 285-295 Kesmark Street, Quebec (the "Lease"), ordering Pivot and the Company to jointly pay the full amount of the Lease on the first day of each month. In May 2021, a judgement for a safeguard order was issued ordering Pivot and the Company to provide post-dated cheques for monthly lease payments for the months of June through November 2021. In June 2021, a judgement granted Pivot and the Company until June 30, 2021 to pay the outstanding lease totaling \$124,223 and to deliver post-dated cheques each in the amount of \$49,410.51 for monthly lease payments for the months of July through November 2021, which were completed. On October 25, 2023, due to non-payment of rent by Pivot, Olymbec terminated the Lease. An order for Pivot's bankruptcy was granted on December 11, 2023 by the Superior Court (Commercial Division) of Quebec. On December 16, 2024, the Superior Court (Civil Division) of Quebec issued a judgment ordering the Company to pay Olymbec \$367,428, representing lease unpaid by Pivot and administrative charges, plus \$15,000 as punitive damages (Note 16(c)). On March 17, 2025, this judgment was registered with the Supreme Court of British Columbia.

(c) The Company is a guarantor on the Lease (Note 16(b)), which was assigned together with the sale of Pivot in October 2020 pursuant to which the Company has recorded a financial guarantee liability of \$412,854 (January 31, 2025 - \$382,428).

The following table summarizes the continuity of financial guarantee liability:

	Financial Guarantee Liability \$
Balance, January 31, 2023	1,107,212
Change in carrying value	34,050
Balance, January 31, 2024	1,141,262
Change in carrying value	(758,834)
Balance, January 31, 2025	382,428
Change in carrying value	30,426
Balance, January 31, 2026	412,854
Current, January 31, 2026	412,854
Non-current, January 31, 2026	—
Balance, January 31, 2026	412,854

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16. Commitments and Contingencies (continued)

(d) The Company and MedMelior were named as defendants in a lawsuit before the Supreme Court of the State of New York, New York County ("State Court") by a former director of MedMelior, who served as director prior to MedMelior's amalgamation with the Company. This former director filed a verified complaint on January 20, 2022, seeking compensatory and punitive damages in amounts believed by the Company to be in excess of US\$2 million and US\$10 million, respectively. During March 2022, the Company filed a motion to dismiss the complaint on the basis of inconvenient forum and for lack of jurisdiction. On December 1, 2022, following oral argument on the motion, the State Court dismissed the complaint in its entirety. On April 29, 2022, in response to the Company's then-pending motion to dismiss, the former director filed a separate, parallel action, naming the Company and MedMelior before the United States District Court for the Southern District of New York ("Federal Court"), asserting substantially the same claims as in the State Court action. On March 3, 2023, the Company filed a motion to dismiss the claims filed in the Federal Court on the basis of inconvenient forum and for lack of jurisdiction. On November 27, 2023, the Federal Court dismissed the claims in their entirety, following which the former director noticed a federal appeal. In November 2024, the former director allowed the time to perfect the federal appeal to lapse. With dismissals by both the State and Federal Courts and the lapse in appeal, the former director's claims are concluded without any payment or penalties against the Company and MedMelior. During the year ended January 31, 2025, the Company recorded \$556,640 as a gain from the legal claim within "Settlement and legal provisions, net" in the consolidated statements of loss and comprehensive loss.

(e) At January 31, 2026, certain of the Company's research and development programs, with a total contracted amount of \$1.97 million, were in progress of which the Company has paid \$1.59 million and a further \$370,000 remains to be paid in future periods.

(f) At January 31, 2026, there may be a contingent liability related to potential interest or penalties that vendors may charge on the Company's aged accounts payables. Due to the absence of reliable estimates for this amount, no provisions have been recorded by the Company.

17. Operating Segment

The Company operates in one industry segment, development and commercialization of patented pharmaceuticals within one geographical area. All of the Company's long-lived assets are located in Canada.

18. Fair Value Measurements

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Financial assets and liabilities measured at fair value in the consolidated statements of financial position are grouped into three levels of fair value hierarchy. Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy level.

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18. Fair Value Measurements (continued)

The carrying values of accounts receivable excluding tax receivables, due to related parties and amounts payable and accrued liabilities approximate the fair values due to the short-term nature of these items. The fair value of the convertible debentures and loans payable is partially derived from market interest rates. The risk of material change in fair value is not considered to be significant due to a relatively short-term nature. The Company does not use derivative financial instruments to manage this risk.

The following is an analysis of the Company's financial assets and liabilities at fair value as at January 31, 2026 and 2025:

	As at January 31, 2026		
	Level 1 \$	Level 2 \$	Level 3 \$
Cash	12,570	–	–
Warrant liabilities	–	–	115,013
	As at January 31, 2025		
	Level 1 \$	Level 2 \$	Level 3 \$
Cash	8,180	–	–
Warrant liabilities	–	–	312,936

19. Management of Financial Risk

The Company's financial instruments are exposed to certain risks as summarized below:

(a) 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. The Company's cash is held through reputable financial institutions in Canada, U.S. and Australia. The carrying amount of cash represent the maximum exposure to credit risk. As at January 31, 2026, this amounted to \$12,570.

(b) Interest rate risk

Interest rate risk is the risk that fair values or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages liquidity risk through the management of its capital structure (Note 20). Accounts payable and accrued liabilities, due to related parties, financial guarantee liability and current portion of loans payable are due within the current operating period.

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19. Management of Financial Risk (continued)

The table below summarizes the maturity profile of the Company's financial liabilities at January 31, 2026:

	0 – 12 Months \$	Over 12 Months \$
Accounts payable and accrued liabilities	3,951,132	–
Due to related parties	1,415,082	–
Financial guarantee liability	412,854	–
Convertible debentures	285,311	–
Loans payable	74,298	27,174
Promissory notes	425,418	–
Warrant liabilities	115,013	–

(d) Currency risk

Currency risk is the risk of loss due to fluctuation of foreign exchange rates and the effects of these fluctuations on foreign currency denominated monetary assets and liabilities. A 5% change in exchange rates will increase or decrease the Company's loss by approximately \$150,000. The Company does not invest in derivatives to mitigate these risks.

20. Management of Capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development and commercialization of patented pharmaceuticals and to maintain a flexible capital structure. The Company considers its capital to be its shareholders' equity.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its assets. To maintain or adjust its capital structure, the Company may issue new common shares or debentures, acquire or dispose of assets or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. In order to maximize ongoing development efforts, the Company does not pay out dividends. There are no external restrictions on the Company's capital.

21. Events After the Reporting Date

(a) In February 2026, 6,050,000 stock options, with exercise price of \$0.055 and maturity date of February 18, 2031, were granted to directors, officers, an employee and an advisory by the Company. In May 2026, 3,500,000 stock options, with exercise price of \$0.065 and maturity date of May 11, 2036, was granted to a director and officer.

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21. Events After the Reporting Date (continued)

(b) In March 2026, principal and accrued interest of \$200,000 and \$15,104, respectively, on convertible debentures originally issued in March 2024 (Note 5(c)) were converted into a total of 2,151,041 common shares and 2,151,041 share purchase warrants of the Company.

Accrued interest of \$216 on convertible debentures originally issued in April 2024 (Note 5(d)) were converted into a total of 2,164 common shares and 2,164 share purchase warrants of the Company.

(c) In April 2026, terms on remaining convertible debentures originally issued in February and March 2024 with principal balances outstanding of \$30,000 and \$35,000, respectively, were extended for an additional one year period from maturity dates. Extended maturity dates are February 28 and March 27, 2027, respectively.

(d) In April 2026, the Company issued 600,000 common shares to an advisor pursuant to an advisory agreement, of which 300,000 common shares related to services valued at \$16,500 provided during the year ended January 31, 2026.

(e) On April 16, 2026, the Company closed on a non-brokered private placement pursuant to which it issued 7,137,143 units for gross proceeds of \$499,600. Each unit consisted of one common share and one common share purchase warrant with an exercise price of \$0.10 per common share and one year term.



MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended January 31, 2026

This following Management's Discussion and Analysis ("MD&A") is prepared as of May 29, 2026 and provides a review of the financial condition and results of operations for BetterLife Pharma Inc. (the "Company" or "BetterLife") for the year ended January 31, 2026. This MD&A should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the year ended January 31, 2026, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee. The financial information presented in this MD&A is derived from the audited consolidated financial statements.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking information including the Company's future plans. The use of any of the words "target", "plans", "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. Such forward looking information, including but not limited to statements pertaining to Company's future plans and management's belief as to the Company's potential involve known and unknown risks, uncertainties and other factors which may cause the actual results of the Company and its operations to be materially different from estimated costs or results expressed or implied by such forward-looking statements. Forward looking information is based on management's expectations regarding future growth, results of operations, future capital and other expenditures (including the amount, nature and sources of funding for such expenditures), business prospects and opportunities. Forward looking information involves significant known and unknown risks and uncertainties, which could cause actual results to differ materially from those anticipated. These risks include, but are not limited to: the risks associated with the commercial viability of any products the Company is in the process of developing, delays or changes in plans with respect to any products, costs and expenses, the risk of foreign exchange rate fluctuations, risks associated with securing the necessary regulatory approvals and financing to proceed with any planned business venture, product development, and risks and uncertainties regarding the potential to economically scale and bring to profitability any of the Company's current or planned endeavors. Although the Company has attempted to take into account important factors that could cause actual costs or results to differ materially, there may be other factors that cause the results of the Company's business to not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. See the "Risks and Uncertainties" section of this MD&A for a further description of these risks. The forward-looking information included in this MD&A is expressly qualified in its entirety by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking information.

BUSINESS OVERVIEW

BetterLife is a publicly traded corporation incorporated on June 10, 2002 in the Province of British Columbia, Canada under the name “649186 B.C. Ltd.”. On September 9, 2003, the Company changed its name to “Xerxes Health Corp.”. On June 26, 2007, it changed its name to “Neurokine Pharmaceuticals Inc.”. On April 7, 2015, the Company changed its name to “Pivot Pharmaceuticals Inc.” and on December 5, 2019, it changed its name to “BetterLife Pharma Inc.”. The Company’s principal executive office is located at 1275 West 6th Avenue, #300, Vancouver, B.C. Canada V6H 1A6. BetterLife’s common shares are traded on the Canadian Securities Exchange under the symbol “BETR”.

BetterLife is an emerging biotechnology company primarily focused on developing compounds for the treatment of mental disorders. BetterLife is also refining and developing drug candidates from a broad set of complementary interferon-based technologies which have the potential to engage the immune system to fight viral infections.

The Company’s management team has implemented a business-minded and cost-conscious approach to product research and development and will use contract development and manufacturing organizations on a fee for service basis to perform any research, development or production that is required.

Business Developments

On December 18, 2020, the Company acquired 100% of the assets in Nutraneeds LLC (“Nutraneeds”) in an all-stock transaction. Pursuant to the acquisition, the Company issued 13,333,333 common shares to principals of Nutraneeds. The assets acquired address unmet mental health needs through the development of patented next generation psychedelic therapeutics, including the LSD derivative 2-Bromo-LSD.

BETR-001’s active chemical is 2-bromo-lysergic acid diethylamide (“2-bromo-LSD”). BETR-001 is a non-hallucinogenic neuroplastogen that is believed to mimic the projected therapeutic potential of LSD without the burden of its hallucinogenic effects. Human clinical trials were conducted several decades ago with 2-bromo-LSD synthesized from LSD. These trials showed that 2-bromo-LSD did not cause hallucinations. There has been accumulating evidence that LSD may be effective in treating neuropsychiatric disorders such as depression and anxiety. LSD’s hallucinogenic properties are believed to arise from its pharmacological effects on the serotonin 5HT2A receptor. The 2-bromo modification on the LSD structure is proposed to alter the pharmacological effect of the compound on the 5HT2A receptor, and lead to 2-bromo-LSD’s non-hallucinogenic properties compared to LSD, while maintaining its therapeutic potential. Previously, 2-bromo-LSD has been tested in studies in humans, mainly in healthy subjects. Most of these studies were conducted in the 1950s. In 2010, a case series study in cluster headaches was reported showing that treatment with 2-bromo-LSD was effective against cluster headaches. The Company plans to develop BETR-001 to treat mental health disorders including but not limited to major depressive disorder, anxiety disorder and neuropathic pain and other neuro-psychiatric and neurological disorders. BETR-001 is orally administered. The Company’s intended goal is to develop BETR-001 as a patient self-administered medication prescribed by a psychiatrist. In terms of regulations, 2-bromo-LSD per se is not usually classified as a controlled substance, but if its synthesis uses LSD as starting material, the synthesis falls under Schedule 1 controlled substance regulations. The Company has developed and uses a manufacturing process pathway that does not use LSD as starting material to make 2-bromo-LSD, a manufacturing process that is protected by the Company’s issued and provisional patents. This manufacturing is therefore not subject to Schedule 1 controlled substance restrictions, and the Company can move ahead with BETR-001 large scale synthesis without these restrictions.

MM-001 is a topical formulation of recombinant human IFNa2b based on the patented Biphasix™ drug formulation technology. The Biphasix formulation allows stable cream formulation of IFNa2b and its delivery across the dermis/mucosa, with minimal systemic exposure. MM-001 is being developed as topical cream for local intravaginal use to treat HPV-induced Cervical Intraepithelial Neoplasia ("CIN"), the precursor to cervical neoplasia. Current treatments of advanced CIN are all based on invasive surgical procedures. MM-001 is being developed to be a non-invasive, self-administered treatment for CIN, with minimal side effects. Small human MM-001 Phase 1-2 trials have been completed. The IFNa2b used to manufacture the MM-001 in these previous Phase 1-2 trials were sourced from outside the Company. The Company intends to complete the development of its own patent pending recombinant human IFNa2b and use that in future development of MM-001.

MM-003 is a patent pending proprietary recombinant human interferon alpha-2b ("IFNa2b") inhalation formulation. IFNa2b is a known broad acting anti-viral protein that is normally naturally synthesized by the body's cells as the first line of defense against viral infections. IFNa2b has been registered and marketed for decades as Intron® A for use as intravenous, intramuscular, sub-cutaneous or intra-lesional injections to treat various kinds of cancers and hepatitis B and C. In recent studies, IFNa2b has been shown to be effective in slowing SARS-CoV-2 viral replication, and a human trial published Friday May 15, 2020 in Frontiers of Immunology titled "Interferon-a2b Treatment for COVID-19", indicated that inhaled IFNa2b had therapeutic efficacy in COVID-19 disease. The Company has developed its own patent pending recombinant human IFNa2b and inhalation formulation, and intends to develop MM-003 as an inhaled IFNa2b for treatment of respiratory viral infections, such as but not limited to COVID-19.

Product Current Stage of Development

2-bromo-LSD, the active ingredient in BETR-001, as synthesized by others, has been tested in human studies previously, mainly in healthy subjects. Most of these human studies were conducted at the end of the 1950's and early 1960's. The CMC (chemistry, manufacturing, controls) specifications of the 2-bromo-LSD in these studies is not known. Therefore, for purposes of US Food and Drug Administration ("FDA") or other health regulatory authority purposes to start human clinical trials, BETR-001 is classified as a new molecular entity and is currently at the preclinical stage of development.

The active pharmaceutical ingredient in both MM-001 and MM-003 are the same. It is recombinant human IFNa2b. A proprietary recombinant human IFNa2b produced in E. coli is under development, which will provide the drug substance to be used for both the MM-001 cream or MM-003 inhalation formulations.

For health regulatory authority purposes to start human clinical trials, MM-001 is considered clinical stage and with certain bridging studies (to be confirmed), it can potentially begin Phase 2 studies.

For health regulatory authority purposes to start human clinical trials, MM-003 is considered to be at preclinical stage of development.

Product Current Regulatory Status, Development Strategy and Projected Timelines

BetterLife is currently completing GMP manufacturing of BETR-001 oral capsules. Simultaneously, BetterLife has started and plans to complete all the necessary preclinical and investigational new drug ("IND") enabling toxicology studies. Upon clearance of the IND, BetterLife currently plans to conduct a randomized placebo controlled Phase 1A clinical trial in healthy volunteers, which will then be followed with a Phase 1B trial in patients with headache disorders.

The previously completed MM-001 Phase 1-2 trials were conducted using MM-001 which had IFNa2b provided by Merck & Co. under a supply agreement, which is now terminated. The Company is now manufacturing its own proprietary IFNa2b to be used in manufacturing of MM-001 for all future trials. MM-001 has a US IND. The MM-001 IND is currently inactive. With MM-001 manufactured using the Company's own IFNa2b, the Company plans to file a new IND under which the MM-001 Phase 2b will be conducted in US. The timing of MM-001 IND and clinical trials is currently under reassessment.

The manufacturing and formulation work for MM-003 is currently ongoing. A pre-IND discussion has been conducted with the FDA for use of MM-003 inhalation in COVID-19. Based on FDA feedback, an inhalation GLP toxicology study in rats using MM-003, is under planning. Given the advent of effective SARS-CoV-2 vaccines, the MM-003 development timing and path are being currently reassessed. IFNa2b is a broad acting anti-viral agent, and studies show that it is effective against many viruses. The timing of MM-003 IND and clinical trials is currently under reassessment.

SELECTED ANNUAL INFORMATION

The following tables provide a summary of the Company's financial operations for the three most recently completed fiscal years. For more detailed information on the Company, please refer to its annual audited financial statements for the years ended January 31, 2026, 2025 and 2024.

Year ended or as at:	January 31, 2026	January 31, 2025	January 31, 2024
Revenue	\$ nil	\$ nil	\$ nil
Operating expenses	(1,607,739)	(5,000,113)	(3,240,241)
Other income	94,821	1,378,229	341,731
Net loss	(1,512,918)	(3,621,884)	(2,898,510)
Net loss per share, basic and fully diluted	(0.01)	(0.03)	(0.03)
Cash	12,570	8,180	37,384
Working capital deficiency	(6,459,206)	(7,313,034)	(7,022,402)
Total assets	219,903	224,963	324,746
Total long-term liabilities	27,174	49,115	673,365
Total deficit	(6,486,380)	(7,362,149)	(7,695,767)

DISCUSSION OF OPERATIONS

Following is a discussion of the Company's financial results for the year ended January 31, 2026, compared to the comparative prior fiscal years.

	YEAR ENDED		
	January 31, 2026	January 31, 2025	January 31, 2024
Revenue	\$ nil	\$ nil	\$ nil
Operating expenses	(1,607,739)	(5,000,113)	(3,240,241)
Other income (expense):			
Accretion expense	(77,547)	(154,387)	(5,353)
Changes in fair values of warrant liabilities	197,923	(33,436)	(137,764)
Financial guarantee (expense) recovery	(30,426)	758,834	(34,050)
Gain on extinguishment/forgiveness of debts	149,993	110,219	469,129
Gain on loan extinguishment	9,949	nil	nil
Interest expense	(154,392)	(165,087)	(45,544)
Other	(679)	9	(945)
Penalties recovery (expense)	nil	305,437	(33,742)
Settlements and legal provisions, net	nil	556,640	130,000
Net loss	\$ (1,512,918)	\$ (3,621,884)	\$ (2,898,510)

Net loss for the year ended January 31, 2026 decreased from the year ended January 31, 2025. Operating expenses decreased due primarily to decreases in consulting fees and wages, salaries and employment expenses, as described below. Within other income and expenses, the following contributed to this decrease in net loss:

- Accretion expense decreased due to conversions on principal amounts of convertible debentures totaling \$618,000 during the year ended January 31, 2026.
- In fiscal 2026, the Company recorded a gain on change in fair values of warrant liabilities of approximately \$198,000, compared to a loss of approximately \$33,400 reported in fiscal 2025. The Company's foreign currency denominated warrants continued to be out-of-money as the term to expiry decreased.
- In fiscal 2025, the Company recorded a recovery on financial guarantee (discussed below) compared to interest on financial guarantee in the current year, as well as recovery on penalty expense and gain from legal claim (discussed below).

Net loss for the year ended January 31, 2025 increased from the year ended January 31, 2024. Operating expenses increased due primarily to an increase in share-based payment expense, as described below. Accretion and interest expense increased due to convertible debentures issued by the Company from December 2023 through April 2024 for net proceeds of \$1.2 million. The following items offset the increase in net loss in fiscal 2025. Approximately \$759,000 was recorded as a financial guarantee recovery to reflect financial guarantee liability at the amount issued as judgement against the Company by the Superior Court of Quebec (discussed below under "Commitments and Contingencies"). The amount issued as judgement was lower than what the Company had previously estimated. In addition, the Company recorded a gain from legal claim of approximately \$557,000 pursuant to the conclusion of claims against the Company and MedMelior Inc. ("MedMelior"), subsidiary of the Company, in the State and Federal Courts (defined and discussed below under "Commitments and Contingencies").

Expenses

	YEAR ENDED		
	January 31, 2026	January 31, 2025	January 31, 2024
Consulting fees	\$ 169,982	\$ 1,122,455	\$ 399,810
Foreign exchange (gain) loss	(200,861)	275,182	30,352
General and administrative	203,883	260,500	271,731
Professional fees	265,483	499,307	526,503
Research and development	85,672	424,337	570,947
Wages, salaries and employment expenses	1,083,580	2,418,332	1,440,898
Operating expenses	\$ 1,607,739	\$ 5,000,113	\$ 3,240,241

Operating expenses decreased for the year ended January 31, 2026 as compared to the year ended January 31, 2025. The decrease was mainly attributable to a decrease in consulting fees and wages, salaries and employment expenses as there were no significant stock options granted and share-based payment expenses on performance stock units decreased. In a fiscal year in which no financing was secured, the Company reduced all other discretionary expenses within general and administrative, professional fees and research and development expenses.

Operating expenses increased for the year ended January 31, 2025 as compared to the year ended January 31, 2024. Consulting fees and wages, salaries and employment expenses included approximately \$639,000 and \$1.41 million of share-based payment expense, respectively, related to 2.15 million of stock options and 6 million of performance stock units granted by the Company and 2.2 million of stock options granted by MedMelior. Capital markets continued to be challenging during fiscal 2025 for financings and, due to cash constraints experienced by the Company, it granted non-cash awards to key personnel and consultants to ensure retention of its human resources. Other areas of operating expenses, such as general and administrative expenses, professional fees and research and development expenses, decreased as the Company continued to minimize expenditures. Foreign exchange loss increased due to weakening of the Canadian dollar during the year ended January 31, 2025.

The table below presents material components of general and administrative expense:

	YEAR ENDED		
	January 31, 2026	January 31, 2025	January 31, 2024
Business licenses	\$ nil	\$ 654	\$ nil
Conferences	nil	2,690	6,716
Information technology	7,894	2,224	4,446
Investor relations	72,000	96,000	96,000
Office	19,795	26,278	30,815
Press release	14,872	28,258	33,749
Public listing expense	59,498	57,354	64,482
Shareholder expense	10,767	11,736	9,761
Telecommunications	2,662	2,159	nil
Travel, meals and entertainment	3,454	15,257	6,984
Website costs	12,941	17,890	18,778
	\$ 203,883	\$ 260,500	\$ 271,731

General and administrative expenses have been on a decline since fiscal 2024 as the Company continues to make efforts at minimizing cash outflows. Investor relations expense decreased due to the termination of the Company's investor relations contract. During fiscal 2026, the Company did not attend any paid conferences, which correspondingly reduces its travel, meals and entertainment expenses.

During the year ended January 31, 2025, the Company reduced the number of paid conferences it attended as compared to the year ended January 31, 2024, but incurred higher travel, meals and entertainment expenses as it focused on meetings with targeted potential investor groups and strategic partnerships.

SUMMARY OF QUARTERLY RESULTS AND FOURTH QUARTER

The following table presents a summary of unaudited quarterly financial information for the last eight consecutive quarters:

	QUARTERS ENDED			
	January 31, 2026	October 31, 2025	July 31, 2025	April 30, 2025
Total revenue	\$ nil	\$ nil	\$ nil	\$ nil
Net income (loss)	\$ (381,623)	\$ (420,130)	\$ (504,111)	\$ (207,054)
Net income (loss) per share – basic	\$ (0.002)	\$ (0.003)	\$ (0.003)	\$ (0.002)
Net income (loss) per share - diluted	\$ (0.002)	\$ (0.003)	\$ (0.003)	\$ (0.002)

	QUARTERS ENDED			
	January 31, 2025	October 31, 2024	July 31, 2024	April 30, 2024
Total revenue	\$ nil	\$ nil	\$ nil	\$ nil
Net income (loss)	\$ (767,058)	\$ 642,771	\$ (1,448,284)	\$ (2,049,313)
Net income (loss) per share – basic	\$ (0.006)	\$ 0.005	\$ (0.012)	\$ (0.018)
Net income (loss) per share - diluted	\$ (0.006)	\$ 0.005	\$ (0.012)	\$ (0.018)

Net loss for the quarters ended April 30, 2024 and July 31, 2024 were higher than the other quarters due mainly to the increase in share-based payment expense related to 2.2 million share purchase options, valued at approximately \$1.7 million and granted by MedMelior to officers, directors and consultants.

The Company recorded a net income during the quarter ended October 31, 2024. During this quarter, approximately \$759,000 was recorded as a financial guarantee recovery to reflect financial guarantee liability at the amount issued as judgement against the Company by the Superior Court of Quebec (discussed below under "Commitments and Contingencies"). The amount issued as judgement was lower than what the Company had previously estimated. In addition, the Company recorded a gain from legal claim of approximately \$557,000 pursuant to the conclusion of claims against the Company and MedMelior in the State and Federal Courts (defined and discussed below under "Commitments and Contingencies").

The quarters in fiscal 2026 had relatively consistent net losses and loss per share.

LIQUIDITY AND CAPITAL RESOURCES

The Company manages its liquidity risk by reviewing, on an ongoing basis, its capital requirements and capital structure. The Company makes adjustments to its capital structure in light of changes in economic conditions and the risk characteristics of its assets. To maintain or adjust its capital structure, BetterLife may issue new common shares or debenture, acquire or dispose of assets or adjust the amount of cash. While the Company has incurred losses to date, with an accumulated deficit of \$120,091,493 at January 31, 2026, management expects to continue to fund its development efforts through its access to public capital markets. However, there can be no assurance that it will gain adequate market acceptance for its projects or be able to generate sufficient positive cash flow to achieve its business plans. Therefore, the Company is subject to risks including, but not limited to, its inability to raise additional funds through equity and/or debt financing to support ongoing operations. See “Risks and Uncertainties”.

Working Capital

The following table presents the Company’s working capital as at January 31, 2026 and 2025:

	January 31, 2026	January 31, 2025
Current assets	\$ 219,903	\$ 224,963
Current liabilities	6,679,109	7,537,997
Working capital deficiency	\$ 6,459,206	\$ 7,313,034

Working capital deficiency improved as compared to January 31, 2025. During the year ended January 31, 2026, the Company settled approximately \$1.5 million of accounts payable and accrued liabilities, as well as amounts due to related parties, by issuing 14,999,303 common shares. In addition, principal balance of convertible debentures totaling \$618,000, plus accrued interest of approximately \$89,400, were converted into 7,073,987 units of the Company. These events contributed to a decrease in current liabilities reported as at January 31, 2026.

Statements of Cash Flows

The following table presents the Company’s cash flows for the years ended January 31, 2026, 2025 and 2024:

	YEAR ENDED		
	January 31, 2026	January 31, 2025	January 31, 2024
Net cash provided by (used in):			
Operating activities	\$ (625,455)	\$ (2,021,752)	\$ (2,472,410)
Investing activities	nil	nil	nil
Financing activities	629,263	1,992,540	2,501,543
Effect of foreign exchange rate changes on cash	582	8	(56)
(Decrease) increase in cash for the period	\$ 4,390	\$ (29,204)	\$ 29,077

During the year ended January 31, 2026, the Company utilized less cash in operating activities, as compared to the previous two fiscal years, primarily due to the continued challenges in securing financing during the year. Financing activities included proceeds from promissory notes from related parties totaling \$411,000, subscriptions received of approximately \$198,200 and proceeds received from warrant exercise of \$25,000.

During the year ended January 31, 2025, financing activities resulted in the issuance of convertible debentures for net proceeds of \$1.2 million and common shares and share purchase warrants for proceeds of \$705,000. Cash used in operating activities decreased from the year ended January 31, 2024 as cash flow from financing activities decreased.

Commitments and Contingencies

In November 2019, the Company's former chief executive officer filed an originating application with the Superior Court in the province of Quebec for damages stemming from a termination of employment. The former chief executive officer was seeking payment of amounts totaling approximately \$1 million, exercisability of his share purchase options until the original expiry dates, issuance of 600,000 share purchase options and an order that the Company not issue further common shares. In December 2023, this claim was settled for \$120,000, which was paid in 12 equal monthly instalments from January 1, 2024 to December 1, 2024.

In March 2021, Olymbec Development Inc. ("Olymbec") filed a judicial demand before the Superior Court (Civil Division) of Quebec and a judgement for a safeguard order was obtained by Olymbec against Pivot Pharmaceuticals Manufacturing Corp. ("Pivot"), a former subsidiary, and the Company, as guarantor of the lease at 285-295 Kesmark Street, Quebec (the "Lease"), ordering Pivot and the Company to jointly pay the full amount of the Lease on the first day of each month. In May 2021, a judgement for a safeguard order was issued ordering Pivot and the Company to provide post-dated cheques for monthly lease payments for the months of June through November 2021. In June 2021, a judgement granted Pivot and the Company until June 30, 2021 to pay the outstanding lease totaling \$124,223 and to deliver post-dated cheques each in the amount of \$49,410.51 for monthly lease payments for the months of July through November 2021, which were completed. On October 25, 2023, due to non-payment of rent by Pivot, Olymbec terminated the Lease. An order for Pivot's bankruptcy ("Pivot Bankruptcy") was granted on December 11, 2023 by the Superior Court (Commercial Division) of Quebec. On December 16, 2024, the Superior Court (Civil Division) of Quebec issued a judgment ordering the Company to pay Olymbec \$367,428, representing lease unpaid by Pivot and administrative charges, plus \$15,000 as punitive damages. On March 17, 2025, this judgment was registered with the Supreme Court of British Columbia. The Company intends to settle the judgment under terms agreeable by both parties.

The Company is a guarantor on the Lease, which was assigned together with the sale of Pivot in October 2020 pursuant to which the Company has recorded a financial guarantee liability of \$412,854 (January 31, 2025 - \$382,428).

The Company and MedMelior were named as defendants in a lawsuit before the Supreme Court of the State of New York, New York County ("State Court") by a former director of MedMelior, who served as director prior to MedMelior's amalgamation with the Company. This former director filed a verified complaint on January 20, 2022, seeking compensatory and punitive damages in amounts believed by the Company to be in excess of US\$2 million and US\$10 million, respectively. During March 2022, the Company filed a motion to dismiss the complaint on the basis of inconvenient forum and for lack of jurisdiction. On December 1, 2022, following oral argument on the motion, the State Court dismissed the complaint in its entirety. On April 29, 2022, in response to the Company's then-pending motion to dismiss, the former director filed a separate, parallel action, naming the Company and MedMelior before the United States District Court for the Southern District of New York ("Federal Court"), asserting substantially the same claims as in the State Court action. On March 3, 2023, the Company filed a motion to dismiss the claims filed in the Federal Court on the basis of inconvenient forum and for lack of jurisdiction. On November 27, 2023, the Federal Court dismissed the claims in their entirety, following which the former director noticed a federal appeal. In November 2024, the former director allowed the time to perfect the federal appeal to lapse. With dismissals by both the State and Federal Courts and the lapse in appeal, the former director's claims are concluded without any payment or penalties against the Company and MedMelior. During the year ended January 31, 2025, the Company recorded \$556,640 as a gain from the legal claim within "Settlement and legal provisions, net" in the consolidated statements of loss and comprehensive loss.

At January 31, 2026, certain of the Company's research and development programs, with a total contracted amount of \$1.97 million, were in progress of which the Company has paid \$1.59 million and a further \$370,000 remains to be paid in future periods.

At January 31, 2026, there may be a contingent liability related to potential interest or penalties that vendors may charge on the Company's aged accounts payables. Due to the absence of reliable estimates for this amount, no provisions have been recorded by the Company.

RISKS AND UNCERTAINTIES

Financial Risks

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. The Company's cash is held through reputable financial institutions in Canada, U.S. and Australia. The carrying amount of cash represent the maximum exposure to credit risk. As at January 31, 2026, this amounted to \$12,570.

Interest Rate Risk

Interest rate risk is the risk that fair values of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages liquidity risk through the management of its capital structure. Accounts payable and accrued liabilities, due to related parties, financial guarantee liability and current portion of loans payable are due within the current operating period.

Currency Risk

Currency risk is the risk of loss due to fluctuation of foreign exchange rates and the effects of these fluctuations on foreign currency denominated monetary assets and liabilities. A 5% change in exchange rates will increase or decrease the Company's loss by approximately \$150,000. The Company does not invest in derivatives to mitigate these risks.

Business Risks

The Company is exposed to a number of “Risk Factors”, which are summarized below:

- There is substantial doubt as to whether the Company will continue operations. If the Company discontinues operations, shareholders could lose their investment.
- The Company has incurred operating losses in each year since inception and may continue to incur substantial and increasing losses for the foreseeable future. The Company also has negative capital cash flows from operating activities. If the Company cannot generate sufficient revenues to operate profitably or with positive cash flow from operating activities, it may suspend or cease its operations.
- The Company will require substantial additional funds to complete its development and commercialization activities, and if such funds are not available, the Company may need to significantly curtail or cease operations.
- The Company’s inability to complete its development projects in a timely manner could have a material adverse effect of the results of operations, financial condition and cash flows.
- The Company may not commence or complete clinical testing for any of its prospective pharmaceutical products and the commercial value of any clinical study will depend significantly upon the Company’s choice of indication and patient population selection. If BetterLife is unable to commence or complete clinical testing or if it makes a poor choice in terms of clinical strategy, the Company may never achieve revenues.
- The Company will rely on third parties to conduct its research, development and manufacturing activities. If these third parties do not perform as contractually required, fail to meet the Company’s manufacturing requirements and applicable regulatory requirements or otherwise expected, the Company may not be able to commercialize its products, which may prevent the Company from becoming profitable.
- If the Company is unable to establish a sales, marketing and distribution infrastructure or enter into collaborations with partners to perform these functions, it may not be successful in commercializing its product candidates.
- The Company’s product candidates may never gain market acceptance, which could prevent the Company from generating revenues.
- The Company faces potential product liability exposure, and any claim brought against the Company may cause it to divert resources from normal operations or terminate selling, distributing and marketing any of its products. This may cause BetterLife to cease its operations as it relates to that product.
- The manufacturing of all of the Company’s products will be subject to ongoing regulatory requirements, and may therefore be the subject of regulatory or enforcement action. The associated costs could prevent the Company from achieving its goals or becoming profitable.
- Since certain of the Company’s directors are located outside of Canada, shareholders may be limited in their ability to enforce Canadian civil actions against the Company’s directors for damages to the value of their investment.
- The Company plans to indemnify its directors and officers against liability to the Company and its security holders, and such indemnification could increase its operating costs.
- The Company has no sources of product revenue and it will not be able to maintain operations and research and development without sufficient funding.
- The Company is highly dependent upon certain key personnel and their loss could adversely affect the Company’s ability to achieve its business objectives.

- If the Company breaches any of the agreements under which it licenses rights to product candidates or technology from third parties, it can lose license rights that are important to its business. The Company's current license agreements may not provide an adequate remedy for breach by the licensor.
- Preclinical and clinical drug development involves a lengthy and expensive process with an uncertain outcome, and results of earlier studies and trials may not be predictive of future trial results and the Company's product candidates may not have favorable results in later trials or in the commercial setting.
- If the Company is unable to enroll subjects in clinical trials, it will be unable to complete these trials on a timely basis.
- If the Company's competitors develop and market products that are more effective than the Company's existing product candidates or any products that it may develop, or obtain marketing approval before the Company does, the Company's products may be rendered obsolete or uncompetitive.
- The Company relies on contract manufacturers over whom it has limited control. If the Company is subject to quality, cost or delivery issues with the preclinical and clinical grade materials supplied by contract manufacturers, its business operations could suffer significant harm.
- The Company's future success is dependent primarily on the regulatory approval of a single product.
- The Company will be subject to extensive government regulation that will increase the cost and uncertainty associated with gaining final regulatory approval of its product candidates.
- The Company's products may become subject to unfavorable pricing regulations, third-party coverage and reimbursement practices or healthcare reform initiatives, thereby having an adverse effect on its business.
- Negative results from clinical trials or studies of others and adverse safety events involving the targets of the Company's products may have an adverse impact on future commercialization efforts.
- The Company faces the risk of product liability claims, which could exceed its insurance coverage and produce recalls, each of which could deplete cash resources.
- Changes in government regulations, although beyond the Company's control, could have an adverse effect on its business.
- The Company's discovery and development processes may involve the use of companion diagnostics or biomarkers.
- Significant disruption in availability of key components for ongoing preclinical and clinical studies could considerably delay completion of potential clinical trials, product testing and regulatory approval of potential product candidates.
- The Company's products or technologies may need to be used in connection with third-party technologies or products.
- The Company may pursue other business opportunities in order to develop its business and/or products.
- Generally, a litigation risk exists for any company that may compromise its ability to conduct the Company's business.
- The Company's success depends on its ability to effectively manage its growth.
- It may be difficult for non-Canadian investors to obtain and enforce judgments against the Company because of its Canadian incorporation and presence.
- Significant disruptions of information technology systems or security breaches could adversely affect the Company's business.

Risks Related to the Company's Intellectual Property

- If the Company is unable to maintain and enforce its proprietary intellectual property rights, it may not be able to operate profitably.
- If the Company is the subject of an intellectual property infringement claim, the cost of participating in any litigation could cause the Company to go out of business.
- The Company may, in the future, be required to license patent rights from third-party owners in order to develop its products candidates. If the Company cannot obtain those licenses or if third party owners do not properly maintain or enforce the patents underlying such licenses, the Company may not be able to market or sell its planned products.
- The Company's reliance on third parties requires it to share its trade secrets, which increases the possibility that a competitor will discover them.

Risks Associated with BetterLife's Securities

- Trading on the OTC Bulletin Board and the Canadian Securities Exchange (the "CSE") may be volatile and sporadic, which could depress the market price of the Company's common shares and make it difficult for its shareholders to resell their shares.
- The Company's common share is or may be considered a penny stock. Trading of BetterLife's common shares may be restricted by the SEC's penny stock regulations and FINRA's sales practice requirements, which may limit a shareholder's ability to buy and sell their shares.
- Shareholders will experience dilution or subordinated stockholder rights, privileges and preferences as a result of the Company's financing efforts.
- The Company does not intend to pay dividends and there will thus be fewer ways in which shareholders are able to make a gain on their investment, if at all.
- The price of the Company's shares may be subject to fluctuation in the future based on market conditions.

The Company has sought to identify what it believes to be the most significant risks to its business, but it cannot predict whether, or to what extent, any of such risks may be realized nor can it guarantee that it has identified all possible risks that might arise. Investors should carefully consider all of such risk factors before making an investment decision with respect to BetterLife's common shares.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements that have, or are reasonably likely to have, a material current or future effect on the Company's financial condition, results of operations or cash flows.

TRANSACTIONS BETWEEN RELATED PARTIES

During the year ended January 31, 2026, BetterLife entered into transactions and had outstanding balances with various related parties. The transactions with related parties are in the normal course of business.

Key Management Compensation

Key management includes those persons having authority and responsibility for planning, directing and controlling the activities, directly or indirectly, of the Company and includes the chief executive officer, chief operating officer and chief financial officer. During the year ended January 31, 2026, compensation of key management and directors of the Company, consisting of salaries, consulting fees, directors' fees and share-based payments, totaled \$1,171,505 (2025 - \$2,708,168; 2024 - \$1,525,222), of which \$160,701 were share-based payments related to share purchase options and PSUs (2025 - \$1,679,378; 2024 - \$465,949). During the year ended January 31, 2026:

- 900,000 stock options were granted to directors and officers (2025 - 1,700,000; 2024 - 5,595,000),
- 3,590,000 stock options for officers and directors expired or forfeited (2025 - nil; 2024 - 1,480,000),
- No stock options were granted by MedMelior to directors and officers (2025 - 1,800,000; 2024 - nil),
- 1,900,000 stock options of MedMelior for officers and directors expired (2025 - 1,000,000; 2024 - nil), and
- No PSUs were granted to directors and officers (2025 - 4,875,000; 2024 - nil).

Other Related Party Transactions

At January 31, 2026, the Company owed \$1,415,082 to key management and directors (January 31, 2025 - \$1,476,700), of which \$92,797 bear interest at 8% per annum (January 31, 2025 - \$408,332). During the year ended January 31, 2026, the Company recorded no gains from legal claim within "Settlement and legal provisions, net" in the consolidated statements of loss and comprehensive loss related to a former director of MedMelior (2025 - \$556,640; 2024 - \$nil).

During the year ended January 31, 2026:

- The Company issued 10,308,039 common shares to settle \$1,030,804 of amounts due to officers and directors.
- The Company issued promissory notes of \$411,000 to its Chief Executive Officer and a director, bearing interest rate at 6% per annum and maturing on May 31, 2026.
- Accrued interest of \$993 on convertible debentures originally issued to the Company's Chief Executive Officer in December 2023 were converted into a total of 9,930 common shares and 9,930 share purchase warrants.
- Accrued interest of \$795 on convertible debentures originally issued to the Company's Chief Executive Officer in March 2024 were converted into a total of 7,950 common shares and 7,950 share purchase warrants.

During the year ended January 31, 2025:

- The Company issued convertible debentures totaling \$100,000 to its Chief Executive Officer in March 2024.
- \$107,904 of accrued advisory fees to directors were forgiven in April 2024.
- The Company issued 500,000 common shares and 500,000 share purchase warrants to its Chief Executive Officer for gross proceeds received of \$50,000 pursuant to a non-brokered private placement in June 2024.
- \$125,000 of convertible debentures originally issued to the Company's Chief Executive Officer in December 2023 were converted into a total of 1,250,000 common shares and 1,250,000 share purchase warrants.
- \$100,000 of convertible debentures originally issued to the Company's Chief Executive Officer in March 2024 were converted into a total of 1,000,000 common shares and 1,000,000 share purchase warrants.
- Outstanding compensation to certain of the Company's officers totaling \$284,000, consisting of \$200,000 and \$84,000 of outstanding compensation in the Company and MedMelior, respectively, were settled through the issuance of 1,893,333 common shares of MedMelior in July 2024.

During the year ended January 31, 2024:

- The Company issued 2,000,000 common shares and 2,000,000 share purchase warrants to its Chief Executive Officer for gross proceeds received of \$200,000 pursuant to a brokered private placement in March 2023.
- \$469,129 of amounts owing to officers in MedMelior were forgiven in April 2023, which was recorded under "Gain on extinguishment/forgiveness of debts" on the consolidated statements of loss and comprehensive loss.
- The Company issued 1,000,000 common shares and 1,000,000 share purchase warrants to its Chief Executive Officer for gross proceeds received of \$100,000 pursuant to a non-brokered private placement in August 2023.
- The Company issued 1,000,000 common shares and 1,000,000 share purchase warrants to its Chief Executive Officer for gross proceeds received of \$100,000 pursuant to a non-brokered private placement in December 2023.
- The Company issued convertible debentures of \$125,000 to its Chief Executive Officer in December 2023.

PROPOSED TRANSACTIONS

There are none.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year. Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments.

The following are the critical judgments and estimates that management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

- Expense or capitalization of research and development expenditures;
- Impairment of non-financial assets;
- Estimation of interest and penalties on aged accounts payables and estimation of provisions and contingent liabilities;
- Fair value of convertible debentures;
- Assessment of functional currency;
- Determination of share-based payment expenses;
- Allocation of proceeds from issuance of units between common shares and warrants; and
- Assessment of going concern.

CHANGES IN ACCOUNTING POLICIES

Accounting Standards and Interpretations to be Adopted in Future Periods

IAS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements, which will replace IAS 1 Presentation of Financial Statements. IFRS 18 will establish a revised structure for the consolidated statements of comprehensive income and improve comparability across entities and reporting periods. IFRS 18 is effective for annual periods beginning on or after January 1, 2027, with early adoption permitted. The new standard is required to be adopted retroactively, with certain transition provisions. The Company is evaluating the impact of adopting IFRS 18 on the consolidated financial statements.

IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures

In May 2024, the IASB issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures, to provide further guidance on the timing of recognition and derecognition of financial instruments at settlement date, except for regular way purchases or sales of financial assets, and certain financial liabilities meeting conditions for a new exception which permits companies to elect to derecognize certain financial liabilities settled via electronic payment systems earlier than the settlement date. Additional guidance was also provided on assessing whether a financial asset meets the solely payments of principal and interest criterion, and issued new disclosure requirements. This amendment is effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The Company has evaluated the impact of the standard on the Company's consolidated financial statements and has determined that there is no material impact.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

In accordance with IFRS, financial assets are classified into one of the following categories: amortized cost, fair value through other comprehensive income or fair value through profit or loss. Accounts receivable, excluding tax receivables, are classified as amortized cost. Their carrying values approximate fair value due to their limited time to maturity and ability to convert them to cash in the normal course. Financial liabilities are measured at amortized cost, unless they are required to be measured at fair value through profit or loss. The Company's accounts payable and accrued liabilities, due to related parties, financial guarantee liability, convertible debentures and loans payable are measured at amortized cost. The Company's warrant liabilities are measured at FVTPL. The carrying values of accounts receivable excluding tax receivables, due to related parties, amounts payable and accrued liabilities and financial guarantee liability approximate the fair values due to the short-term nature of these items. The fair values of convertible debentures and loans payable are partially derived from market interest rates. The risk of material change in fair value is not considered to be significant due to a relatively short-term nature.

BetterLife recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At the end of each reporting period, the Company reviews the carrying amounts of long-lived assets to determine whether there is an indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment charge (if any). The recoverable amount is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is determined to be less than its recorded amount, the recorded amount of the asset is reduced to its recoverable amount. An impairment charge is recognized immediately in the consolidated statement of loss and comprehensive loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to a maximum amount equal to the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

The Company classifies and discloses fair value measurements based on a three-level hierarchy:

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

The Company has determined the estimated fair values of its financial instruments based upon appropriate valuation methodologies. At January 31, 2026 and 2025, cash was measured and recognized in the consolidated statement of financial position using Level 1 inputs in the fair value hierarchy and warrant liabilities were measured and recognized in the consolidated statement of financial position at fair values that are categorized as Level 3 in the fair value hierarchy.

SHARE DATA

The following table sets forth the outstanding common share, warrants, special warrants, compensation options, stock options, restricted share units and performance share units data for the Company as at May 29, 2026:

	Authorized	Issued
Common shares	Unlimited	161,787,025
Warrants		50,509,530
Stock options		12,750,000
Performance share units		5,225,000

ADDITIONAL INFORMATION

Additional information relating to the Company, including the Company's audited year-end financial results and unaudited quarterly financial results, can be accessed on SEDAR+ (www.sedarplus.ca) and in the United States on EDGAR (www.sec.gov).

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