

MEDIPHARM LABS CORP.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
FOR THE THREE MONTHS ENDED
MARCH 31, 2025 and 2024

NOTICE OF NO AUDITOR REVIEW

The accompanying condensed interim consolidated financial statements for MEDIPHARM LABS CORP. (the “Company”) have been prepared by management. Pursuant to subsection 4.3(3)(a) of National Instrument 51-102 Continuous Disclosure Obligations, the Company advises that the accompanying condensed interim consolidated financial statements, which are the responsibility of management, are unaudited and have not been reviewed by an auditor. The Company’s auditor has not performed a review of the accompanying condensed interim consolidated financial statements of the company in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity’s auditor.

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MEDIPHARM LABS CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION As at March 31, 2025 and December 31, 2024

(Unaudited - All dollar amounts disclosed are expressed in Canadian dollars (C\$'000s) except per share and exercise price amounts.)

	Notes	March 31, 2025	December 31, 2024
ASSETS			
Current assets:			
Cash and cash equivalents		8,443	11,690
Trade and other receivables	4	7,793	7,512
Inventories	5	10,422	8,563
Biological assets	6	172	147
Other assets	7	624	822
		27,454	28,734
Assets held for sale	8	4,348	4,348
Total current assets		31,802	33,082
Non-current assets:			
Property, plant and equipment	9	18,821	19,159
Intangible assets	9.2	809	854
Other assets	7	635	635
Total non-current assets		20,265	20,648
Total assets		52,067	53,730

The above condensed interim consolidated financial statements should be read in conjunction with the accompanying notes.

MEDIPHARM LABS CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION As at March 31, 2025 and December 31, 2024

(Unaudited - All dollar amounts disclosed are expressed in Canadian dollars (C\$'000s) except per share and exercise price amounts.)

	Notes	March 31, 2025	December 31, 2024
LIABILITIES AND EQUITY			
Current liabilities:			
Trade and other payables	12	8,493	7,858
Current employee benefit obligations		217	2,300
Loans and borrowings	10	94	337
Total current liabilities		8,804	10,495
Non-current liabilities:			
Loans and borrowings	10	31	51
Total non-current liabilities		31	51
Total liabilities		8,835	10,546
Equity:			
Common shares	13	201,216	201,210
Reserves		29,980	29,556
Accumulated other comprehensive loss		(151)	(156)
Accumulated deficit		(187,813)	(187,426)
Total equity		43,232	43,184
Total liabilities and equity		52,067	53,730

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Approved on behalf of the Board of Directors of MediPharm Labs Corp.:

/s/ "David Pidduck"
David Pidduck
Director

/s/ "Chris Taves"
Chris Taves
Director

The above condensed interim consolidated financial statements should be read in conjunction with the accompanying notes.

MEDIPHARM LABS CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS****For the three months ended March 31, 2025 and 2024**

(Unaudited - All dollar amounts disclosed are expressed in Canadian dollars (C\$'000s) except per share and exercise price amounts)

	Notes	Three months ended March 31	
		2025	2024
Revenue	14	11,529	10,671
Excise taxes		(723)	(900)
Net revenue		10,806	9,771
Cost of sales		(6,670)	(7,072)
Gross profit before change in fair value of biological assets		4,136	2,699
Realized fair value adjustment on sale of inventories		(383)	(246)
Unrealized gain on changes in fair value of biological assets	6	429	198
Gross profit		4,182	2,651
General administrative expenses		(3,043)	(4,272)
Marketing and selling expenses		(1,249)	(1,329)
Research and development expenses		(78)	(47)
Share-based compensation expense	13,15	(437)	(895)
Other operating income, net		184	167
Operating loss		(441)	(3,725)
Finance income		70	224
Finance expense		(16)	(110)
Net loss for the period		(387)	(3,611)
Basic and diluted loss per share		(0.00)	(0.01)
Weighted average number of outstanding shares			
outstanding shares, basic and diluted		415,123,632	403,684,925

The above condensed interim consolidated financial statements should be read in conjunction with the accompanying notes.

MEDIPHARM LABS CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS****For the three months ended March 31, 2025 and 2024**

(Unaudited - All dollar amounts disclosed are expressed in Canadian dollars (C\$'000s) except per share and exercise price amounts.)

	Notes	Three months ended March 31	
		2025	2024
Net loss for the period		(387)	(3,611)
Other comprehensive income/(loss)			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		5	(33)
Total comprehensive loss for the period		(382)	(3,644)

The above condensed interim consolidated financial statements should be read in conjunction with the accompanying notes.

MEDIPHARM LABS CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the three months ended March 31, 2025 and 2024

(Unaudited - All dollar amounts disclosed are expressed in Canadian dollars (C\$'000s) except per share and exercise price amounts.)

	<u>Common Shares</u>		<u>Reserves</u>		Accumulated other comprehensive income/(loss)	Accumulated deficit	Total
	Number	Share capital	Share-based payments	Warrant reserve			
Balance at January 1, 2024	401,397,439	200,244	24,437	5,095	(39)	(176,732)	53,005
Shares issued on exercise of RSUs (Note 13.1)	2,651,509	177	(390)	-	-	-	(213)
Share based compensation	-	-	707	-	-	-	707
Foreign exchange translation	-	-	-	-	(33)	-	(33)
Net loss for the period	-	-	-	-	-	(3,611)	(3,611)
Balance at March 31, 2024	404,048,948	200,421	24,754	5,095	(72)	(180,343)	49,855
Balance at January 1, 2025	415,048,645	201,210	24,461	5,095	(156)	(187,426)	43,184
Shares issued on exercise of RSUs (Note 13.1)	75,513	5	(11)	-	-	-	(6)
Shares issued on exercise of options (Note 13.1)	14,815	1	(2)	-	-	-	(1)
Share based compensation (Note 13.2)	-	-	437	-	-	-	437
Foreign exchange translation	-	-	-	-	5	-	5
Net loss for the period	-	-	-	-	-	(387)	(387)
Balance at March 31, 2025	415,138,973	201,216	24,885	5,095	(151)	(187,813)	43,232

The above condensed interim consolidated financial statements should be read in conjunction with the accompanying notes.

MEDIPHARM LABS CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three months ended March 31, 2025 and 2024

(Unaudited - All dollar amounts disclosed are expressed in Canadian dollars (C\$'000s) except per share and exercise price amounts.)

	Notes	Three months ended March 31	
		2025	2024
Cash flows from operating activities:			
Net loss for the period		(387)	(3,611)
Adjustments for:			
Depreciation and amortization	9	425	790
Write down of inventory	5	28	234
Change in fair value of biological assets	6	(46)	48
Gain on disposal of property, plant and equipment	9	-	(274)
Change in expected credit loss	4,16	(7)	23
Finance income, net		(54)	(114)
Unrealized foreign exchange difference		(11)	(45)
Share based compensation		437	895
Cash provided by / (used in) operating activities before changes in working capital		385	(2,054)
Change in trade and other receivables	4	(281)	(616)
Change in inventories	5	(1,841)	(80)
Changes in biological assets	6	(25)	(156)
Change in other assets	7	198	315
Change in trade and other payables	12	635	1,884
Change in current employee benefit obligation		(2,083)	(819)
Changes in working capital		(3,397)	528
Net cash used in operating activities		(3,012)	(1,526)
Cash flows from investing activities:			
Capital expenditures	9	(42)	(21)
Proceeds from sale of property, plant and equipment	9	-	326
Proceeds from sale of assets held for sale	8	-	220
Net cash (used in)/provided by investing activities		(42)	525
Cash flows from financing activities:			
Repayment of loans and borrowings	10	(244)	(217)
Interest received		70	224
Interest paid		(14)	(21)
Payment of lease liabilities		(21)	(52)
Net cash used in financing activities		(209)	(66)
Effects of exchange rate changes		16	12
Decrease in cash and cash equivalents		(3,247)	(1,055)
Cash and cash equivalents at the beginning of the period		11,690	17,981
Cash and cash equivalents at the end of the period		8,443	16,926

The above condensed interim consolidated financial statements should be read in conjunction with the accompanying notes.

MEDIPHARM LABS CORP.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2025

(Unaudited - All dollar amounts disclosed are expressed in Canadian dollars (C\$'000s) except per share and exercise price amounts.)

NOTE 1 - NATURE OF OPERATIONS

MediPharm Labs Corp. (the “**Company**”) was incorporated under the Business Corporations Act (Ontario) on January 23, 2017 as “POCML 4 Inc.” pursuant to the policies of the TSX Venture Exchange. Subsequent to a reverse takeover transaction, the common shares in the capital of the Company (the “Common Shares”) began trading on the TSX Venture Exchange on October 4, 2018 under the trading symbol “LABS”. On July 29, 2019, the Common Shares were voluntarily delisted from the TSX Venture Exchange and began trading on the Toronto Stock Exchange under the symbol “LABS”.

The Company and its subsidiaries produce cannabis, purified and pharmaceutical-like cannabis extracts, related derivative products and cannabis related medical information and services. Its operating subsidiaries are the holders of cultivation and standard processing under the *Cannabis Act* (Canada) (the “**Canadian Licences**”). The Canadian Licences allow for the cultivation of cannabis, sale and distribution of cannabis oil, cannabis extracts, cannabis edibles, cannabis topicals, dried and fresh cannabis, and derivatives to authorized classes of purchasers. The Company’s subsidiary, Harvest Medicine Inc. (“Harvest Medicine” or “HMED”) provides clinic services to Canadian patients requiring medical cannabis education and prescriptions.

The Company’s international subsidiaries, Beacon Medical Germany GmbH and Beacon Medical Australia Pty Ltd, market and distribute branded medical cannabis products within the regulations of their respective regions.

The head office and the registered and records office of the Company is located at 151 John St. Barrie, Ontario, L4N 2L1.

These condensed interim consolidated financial statements of the Company as at and for the three months ended March 31, 2025 (the “Interim Financial Statements”), include the financial statements of the Company and its wholly owned subsidiaries. Throughout these Interim Financial Statements, unless the context indicates or requires otherwise, the terms the “Company”, “MediPharm”, “we”, “us” and “our” refer to MediPharm Labs Corp. together with its subsidiaries. The Company’s subsidiaries are stated below:

<u>Subsidiaries</u>	<u>Registered Country</u>
MediPharm Labs Inc. (“MPL”)	Canada
ABcann Medicinals Inc.	Canada
Canna Farms Limited	Canada
Harvest Medicine Inc.	Canada
Beacon Medical Germany GmbH	Germany
Beacon Medical Australia Pty Ltd	Australia

MEDIPHARM LABS CORP.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2025

(Unaudited - All dollar amounts disclosed are expressed in Canadian dollars (C\$'000s) except per share and exercise price amounts.)

NOTE 2 - BASIS OF PREPARATION OF THE INTERIM FINANCIAL STATEMENTS

2.1 Basis of presentation

(i) Statement of compliance

These Interim Financial Statements have been prepared in accordance with accordance with IFRS[®] Accounting Standards issued by the International Accounting Standards Board (“IASB”).

On May 13, 2025, the Board of Directors of the Company approved these Interim Financial Statements.

(ii) Historical cost convention

These Interim Financial Statements have been prepared on a historical cost basis, except certain financial assets, assets held for sale, biological assets, and derivative liabilities which are expressed at their fair values as described in this note. In addition, these Interim Financial Statements have been prepared using the accrual basis of accounting, except for cash flow information.

(iii) Foreign currency translation

Functional and presentation currency

The Company and its Canadian subsidiaries' functional currency, as determined by management, is the Canadian dollar. The functional currencies of the Company's German and Australian subsidiaries are the Euro and Australian dollar, respectively. These Interim Financial Statements are presented in Canadian dollars, which is the Company's functional currency, as this is the currency of the primary economic environment in which the Company operates (“the functional currency”).

Foreign currency transactions and balances

Foreign currency transactions are translated into the respective entity's functional currency using the exchange rates at the dates of the transactions. Monetary assets and monetary liabilities denominated in foreign currencies are re-measured to the functional currency of the Company at the exchange rate at the reporting date and the date they are settled. Non-monetary items that are based on historical cost in a foreign currency are translated into the functional currency of the Company entity using the exchange rate at the date of the transaction. Foreign currency gains and losses due to translating and settling foreign currency transactions are reported in the consolidated statements of loss on a net basis.

Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that statement of financial position
- income and expenses are translated at average exchange rates and
- all resulting exchange differences are recognized in other comprehensive income/(loss).

MEDIPHARM LABS CORP.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2025

(Unaudited - All dollar amounts disclosed are expressed in Canadian dollars (C\$'000s) except per share and exercise price amounts.)

NOTE 2 - BASIS OF PREPARATION OF THE INTERIM FINANCIAL STATEMENTS (Continued)

(iv) Basis of consolidation

Subsidiaries

The percentage of voting power held by the parent company, MediPharm Labs Corp. and its subsidiaries and the total percentage of ownership interests at March 31 and December 31 are presented below:

Subsidiaries	Proportion of voting power held by the Company		
	(%)	(%)	(%)
	March 31, 2025	December 31, 2024	March 31, 2024
MediPharm Labs Inc. (1)	100%	100%	100%
MPL Property Holdings Inc. (1)	N/A	N/A	100%
MPL Manufacturing Inc. (2)	N/A	N/A	100%
2612785 Ontario Inc. (2)	N/A	N/A	100%
MPL International Holdings Inc. (2)	N/A	N/A	100%
VIVO Cannabis Inc. (1)	N/A	N/A	100%
ABcann Medicinals Inc.	100%	100%	100%
Canna Farms Limited	100%	100%	100%
Harvest Medicine Inc.	100%	100%	100%
Green Earth Realty Inc. (1)	N/A	N/A	100%
Patients' Choice Botanicals Inc. (2)	N/A	N/A	100%
Universal Botanicals Inc. (2)	N/A	N/A	100%
Beacon Medical Germany GmbH	100%	100%	100%
Beacon Medical Australia Pty Ltd	100%	100%	100%
2649924 Ontario Inc. (2)	N/A	N/A	100%

(1) These wholly owned subsidiaries were amalgamated in 2024.

(2) These wholly owned subsidiaries were dissolved in 2024.

Subsidiaries are companies in which MediPharm Labs Corp. has the ability to control the financial and operating policies for the benefit of MediPharm Labs Corp. through the power to exercise more than 50% of the voting rights relating to shares in the companies as a result of shares owned directly by itself.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

MEDIPHARM LABS CORP.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2025

(Unaudited - All dollar amounts disclosed are expressed in Canadian dollars (C\$'000s) except per share and exercise price amounts.)

NOTE 2 - BASIS OF PREPARATION OF THE INTERIM FINANCIAL STATEMENTS (Continued)

Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the condensed interim consolidated statements of loss and condensed interim consolidated statements of comprehensive loss from the date the Company gains control of the subsidiary until the date when the Company ceases to control the subsidiary. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Company's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Company are eliminated in full upon consolidation.

2.2 Accounting standards issued but not yet effective

A number of new accounting standards and amendments to accounting standards are effective for annual reporting periods beginning after 1 January 2025 and early application is permitted. However, the Company has not early adopted any of the forthcoming new or amended accounting standards in preparing these condensed consolidated interim financial statements.

2.3 Use of estimates and judgements

The preparation of these Interim Financial Statements requires the use of accounting estimates and exercise of judgement in applying the Company's accounting policies. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Information about significant areas of estimation, uncertainty, and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in these Interim Financial Statements are described below:

(i) Expected loss rate

The expected credit losses for trade receivables and contract assets are based on assumptions about risk of default. The Company uses judgement in making these assumptions and selecting the inputs to the expected credit loss calculation based on the Company's past history and existing market conditions at the end of each reporting period.

(ii) Fair value of share-based warrants and stock options

The Company issues share-based warrants and stock options. In estimating the fair value of the share-based warrants and stock options, the Company uses the Black Scholes option pricing model with inputs such as expected life, expected forfeiture rate and volatility of the stock option, based on their best estimate. The

assumptions used for estimating fair value for share-based payment transactions with respect to stock options are disclosed in Note 13.2.

MEDIPHARM LABS CORP.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2025

(Unaudited - All dollar amounts disclosed are expressed in Canadian dollars (C\$'000s) except per share and exercise price amounts.)

NOTE 2 - BASIS OF PREPARATION OF THE INTERIM FINANCIAL STATEMENTS (Continued)

(iii) Impairment assessment and estimated useful lives of property, plant and equipment and intangible assets

The useful lives of the Company's property, plant and equipment and intangible assets are estimated by management at the time the asset is acquired and regularly reviewed for appropriateness. The Company estimates the useful lives of its assets in terms of the assets' expected utility to the Company. This estimate is based on the experience of the Company with similar assets. In determining the useful life of an asset, the Company also assesses technical and/or commercial obsolescence arising from changes to the intended use of the asset. Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The assessment of any impairment of the Company's property, plant and equipment and intangible assets is dependent upon estimate of the recoverable amounts of these assets. The determination of whether triggering events require an assessment of the recoverable amount of the asset or Cash Generating Unit ("CGU") requires judgement. If triggering events are identified, the recoverable amount of the CGU is determined based on the higher of the value in use and fair value less costs of disposal. The process to calculate the fair value less costs of disposal require use of valuation methods such as market and cost approaches which uses key inputs and assumptions such as market transactions, inflation indices and discount factors. The process to calculate the value in use requires the use of a discounted cash flow method which uses assumptions or key variables including estimated cash flows, discount rates and terminal value growth rates. The Company applies judgement when determining which methods are most appropriate to estimate the value in use and fair value less costs of disposal.

(iv) Valuation of biological assets and inventories

The Company is required to make a number of estimates in calculating the fair value of biological assets and harvested cannabis inventory. These estimates include a number of assumptions such as estimating the stage of growth of the cannabis up to the point of harvest, pre-harvest and post-harvest costs, expected sales price, and expected yields for cannabis plants to be harvested. The valuation of biological assets at the point of harvest is the cost basis for all cannabis-based inventories and thus any critical estimates and judgements related to the valuation of biological assets are also applicable for inventories.

The Company's inventories are carried at the lower of cost or net realizable value. The determination of net realizable value involves significant management judgement and estimates, including the estimation of future selling prices.

MEDIPHARM LABS CORP.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2025

(Unaudited - All dollar amounts disclosed are expressed in Canadian dollars (C\$'000s) except per share and exercise price amounts.)

NOTE 3 – FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	March 31, 2025	December 31, 2024
Financial assets at amortized cost		
Cash and cash equivalents	8,443	11,690
Trade and other receivables (Note 4)	7,793	7,512
Financial liabilities at amortized cost		
Trade and other payables (Note 12)	8,493	7,858
Current employee benefit obligations	217	2,300
Loan and borrowings (Note 10)	125	388

The Company does not hold any financial instruments measured at fair value.

NOTE 4 – TRADE AND OTHER RECEIVABLES

	March 31, 2025	December 31, 2024
Trade receivables, net	7,407	6,878
Other receivables (1)	20	32
HST/GST/VAT receivable	366	602
	7,793	7,512

(1) Other receivables primarily comprise accrued interest.

Credit risk and aging analysis related to trade receivables are included in Note 16.1.

MEDIPHARM LABS CORP.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2025

(Unaudited - All dollar amounts disclosed are expressed in Canadian dollars (C\$'000s) except per share and exercise price amounts.)

NOTE 5 – INVENTORIES

	March 31, 2025	December 31, 2024
Raw materials	2,390	1,357
Finished goods	6,348	5,922
Consumables and packages	1,684	1,284
	10,422	8,563

Raw material inventory is comprised of bulk dried cannabis flower (for extraction purposes, making pre-rolls or packaged flower) and trim produced internally and acquired from third party licensed cannabis cultivators. Finished goods inventory is comprised of all packaged products ready for sale and semi-finished bulk products (formulated concentrates, formulated distillates, oil, vapes, and edibles). Consumables include medium-chain triglyceride (“MCT”) oil used in the production of formulated oil, terpenes used in oil formulation and packaging and product hardware materials.

For the three months ended March 31, 2025, the Company recognized write downs of the carrying value of its raw materials and finished goods of \$28 (March 31, 2024: \$234) in cost of sales.

NOTE 6 – BIOLOGICAL ASSETS

	March 31, 2025	December 31, 2024
As at January 1	147	12
Unrealized gain on changes in fair value of biological assets	429	1,071
Transfer to inventories upon harvest	(404)	(936)
As at end of period	172	147

As listed below, key estimates are involved in the valuation process of the cannabis plants. The Company’s estimates, by their nature, are subject to changes and inaccuracies that could result in future gains or losses in the value of biological assets. Changes in these estimates could result from volatility of sales prices, changes in yields, and variability of the costs incurred to complete a harvest. Prior to harvest, all production costs are expensed.

MEDIPHARM LABS CORP.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2025

(Unaudited - All dollar amounts disclosed are expressed in Canadian dollars (C\$'000s) except per share and exercise price amounts.)

NOTE 6 – BIOLOGICAL ASSETS (Continued)

As at March 31, 2025, the Company's biological assets were, on average, 43% complete (December 31, 2024 – 52% complete) and it was expected that the biological assets would yield approximately 97kg of dry flower, and 23kg of trim (December 31, 2024 – 81kg and 20kg, respectively). As at March 31, 2025, the Company had 2,214 plants (December 31, 2024 – 1,851 plants) that were biological assets.

The Company values its biological assets at the end of each reporting period at fair value less costs to sell.

This is determined using a valuation model that calculates biological asset value by estimating the expected yield of each plant at harvest, prorated based on the stage at which the plant is in its lifecycle, multiplied by the survival rate of plants at this stage in their life cycles; the estimated per-gram fair value for the expected yield (different fair values are applied for trim and dry flower yield), and the processing and selling costs (which are deducted). The fair value of biological assets is considered a Level 3 categorization in the IFRS fair value hierarchy. The significant estimates and inputs used to assess the fair value of biological assets include the following assumptions:

- Average number of weeks in the growing cycle is sixteen weeks from propagation to harvest. The Company considers plants less than 3.5 weeks of age to be in the cloning stage; between 3.5 and 6 weeks to be in the vegetative stage; and more than 6 weeks to be in the flowering stage. The estimates for the growing cycle are unchanged from December 31, 2024.
- Expected average harvest yield is 128g per plant (December 31, 2024 – 105g), approximately 81% of which is dry flower and 19% is trim (December 31, 2024 – 80% and 20%).
- Expected average fair value of \$1.80 per gram for flower products and \$0.07 per gram for trim at the time of harvest as at March 31, 2025 (December 31, 2024 - \$1.80 and \$0.07 respectively).
- Expected average cost to complete harvest and cost of post-harvest activities to prepare bulk product is \$0.20 per gram as at March 31, 2025 (December 31, 2024 - \$0.20 per gram).

The expected average fair values were determined by using recent bulk flower purchases and the Company's historical purchases and sales, and the Company's expected purchase price going forward. The estimates of growing cycle, harvest yield and costs per gram are based on the Company's historical results. These assumptions are subject to volatility and several uncontrollable factors, which could significantly affect the fair value of biological assets in future periods. No sensitivity is disclosed due to immaterial amount of biological assets held at March 31, 2025 and December 31, 2024.

MEDIPHARM LABS CORP.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2025

(Unaudited - All dollar amounts disclosed are expressed in Canadian dollars (C\$'000s) except per share and exercise price amounts.)

NOTE 7 – OTHER ASSETS

	March 31, 2025	December 31, 2024
Current assets		
Deposits and down payments (1)	181	185
Prepaid insurance	175	424
Other (2)	268	213
	624	822
	March 31, 2025	December 31, 2024
Non-current assets		
Deposits and down payments (1)	635	635
	635	635

(1) Deposits and down payments primarily include the down payments to suppliers for the purchase of inventory. The non-current deposits relate to inventory credit received from one of the Company's customers in connection with the settlement of a long outstanding receivable.

(2) Other includes prepaid expense for rent, software maintenance services, professional services, and software licenses.

NOTE 8 – ASSETS HELD FOR SALE

Hope Facility

As at March 31, 2025, the Company expected to recover the carrying value of its facility in Hope, British Columbia (the "Hope Facility"), including certain machinery and office equipment at the facility, through a sale transaction, rather than continuing use. The net book value of the Hope Facility and the machinery and office equipment at the time of the decision was \$3,793. These assets are measured at their carrying values, which is less than fair value less costs to sell as at March 31, 2025. Efforts to sell the facility have commenced and a sale is expected to occur within the next twelve months.

During the period, the Company entered into an agreement for the sale of the Hope Facility for \$4.5 million in cash. Pursuant to the Purchase Agreement, the buyer has agreed to acquire the assets, including certain equipment, the land and building, associated with the Hope Facility

Lands

As at March 31, 2025, the Company was committed to a plan to sell a piece of land located at Yale Road in Hope, British Columbia. Accordingly, the Company has presented the land as held for sale. Efforts to sell the land have commenced and a sale is expected within the next twelve months. The fair value less costs to sell the land as of March 31, 2025 was estimated to be \$555.

MEDIPHARM LABS CORP.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****As at and for the three months ended March 31, 2025**

(Unaudited - All dollar amounts disclosed are expressed in Canadian dollars (C\$'000s) except per share and exercise price amounts.)

NOTE 9 – PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

	January 1, 2025	Additions	Transfers	March 31, 2025
Cost				
Land	1,863	-	-	1,863
Building and building improvements	24,973	-	-	24,973
Leasehold improvements	209	-	-	209
Computers	1,379	15	-	1,394
Office equipment	213	-	-	213
Machinery and plant equipment	12,735	27	45	12,807
Motor vehicles	37	-	-	37
Security equipment	738	-	-	738
Construction in progress (1)	45	-	(45)	-
Right-of-use assets (Note 9.1)	290	-	-	290
	42,482	42	-	42,524
Less: Accumulated depreciation and impairment losses				
Building and building improvements	9,990	193	-	10,183
Leasehold improvements	165	2	-	167
Computers	1,371	1	-	1,372
Office equipment	209	3	-	212
Machinery and plant equipment	10,586	170	-	10,756
Motor vehicles	37	-	-	37
Security equipment	735	2	-	737
Right-of-use assets (Note 9.1)	230	9	-	239
	23,323	380	-	23,703
Net book value	19,159			18,821

MEDIPHARM LABS CORP.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2025

(Unaudited - All dollar amounts disclosed are expressed in Canadian dollars (C\$'000s) except per share and exercise price amounts.)

NOTE 9 – PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS (Continued)

- (1) Construction in progress consists of the machinery in the installation process and renovation and expansion of building. Certain construction in progress assets were transferred to other classes within property, plant and equipment upon completion of the construction and installation.

9.1 Right-of-use assets

The Company leases assets include equipment. The details of the asset types where the Company is lessee are listed below. Total amount of leases with a term of 12 months or less (“short-term leases”) expensed to the condensed interim consolidated statements of loss for the three months ended March 31, 2025, is \$12 (March 31, 2024: \$12).

	January 1, 2025	Additions	March 31, 2025
Cost			
Right-of-use assets			
-Equipment	290	-	290
	290	-	290
Less: Accumulated depreciation and impairment			
Right-of-use assets			
-Equipment	230	9	239
	230	9	239
Net book value	60		51

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NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2025

(Unaudited - All dollar amounts disclosed are expressed in Canadian dollars (C\$'000s) except per share and exercise price amounts.)

NOTE 9 – PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS (Continued)

9.2 Intangible assets

	January 1, 2025	Additions	March 31, 2025
Cost			
Brands	950	-	950
Licenses	225	-	225
GMP certification	180	-	180
	1,355	-	1,355
Less: Accumulated amortization and impairment			
Brand	382	28	410
Licenses	79	11	90
GMP certification	40	6	46
	501	45	546
Net book value	854		809

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NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2025

(Unaudited - All dollar amounts disclosed are expressed in Canadian dollars (C\$'000s) except per share and exercise price amounts.)

NOTE 10 – LOANS AND BORROWINGS

	March 31, 2025	December 31, 2024
Current liabilities		
Loans and borrowings (1)	14	258
Lease liability (2)	80	79
	94	337
	March 31, 2025	December 31, 2024
Non-current liabilities		
Lease liability (2)	31	51
	31	51
Total loans and borrowings	125	388

- (1) Loans and borrowings comprise a financing arrangement for the Company's insurance premiums. Under the current financing arrangement, the Company initially borrowed a notional amount of \$749 with a maturity date of March 30, 2025, and interest rate of 7.7%. The Company repaid \$230 during the three months ended March 31, 2025 (year ended December 31, 2024: \$519). As at March 31, 2025, the Company has fully repaid this loan. In 2024, the Company borrowed an additional \$50 and repaid \$14 during the three months ended March 31, 2025 (year ended December 31, 2024: \$22). This debt has a maturity date of June 1, 2025, bears an interest rate of 12.12% and the outstanding balance of \$14 is repayable in 3 remaining equal monthly instalments. Under the previous financing arrangement, the Company repaid \$27 during the period ended March 31, 2024.
- (2) The Company has various lease agreements with maturities of 1 to 3 years. An average incremental borrowing rate of 5.4% is used to calculate the net present value of the lease liability. The maturity analysis of lease liability based on contractual undiscounted cash flow is included in Note 16.2.

MEDIPHARM LABS CORP.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2025

(Unaudited - All dollar amounts disclosed are expressed in Canadian dollars (C\$'000s) except per share and exercise price amounts.)

NOTE 11 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES AND COMMITMENTS

The Company had no contingent liabilities or assets as of the reporting date. All significant liabilities and commitments, which are relevant in assessing the state of affairs of the Company, have been taken into consideration in the preparation of these condensed consolidated interim financial statements.

NOTE 12 – TRADE AND OTHER PAYABLES

	March 31, 2025	December 31, 2024
Payable to suppliers (1)	4,890	4,237
Accrued liabilities (2)	1,953	2,188
Contract liabilities (3)	33	148
Deposits from customers (4)	535	459
Other (5)	1,082	826
	8,493	7,858

- (1) Payable to suppliers are amounts due to vendors for unpaid goods and services received arising in the ordinary course of business. Trade payables are typically short term in nature with due dates less than 60 days.
- (2) Accrued liabilities mainly result from products and services received from third parties related to ordinary course of business for which invoices have not been received as of the reporting date and also includes severance liabilities of \$275 (December 31, 2024: \$500).
- (3) Contract liabilities comprise of advance consideration received from customers for contracts that include revenue recognition over time. During the three months ended March 31, 2025, the Company recognized revenue amounting to \$115 from contract liabilities and did not receive additional advance consideration.
- (4) Deposits from customers comprise of down payments from customers for products to be delivered.
- (5) Other includes HST/GST/QST payable and excise tax payable.

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As at and for the three months ended March 31, 2025

(Unaudited - All dollar amounts disclosed are expressed in Canadian dollars (C\$'000s) except per share and exercise price amounts.)

NOTE 13 – CAPITAL, RESERVES AND OTHER EQUITY ITEMS

13.1 Common shares issued

The Company is authorized to issue an unlimited number of Common Shares. Holders of the Common Shares are entitled to one vote per share at shareholder meetings of the Company.

For the three months ended March 31, 2025, 50,000 stock options (March 31, 2024: nil stock options) were exercised through the issuance of 14,815 Common Shares for proceeds of \$nil (March 31, 2024: \$nil), resulting in an increase to Common Shares on the condensed interim consolidated statement of financial position of \$1 (March 31, 2024: \$nil). In addition, during the three months ended March 31, 2025, 162,500 RSUs (March 31, 2024: 5,705,843 RSUs) were settled through issuance of 75,513 (March 31, 2024: 2,651,509) Common Shares, resulting in an increase to Common Shares on the condensed interim consolidated statement of financial position of \$5 (March 31, 2024: \$177). The unissued shares are withheld for tax obligations, which are settled in cash by the Company.

13.2 Stock options / Share based compensation

During the three-month period ended March 31, 2025, the Company did not grant any options to purchase Common Shares under the Company's omnibus equity incentive plan (the "Plan").

The expected life of the stock options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

MEDIPHARM LABS CORP.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2025

(Unaudited - All dollar amounts disclosed are expressed in Canadian dollars (C\$'000s) except per share and exercise price amounts.)

NOTE 13 – CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Continued)

	2025		2024	
	Number of options	Weighted average exercise price \$	Number of options	Weighted average exercise price \$
As at January 1	37,000,534	0.148	40,938,502	0.260
Issued during the period	-	-	-	-
Exercised during the period	(50,000)	0.062	-	-
Forfeited/cancelled during the period	(187,667)	1.587	(4,265,491)	1.260
As at March 31	36,762,867	0.141	36,673,011	0.144

The range of exercise prices for options outstanding as at March 31, 2025 is as below:

Exercise price range	Weighted average remaining contractual life (years)	Number of outstanding options
	2025	2025
Equal to \$0.06 and less than \$0.10 ⁽¹⁾	3.269	23,039,217
Equal to \$0.10 and less than \$0.15	2.188	5,183,650
Equal to \$0.15 and less than \$0.20	1.771	6,700,000
Equal to \$0.20 and less than \$0.50	0.956	310,000
Equal to \$0.50 and less than \$1.00	0.830	630,000
Equal to and more than \$1.00	0.282	900,000
		36,762,867

(1) No options had an exercise price less than \$0.06.

MEDIPHARM LABS CORP.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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(Unaudited - All dollar amounts disclosed are expressed in Canadian dollars (C\$'000s) except per share and exercise price amounts.)

NOTE 13 – CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Continued)

The Company has the option of settling the RSUs in Common Shares or cash.

	2025	2024
	Number of RSUs	Number of RSUs
As at January 1	15,671,086	24,670,248
Granted during the period	-	-
Exercised during the period	(162,500)	(5,705,843)
Forfeited during the period	-	(364,596)
As at March 31	15,508,586	18,599,809

NOTE 14 – REVENUE

The revenue from contracts with customers is disaggregated by geographical market, revenue streams and timing of revenue recognition as follows.

	Three months ended	
	March 31	
	2025	2024
Canada	4,855	6,542
International sales		
Australia	2,150	1,828
Germany	3,611	1,364
Other	190	37
	10,806	9,771
Canadian Adult Use and Wellness	1,349	2,115
Canadian Medical Cannabis		
Clinics	470	566
Other Canadian Medical Cannabis	2,778	2,896
	3,248	3,462
International Medical Cannabis	5,929	3,174
Pharmaceutical and B2B	280	1,020
	10,806	9,771
Products transferred at a point in time	10,384	8,809
Products and services transferred over time	422	962
	10,806	9,771

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NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2025

(Unaudited - All dollar amounts disclosed are expressed in Canadian dollars (C\$'000s) except per share and exercise price amounts.)

NOTE 14 – REVENUE (Continued)

For the three months ended March 31, 2025, the Company had two customers (March 2024: one) which individually contributed 10% or more of the Company's total revenue for the period. Individually, these customers represented 11.6% and 10.2% of total revenue attributed to cannabis products for the period ended March 31, 2025 (March 31, 2024: one customer represented 16.8%). The Company had no other customer that represented more than 10% of the Company's total revenues for the three months ended March 31, 2025 and 2024.

NOTE 15 – EXPENSES BY NATURE

	Three months ended	
	March 31 2025	2024
Inventory and consumables recognized in cost of sales	3,907	2,880
Fair value adjustments in cost of sales	(46)	375
Write down of inventory to net realizable value (Note 5)	28	234
Employee compensation (1)	3,100	4,835
Consulting and professional fees (2)	826	902
ECL (recovery) /expense on receivables (3) (Note 16.1)	(7)	23
Share based compensation expense (4)	437	895
Supplies and small equipment (5)	218	286
Depreciation and amortization	425	790
Rent and occupancy cost	413	332
Foreign exchange (gain) loss	(18)	19
Analytical testing	298	281
Advertising and promotion	204	259
Insurance	264	338
Software and licenses	348	261
Freight	403	383
Health Canada fee and regulatory costs (6)	228	244
Other (7)	219	159
	11,247	13,496

(1) Employee compensation includes severance cost in relation to restructuring measures undertaken by the Company during the year. For the three months ended March 31, 2025, the severance cost incurred in relation to the restructuring amounted to \$nil (March 31, 2024: \$755).

(2) Consulting and professional fees primarily consist of audit and tax, information technology, quality assurance, legal services, contract sales, and regulatory consulting.

(3) ECL (recovery)/expense on receivables include bad debts written off.

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NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2025

(Unaudited - All dollar amounts disclosed are expressed in Canadian dollars (C\$'000s) except per share and exercise price amounts.)

NOTE 15 – EXPENSES BY NATURE (Continued)

(4) For the three months ended March 31, 2025, out of total share-based compensation expense of \$437 (March 31, 2024: \$895), general administrative expense portion is \$367 (March 31, 2024: \$765), marketing and selling expense portion is \$42 (March 31, 2024: \$39), cost of sales portion is \$28 (March 31, 2024: \$64) and research and development portion is \$nil (March 31, 2024: \$25).

(5) Supplies and small equipment include lab supplies, office supplies, other facility supplies, and facility maintenance costs.

(6) Health Canada fee and regulatory costs primarily consist of the Health Canada Annual Regulatory Fee levied at 2.3% of cannabis revenue, and other Health Canada fees.

(7) Other includes investor relations, travel expenses, bank fees, and repair and maintenance expenses. It also includes non refundable deposits received in connection with the proposed sale of a subsidiary.

NOTE 16 – FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT

The Company is exposed to a variety of financial risks due to its operations. These risks include credit risk, market risk (foreign exchange risk) and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. Financial risk management is carried out by the subsidiaries of the Company under policies approved by the Company's Board of Directors.

16.1 Credit risk

Credit risk arises from deposits with banks and financial institutions and outstanding receivables if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Company holds cash and cash equivalents of \$8,443 (December 31, 2024: \$11,690). The cash is held with banks and financial institutions that are either Schedule 1 Canadian banks, large credit unions, or other large foreign banks.

At March 31, 2025, the exposure to credit risk for gross trade receivables and contract assets by the type of customer is as follows:

	March 31, 2025	December 31, 2024
Business to business customers	5,978	5,366
Insurance companies (1)	1,016	835
Distributors / Retailers (2)	484	755
	7,478	6,956

(1) Insurance companies primarily relate to the Company's domestic medical business.

(2) Distributors / Retailers are largely comprised of provincial distributors.

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NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2025

(Unaudited - All dollar amounts disclosed are expressed in Canadian dollars (C\$'000s) except per share and exercise price amounts.)

NOTE 16 –FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT (Continued)

(3) 16.1 Credit risk (Continued)

As at March 31, 2025, the Company holds trade receivables from four customers representing 16%, 13%, 12%, and 10% of total trade receivables (December 31, 2024: four customers representing 21%, 13%, 11%, and 10% of total trade receivables). The Company had no other customer that represented more than 10% of the Company's gross trade receivables.

The Company limits its exposure to credit risk from trade receivables and contract assets by negotiating full or partial advance payment from certain business-to-business customers before the shipment of the products. Also, the Company's management believes that the exposure to credit risk from distributors and insurance companies is very limited since most of the distributors and insurance companies are either government organizations or large reputable organizations. As at March 31, 2025, the allowance for expected credit losses in connection with its trade receivables and contract assets was \$71 (December 31, 2024: \$78).

The aging of the Company's trade receivables at March 31, 2025 is as follows:

	March 31, 2025	December 31, 2024
	Carrying amount	Carrying amount
Current (not past due)	5,467	5,958
1-30 days past due	1,173	727
31-90 days past due	625	19
90-270 days past due	33	128
270-365 days past due	87	60
>365 days	93	64
Gross trade receivables	7,478	6,956
Expected credit losses	(71)	(78)
Net trade receivables	7,407	6,878

The movement in the allowance for impairment in respect of trade receivables and contract assets during the period was as follows:

	2025	2024
Balance at January 1	78	208
Net remeasurement of loss allowance	(7)	(8)
Expected credit losses as at March 31	71	200

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NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2025

(Unaudited - All dollar amounts disclosed are expressed in Canadian dollars (C\$'000s) except per share and exercise price amounts.)

NOTE 16 –FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT (Continued)

16.2 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to meet obligations when due. At the end of the reporting period the Company held deposits at banks and financial institutions of \$8,443 (December 31, 2024: \$11,290) that are expected to readily generate cash inflows for managing liquidity risk. Due to the dynamic nature of the underlying businesses, the Company management maintains flexibility in funding by maintaining a minimum cash level at banks and financial institutions.

Management monitors rolling forecasts of the Company's liquidity reserve and cash and cash equivalents on the basis of expected cash flows.

The table below presents the Company's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Contractual maturities of financial liabilities At March 31,2025	Total Less than 6 months	6-12 months	12-36 months	36-60 months	Total Contractual cash flows	Carrying amount
Trade and other payables	7,851	75	-	-	7,926	7,926
Employee benefit obligations	217	-	-	-	217	217
Loans and borrowings	14	-	-	-	14	14
Lease liability	42	42	30	-	114	111
Total financial liabilities	8,124	117	30	-	8,271	8,268

16.3 Market risk

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

(i) Foreign currency risk

Foreign exchange risk arises from recognized assets and liabilities denominated in a currency that is not the functional currency of the relevant Group entity. As of the end of the reporting period, the Company's foreign currency exposure is due to USD, EUR and AUD foreign currency denominated transactions.

A 5% strengthening of CAD against USD, EUR, and AUD would increase the Company's net loss by \$7, \$32, and \$21 respectively.

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(Unaudited - All dollar amounts disclosed are expressed in Canadian dollars (C\$'000s) except per share and exercise price amounts.)

NOTE 16 – FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT (Continued)

16.4 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Management defines capital as the Company's shareholders' equity and debt (consisting of the Company's loans and borrowings). As at March 31, 2025, total managed capital is \$43,357 (December 31, 2024: \$43,572). The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund both existing and future value-added growth opportunities. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners or through debt financing.

NOTE 17 – FAIR VALUE OF FINANCIAL INSTRUMENTS

Judgements and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in the Interim Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

During the three months ended March 31, 2025, there were no transfers between levels. The Company does not have any level 3 financial instruments.

NOTE 18 – TRANSACTIONS AND BALANCES WITH RELATED PARTIES

18.1 Key management personnel compensation

The Company has determined that key management personnel consist of directors and officers in the Company. The non-share-based compensation remuneration to directors and officers during the three months ended March 31, 2025 was \$281 (three months ended March 31, 2024: \$410) and is included in general and administrative expenses.

During the three months ended March 31, 2025, the Company did not issue any options or RSUs to its key management personnel. The Company recognized total share-based compensation expense related to key management personnel of \$252 (three months ended March 31, 2024: \$472).

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NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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(Unaudited - All dollar amounts disclosed are expressed in Canadian dollars (C\$'000s) except per share and exercise price amounts.)

NOTE 18 – TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

During the three months ended March 31, 2025, the Company's key management personnel exercised nil options for gross proceeds of \$nil (three months ended March 31, 2024: nil options for gross proceeds of \$nil) and 162,500 RSUs were settled through the issuance of 75,513 Common Shares amounting to \$5 (March 31, 2024: 4,355,636 RSUs were settled through the issuance of 2,024,060 Common Shares amounting to \$280). The unissued shares are withheld for tax obligations, which are settled in cash by the Company.

18.2 Transactions and balances with key management personnel

Several key management personnel hold positions in other companies that result in them having control or significant influence over these companies. The Company had no transactions with these companies during the three months ended March 31, 2025 and 2024.

As at March 31, 2025, the Company has \$243 (December 31, 2024: \$995) due to key management personnel and no amount was due to entities over which they have control or significant influence (December 31, 2024: \$nil). The balance due to key management personnel comprise of accrued compensation and is included in current employee benefit obligations in the condensed interim consolidated statements of financial position.

NOTE 19 – EVENTS AFTER THE REPORTING PERIOD

No event, which is material to the understanding of these Interim Financial Statements, has occurred between the period-end date and the date these Interim Financial Statements were approved by the Board of Directors of the Company.