(TSX: LABS)

MEDIPHARM LABS CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026

AUGUST 12, 2026

This Management's Discussion and Analysis ("**MD&A**") of the financial condition and performance of MediPharm Labs Corp. (the "**Company**", "**MediPharm**", "**we**", "**us**" or "**our**") for the three and six months ended June 30, 2026, was prepared by management of the Company as of August 12, 2026. Throughout this MD&A, 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. This MD&A should be read in conjunction with our condensed interim consolidated financial statements for the three and six months ended June 30, 2026 and 2025 (the "**Financial Statements**"), including the accompanying notes thereto.

This MD&A has been prepared with reference to the MD&A disclosure requirements established under National Instrument 51-102 *Continuous Disclosure Obligations* of the Canadian Securities Administrators and Staff Notice 51-352 (Revised) *Issuers with US Marijuana Related Activities* (the "**Staff Notice**").

Additional information regarding the Company, including in the Financial Statements and our most recent annual information form dated March 29, 2026 for the year ended December 31, 2025 (the "**Annual Information Form**"), is available on the Company's website at www.medipharmlabs.com and under the Company's SEDAR+ profile at https://www.sedarplus.ca/.

This MD&A contains commentary from the Company's management regarding the Company's strategy, operating results, financial position, and outlook. Our management is responsible for the accuracy, integrity and objectivity of the disclosure contained in this MD&A and develops, maintains, and supports the necessary systems and controls to provide reasonable assurance as to the accuracy of the comments contained herein.

Our board of directors (the "**Board of Directors**") and audit committee (the "**Audit Committee**") provide an oversight role with respect to all Company public financial disclosures. The Board of Directors approved the Financial Statements and MD&A after the completion of its review and recommendation for approval from the Audit Committee, which meets periodically to review all financial reports, prior to filing.

The Financial Statements and accompanying notes were prepared in accordance with IFRS® Accounting Standards issued by the International Accounting Standards Board ("**IASB**") and include the accounts of the Company and its subsidiaries and the Company's interests in affiliated companies. All intercompany balances and transactions have been eliminated on consolidation. All dollar amounts are expressed in thousands of Canadian dollars (C$'000s), other than share and per share amounts, unless otherwise noted.

In addition to historical information, the discussion in this MD&A contains forward-looking statements. The discussion is qualified in its entirety by the "Cautionary Note Regarding Forward-Looking Statements" that follows.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking information and forward-looking statements within the meaning of Canadian securities legislation ("**forward-looking statements**") including but not limited to:

- assumptions and expectations described in the Company's critical accounting policies and estimates;
- the Company's expectations regarding legislation, regulations and licensing related to the import, export, processing, and sale of cannabis products by the Company, along with the market demand and pricing for such products;
- the ability to enter and participate in international market opportunities, including assumptions and expectations related to commercialization and international shipments of the Company's products;
- assumptions and expectations related to the Company's expansion into the United States pharmaceutical market;
- statements regarding intended expansions, exports, distributions, GMP (as defined herein) certifications and DMF (as defined herein) filing;
- product diversification and future corporate development;
- anticipated results of research and development;
- production and cultivation capacity expectations including discussions of plans or potential for expansion of capacity at existing or new facilities;
- expectations with respect to future expenditures and capital activities;
- statements about expected use of proceeds from fund raising activities; and
- the Company's expectations regarding the adoption and impact of certain accounting pronouncements.
- assumptions and expectations related to the Arrangement (as defined herein), including the revenue and cost synergies that may be realizable as a result thereof;

These forward-looking statements are made as of the date of this MD&A and the Company does not intend, and does not assume, any obligation to update these forward-looking statements, except as required under applicable securities legislation. Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events. In certain cases, forward-looking statements can be identified by the use of words such as "considers", "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved", or the negative of these terms or comparable terminology. In this document, certain forward-looking statements are identified by words including "may", "future", "expected", "will", "intends", and "estimates". By their very nature forward-looking statements involve known and unknown risks, uncertainties, and other factors, which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. The Company provides no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

Risks related to forward-looking statements include, among other things, those outlined in "Risk Factors" and any other factors and uncertainties disclosed from time-to-time in the Company's filings with the Canadian Securities Administrators. Although the Company has attempted to identify important factors that could cause actions, events or results to differ materially from those described in the forward-looking statements, there may be other factors that cause actions, events, or results to differ from those anticipated, estimated or intended. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

USE OF NON-IFRS FINANCIAL MEASURES

This MD&A contains references to "Adjusted EBITDA", which is a non-IFRS financial measure. Management believes that this supplementary non-IFRS financial measure provides useful additional information related to the operating results of the Company. This non-IFRS financial measure is not recognized under IFRS and, accordingly, readers are cautioned that this measure should not be construed as an alternative to net income (loss) determined in accordance with IFRS as a measure of profitability or as an alternative to the Company's IFRS-based Financial Statements. The non-IFRS measure presented may not be comparable to similar measures presented by other issuers.

Adjusted EBITDA does not have any standardized meaning and the Company's method of calculating such non-IFRS measure may not be comparable to calculations used by other companies bearing the same description.

See "Reconciliation of Non-IFRS Measures".

Adjusted EBITDA

Adjusted EBITDA is a measure of the Company's overall financial performance and is used as an alternative to earnings or income in some circumstances. Adjusted EBITDA is essentially net income (loss) with interest, taxes, depreciation and amortization, non-cash adjustments and other unusual or non-recurring items added back. Adjusted EBITDA has limitations as an analytical tool as it does not include depreciation and amortization expense, restructuring related severance expense, government grants including rent and wage subsidies, transaction fees, unusual write down of inventory, impairment of fixed assets and intangibles, impairment loss on assets held for sale, impairment of receivables, share-based compensation, fair value adjustments to biological assets and inventory. Because of these limitations, Adjusted EBITDA should not be considered as the sole measure of the Company's performance and should not be considered in isolation from, or as a substitute for, analysis of the Company's results as reported under IFRS. Adjusted EBITDA, as used within this MD&A and the Company's disclosure, may not be directly comparable to Adjusted EBITDA used by other reporting issuers.

COMPANY OVERVIEW

Background

MediPharm is a pharmaceutical company specializing in precision-based cannabinoids. Through its wholesale and other platforms, MediPharm formulates, develops, processes, packages and distributes cannabis active ingredients and advanced cannabinoid-based products to domestic and international markets.

On January 23, 2017, the Company was incorporated under the *Business Corporations Act* (Ontario) as "POCML 4 Inc.", under the policies of the TSX Venture Exchange (the "**TSXV**"). On October 1, 2018, MediPharm Labs Inc. ("**MediPharm Labs**") amalgamated with 2645354 Ontario Inc., a wholly owned subsidiary of the Company, which resulted in the reverse take-over of the Company by MediPharm Labs, following which the resulting Company continued as "MediPharm Labs Corp".

On October 4, 2018, the common shares in the capital of the Company (the "**Common Shares**") commenced trading on a post-consolidation basis on the TSXV under the symbol "LABS", and on July 29, 2019, the Company graduated from the TSXV to the Toronto Stock Exchange (the "**TSX**"). The Common Shares also trade on the OTCQB in the US under the ticker symbol "MEDIF" and on the Frankfurt Stock Exchange under the ticker symbol "MLZ".

On October 6, 2022, the Company completed the sale of its formerly wholly owned subsidiary MediPharm Labs Australia Pty Ltd., which held a manufacturing licence under the Australian Narcotics Drug Act 1967 authorizing the manufacture and supply of certain limited cannabis products, to OneLife Botanicals Pty., a local operator.

On April 1, 2023, the Company acquired VIVO Cannabis Inc. ("**VIVO**") pursuant to an all-equity business combination transaction, completed by way of a plan of arrangement under section 192 of the *Business Corporations Act* (Canada) (the "**Arrangement**"). As a result of the Arrangement, the Company acquired Canna Farms Limited ("**Canna Farms**") and ABcann Medicinal Inc. ("**ABcann**") Beacon Medical Australia PTY Ltd. ("**Beacon Medical Australia**"), Beacon Medical Germany GmbH ("**Beacon Medical Germany**") and Harvest Medicine Inc. ("**Harvest Medicine**" or "**HMED**"), all wholly owned subsidiaries of VIVO. On November 1, 2024 and June 3, 2025, MediPharm completed internal reorganizations whereby, among other things, certain subsidiaries of the Company were wound up and amalgamated.

On June 5, 2025, the Company completed the sale of its Hope, British Columbia facility (the "**Hope Facility**") to Rubicon Organics Inc. ("**Rubicon**") for a gross amount of $4.5M in cash (the "**Hope Facility Sale**"). The Hope Facility was acquired as part of the VIVO acquisition. The Company ceased all Hope Facility commercial activities in 2024, consolidating key operations at its other facilities and cancelled the licence held by Canna Farms in respect of the Hope Facility.

Business Overview

The Company specializes in the production of purified, pharmaceutical-quality cannabis concentrates, active pharmaceutical ingredients ("**API**") and advanced derivative products utilizing Good Manufacturing Practice ("**GMP**") certified facilities and ISO standard-built clean rooms. The Company has invested in an expert, research driven team, state-of-the-art technology, downstream purification methodologies and purpose-built facilities with primary extraction lines and finished formulated products capabilities used to deliver pure, trusted and precisely doseable cannabis products for our customers. The Company formulates, processes, packages and distributes cannabis active ingredients and advanced cannabinoid-based products for domestic and international markets.

The Company cultivates and processes cannabis to sell as dried flower, pre-roll and other cannabis products for the adult use, medical, pharma & business to business and international markets. The Company also provides GMP flower sourcing, packaging, and distribution services for select international clients. The Company's mission is to become a global leader leveraging our GMP quality standards to provide specialized pharmaceutical quality derivative cannabis products and to drive future cannabis product innovation.

MediPharm Labs holds several licences under the *Cannabis Act* (Canada) (the "**Cannabis Act**"), including a standard processing licence, and a sale of cannabis for medical purposes licence which permits the production and sale of cannabis extracts, cannabis edibles, and cannabis topicals, as well as the sale, distribution and delivery of dried and fresh cannabis. MediPharm Labs' facility in Barrie, Ontario (the "**Barrie Facility**") holds GMP certifications from Health Canada (Drug Establishment Licence) ("**DEL**")[1], NHP Site Licence under the Natural Health Products Regulations and LAVG (EU-GMP). The Barrie Facility obtained GMP certification from the ANVISA in February 2024 and EU-GMP certification from the LAVG in July 2024. These GMP certifications have been accepted in other international markets such as the UK, Brazil, and the European Union.[2] MediPharm Labs has submitted a Drug Master File ("**DMF**") for cannabidiol ("**CBD**") with the United States Food and Drug Administration ("**FDA**"), pending further process completion. MediPharm Labs maintains an active U.S. FDA establishment registration, supporting its ability to participate in pharmaceutical research, clinical trial supply, and other regulated opportunities in the U.S. market. MediPharm Labs has also filed a Drug Master File ("**DMF**") for cannabidiol ("**CBD**") with Health Canada.

MediPharm's wholly owned subsidiary, ABcann, holds a licence under the Cannabis Act for the standard cultivation of cannabis, the standard processing of cannabis and the sale of cannabis for medical purposes. ABcann holds a licence in respect of its facility in Napanee, Ontario (the "**Napanee Facility**") which is valid until October 15, 2030 (the "**ABcann Licence**"). ABcann also holds an EU-GMP licence after a successful LAVG audit and licence renewal in July 2024. ABcann's operations focus on European Union Good Manufacturing Practices ("**EU GMP**") related cultivation, processing and packaging for international markets. The Company has expanded its reach to medical patients in Australia and Germany through its wholly owned subsidiaries Beacon Medical Australia and Beacon Medical Germany (together, the "**Beacon Medical Brand**").

Canna Farms, formerly a wholly owned subsidiary of MediPharm, had a licence in respect of the Hope Facility. Canna Farms' operations, which focused on packaging, concentrate production, and supporting patients through its medical e-commerce platform, have been transferred from the Hope Facility to the Barrie Facility as operations at the Hope Facility have ceased. On June 5, 2025, the Company completed

[1] The Australian Therapeutic Goods Administration recognizes Health Canada's DEL and no longer requires a separate foreign inspection for the Company's GMP certification.
[2] As a member of Pharmaceutical Inspection Co-operation Scheme.

the Hope Facility Sale, Canna Farms was subsequently amalgamated with MediPharm Labs and MediPharm cancelled the licence in respect of the Hope Facility.

MediPharm's wholly owned subsidiary, Harvest Medicine, provides medical cannabis patients across Canada with convenient virtual care services, including in physician consultations, medical cannabis education, and prescriptions. Harvest Medicine also has a physical location.

Operations and Facilities

As of the date of this MD&A, the Company's core business generates revenue through four primary streams:

- Canadian Adult Use and Wellness: This stream includes the production and sale of finished consumer packaged cannabis concentrate based products such as cannabis oil, vapes, metered dose inhalers ("**MDIs**"), soft chews, and capsules and other non-smokeable formats as well as dried flower and pre-rolls. These products are sold primarily to the provincial distributors.

- Canadian Medical Cannabis: This stream includes products that are sold to patients through the domestic medical channels such as the Canna Farms medical platform, and through other licensed producers' medical channels. It also includes the Company's medical clinic business, Harvest Medicine. HMED consists of education-focused, patient-centric, cannabis discovery clinics, which conduct registered patient visits through its clinics, and via its telemedicine platform.

- International Medical Cannabis: This stream includes the production and sale of GMP tinctures, GMP dried flower, GMP vapes, GMP dronabinol, GMP manufacturing services, and active pharmaceutical ingredients to international customers outside of Canada. To date, MediPharm has sold into 10 international markets and has significant business in Australia and Germany. Key partners such as STADA Arzneimittel AG, Europe's fourth largest generic drug company, continue to support this business segment in Germany. In addition, the Company's Beacon Medical Brand has also further strengthened its presence in the Australian market. The Company also recently launched Canadian produced GMP Beacon Medical Brand cannabis oil and inhalation cartridges in the Australian medical market. Also included in this stream are contract manufacturing activities in which we produce finished goods and undertake various manufacturing steps for other international licenced producers.

- Pharmaceutical and Business to Business ("B2B"): This stream includes the production and sale of bulk cannabis-based products such as concentrate, distillate and isolate to domestic and international customers. Bulk isolates include pharmaceutical grade cannabinoids in bulk and finished good forms, produced according to Canadian DEL standards and sold to pharmaceutical customers. For our pharma and academic partners, we also provide a range of clinical and research and development ("R&D") capabilities including Clinical Trial Materials (CTM) for Phase 2-3 Drug Trials. Also included in this stream are contract manufacturing activities where we develop new products, produce finished goods and perform various manufacturing steps for other domestic licensed producers.

MediPharm Labs operates two GMP manufacturing facilities in Ontario: the Barrie Facility and the Napanee Facility. As of the date of this MD&A, the Company has disposed of and ceased operations at the Hope Facility. See "Hope Facility" below.

Barrie Facility

This 70,000 sq. ft. facility has specialized and pharmaceutically validated equipment to produce high quality cannabis concentrate derivative bulk and finished good products. This includes automated filling, packaging, and labeling capabilities that support all the Company's revenue streams by enabling the production of a wide range of formulated products for domestic and global markets. The Barrie Facility was built to GMP standards and received a DEL in the third quarter of 2021. The Barrie Facility is a registered foreign drug manufacturing site with the FDA and completed an onsite FDA inspection in 2022. In December 2023, the Barrie Facility was inspected by the Agência Nacional de Vigilância Sanitária ("ANVISA"), the governing body of Brazil's pharmaceutical industry, for GMP manufacturing of finished goods. On February 7, 2024, ANVISA confirmed compliance and issued a GMP certificate for the facility. In April 2024, the health department of the Landesamt für Arbeitsschutz, Verbraucherschutz und Gesundheit ("LAVG") - the competent state and the German Federal State of Brandenburg – inspected the facility and provided the Company with a verbal compliant rating. In July 2024 the Company received written confirmation from the LAVG of the issuance of the Barrie Facility's EU-GMP certification for cannabis oil (extract) products.

Napanee Facility

This 29,000 sq. ft. EU GMP facility is focused on production and supply of flower for the international medical markets. The Napanee Facility operates through the ABcann Licence and on March 11, 2021, the Napanee Facility received EU GMP certification from LAVG, the health authority of Brandenburg, Germany. The Napanee Facility has supplied flower to the UK, EU, Australia, New Zealand and other markets.

In April 2024, LAVG inspected the Napanee Facility and provided the Company with a verbal compliant rating. Management received written confirmation from LAVG of the renewal of the Napanee Facility's EU GMP certification in July 2024.

In 2025, the Company expanded the cultivation capacity of its Napanee Facility by approximately 30% to allow for further exports of EU GMP flower.

Hope Facility

This 47,000 sq. ft. production facility was originally a VIVO facility and was the first licensed site in British Columbia for commercial cannabis production in 2013, through a licence issued to Canna Farms as licence holder. The Canna Farms direct-to-patient medical sales e-commerce platform was managed and distributed via the Hope Facility until May 31, 2024.

On June 1, 2024, the Company successfully relocated its direct-to-patient medical sales logistics from the Hope Facility to the Barrie Facility. The Company has streamlined operations and delivered savings to both cost of goods sold and operating expenses while providing the same great service level our patients are accustomed to.

On June 5, 2025, the Company completed the Hope Facility Sale and subsequently cancelled the associated cannabis licence issued to Canna Farms in respect of the Hope Facility.

On September 17, 2025, the Company completed the sale of its vacant land at Hope, British Columbia for a gross amount of $4.5M.

Company Regulatory History

On March 29, 2018, MediPharm Labs received its oil production licence (the "**Licence**") pursuant to the Access to Cannabis for Medical Purposes Regulations ("**ACMPR**") and became the first company in Canada to receive a production licence for cannabis oil production under the ACMPR without first receiving a cannabis cultivation licence. On October 17, 2018, the Cannabis Act came into force, and MediPharm Labs' Licence was transitioned from a producer's licence under the ACMPR to a standard processing licence under the Cannabis Act and Cannabis Regulations. On November 9, 2018, the Licence was amended to permit the sale and distribution of cannabis oil and derivatives to the following authorized classes of purchasers:

- a holder of a licence for processing under the Cannabis Act;
- a holder of a licence for analytical testing under the Cannabis Act;
- a holder of a cannabis drug licence under the Cannabis Act;
- the Minister of Health;
- a person to which an exemption has been granted under section 140 of the Cannabis Act in relation to the cannabis or a class of cannabis that is sold or distributed; or
- certain individuals who are involved in testing cannabis at laboratories operated by the Government of Canada or accredited laboratories under the *Seeds Act*.

On September 7, 2019, the Licence was further amended to permit the sale of cannabis products to the following authorized classes of purchasers:

- a holder of a licence for sale of medicinal cannabis products under the Cannabis Act; and
- a person authorized to sell cannabis under a provincial Act, such as a provincially authorized retailer or distributor.

On October 21, 2019, the Licence was amended to permit the activity of production and sale of additional cannabis products included in the Cannabis Act, including cannabis extracts, cannabis edibles and cannabis topicals. On December 30, 2019, the authorizations under the Licence were expanded to include various cannabis-related activities in an expanded footprint, totalling approximately 25,000 square feet, which included new manufacturing rooms, a quality control laboratory, additional secure storage and various infrastructural updates. On September 28, 2021, the Licence was renewed for a further term of five years and was further amended on April 25, 2022, to allow for the sale, distribution, and delivery of dried cannabis and fresh cannabis. On May 1, 2024, the Licence was amended to allow for the possession and sale of cannabis for medical purposes.

On October 25, 2019, MediPharm Labs received its research licence under the Cannabis Act. This licence permits MediPharm Labs to conduct controlled human administration trials for sensory testing of cannabis extracts and derivative products at its Barrie Facility. Cannabis companies without this licence cannot use sensory experiments with taste, thus limiting their understanding of the taste profile of the raw material, in process material, and consumer products. On January 31, 2025, the Company provided Health Canada with a notice to cancel its research Licence in accordance with the new amendments to the Cannabis Regulations surrounding non-therapeutic research on cannabis licences. See *"Risk Factors"*.

On December 21, 2020, MediPharm Labs received a GMP licence under the Natural Health Products Regulations (the "**NHP Site Licence**"). The NHP Site Licence gives MediPharm Labs the authorization to manufacture, package and label natural health products in Canada. MediPharm Labs' Barrie site follows GMP requirements outlined in Part 3 of the Natural Health Products Regulations. The Company's NHP Site Licence was renewed on June 4, 2025, for a one-year term. A renewal application was submitted on April

9, 2026, and remains under review by Health Canada. The licence remains valid pending completion of Health Canada's review, and no estimated completion date has been provided.

On February 17, 2021, MediPharm Labs received a Cannabis Drug Licence ("**CD Licence**") from Health Canada. The CD Licence allows the Company to manufacture and supply drugs that contain cannabis. These products include pharmaceutical prescription drugs that have been classified as drugs with a drug identification number. The Company is positioned to supply cannabis based pharmaceutical drugs and API's to other CD Licence holders and clinical research trials for novel drug discovery. On October 8, 2021, MediPharm Labs' CD Licence was amended to allow for the sale of drugs that contain cannabis. The amended CD Licence is valid until January 26, 2029.

On July 14, 2021, MediPharm Labs received a GMP DEL issued by Health Canada in accordance with the *Food and Drugs Act* (Canada) and associated Regulations. The DEL serves to confirm compliance to GMP standards. The DEL can be used for manufacturing, testing and sale of any non-sterile APIs and pharmaceuticals, including drug products containing cannabis. This includes drugs that have marketing authorizations as either novel or generic pharmaceutical drug products containing cannabis. MediPharm Labs was the first facility in North America to achieve a GMP licence from a domestic health authority for large-scale natural cannabinoid extraction.

On February 23, 2022, the Company announced that it had entered the United States pharmaceutical market with the completion and submission of a Type II Drug Master File ("DMF") to the U.S. Food and Drug Administration for pharmaceutical-grade, naturally derived cannabidiol (CBD) active pharmaceutical ingredients. The DMF enables MediPharm's API to be referenced by U.S. pharmaceutical companies in regulatory submissions supporting pharmaceutical development, including novel and generic drug programs. To the Company's knowledge, this represented the first CBD DMF submitted by a Canadian company and one of the first natural CBD DMFs at commercial scale in North America. The DMF supports the supply of MediPharm's API to pharmaceutical companies conducting clinical and late-stage development programs. The FDA has conducted an active review of the DMF, and the adequacy of the DMF is assessed by the FDA in the context of New Drug Applications ("**NDAs**") or Abbreviated New Drug Applications ("**ANDAs**") that reference the DMF.

MediPharm has international pharmaceutical partners who have referenced the Company's Type II Drug Master File ("DMF") in U.S. regulatory submissions, including drug product applications and Investigational New Drug ("IND") applications. If one or more of MediPharm's pharmaceutical partners are successful in their United States ("**U.S.**") filings, any resulting drugs containing cannabis would receive marketing authorization through a New Drug Application ("NDA") or Abbreviated New Drug Application ("ANDA"). Such products would be regulated as FDA-approved pharmaceutical drugs under the U.S. Federal Food, Drug, and Cosmetic Act and distributed through pharmaceutical channels, rather than under state-regulated cannabis frameworks. Seeking FDA approvals for branded (NDA) and generic (ANDA) drugs and participation in Phase 2 and Phase 3 clinical trials represent long-term investments, and success is not guaranteed. See "Cautionary Note Regarding Forward-Looking Statements", "Disclosure for Issuers with U.S. Marijuana-Related Activities" and "Risk Factors".

On April 1, 2023, the Company acquired two Canadian licensed producers through the Arrangement: (i) Canna Farms, based in Hope, British Columbia, and (ii) ABcann, based in Napanee, Ontario. The ABcann business holds an EU-GMP certification, and a subsidiary in Germany is EU-GMP/GDP licensed and able to import cannabis products. The Napanee Facility received EU-GMP certification from Germany's Brandenburg health authority, LAVG, in March 2021, allowing the Company, through its subsidiaries, to export dried flower for sale into European and other markets requiring products to be manufactured under EU-GMP standards. Beacon Medical Germany received an import licence to import medical cannabis flower from the Napanee Facility to Germany and the European Union in March 2021.

On February 6, 2024, the Company was the first purpose-built pharmaceutical cannabis company in North America to receive a GMP certificate from the Brazilian Health Regulatory Agency (ANVISA). The licence was initiated in relation to MediPharm's current medical cannabis product authorizations through its Brazilian customer base. A product authorization was only possible based on the Company's Health Canada pharmaceutical Drug Establishment Licence, product-specific GMP validation and various long-term stability studies. All statements regarding the Company's intended expansions, exports, distributions, GMP certifications and the DMF filing are forward-looking statements. See "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors".

On May 1, 2025, MediPharm Labs received a medical sales licence under the Cannabis Act, authorizing the sale of cannabis products directly to registered medical patients in accordance with section 27 and Part 14, Division 1 of the Cannabis Regulations.

The Company's cannabis licences granted pursuant to the Cannabis Act include:

- Licence – Health Canada Standard Processing Licence and Medical Sales issued to MediPharm Labs in respect of the Barrie Facility, which expires September 28, 2026.

- ABcann Licence – Health Canada Cultivation and Processing Licence issued to ABcann in respect of the Napanee Facility, which expires October 15, 2030.

The Company also holds an excise tax sales licence issued by the Canada Revenue Agency (the "**CRA**") in respect of each of its cannabis facilities. The CRA licences are in good standing and subject to regular renewal cadences. In cases where other Canadian cannabis companies are in arrears on excise tax payment, the CRA has been only granting short term excise licence renewals.

It is anticipated by management that Health Canada and the CRA will extend or renew all of its licences at the end of or prior to the end of their terms[3]. See "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors".

Product Manufacturing and Sales

The Company processes its inventory of dried cannabis and sells both the resulting bulk cannabis concentrates and finished formulated products. Finished formulated products are sold under the MediPharm family of brands and under customer brands through contract manufacturing arrangements. Customers that do not hold a requisite Cannabis Act or other licence rely on the Company for the complete manufacturing and distribution of the branded product. Customers that hold their own licence may directly purchase the finished or partially finished products from the Company to manage the remaining portion of the manufacturing and/or supply chain themselves and the Company would typically receive a fee per unit shipped under that arrangement. The Company has increased the breadth (product formats) and depth (stock keeping units ("**SKUs**") per product format) of finished formulated product capabilities and expects to

[3] This forward-looking statement is based on the following material factors and assumptions: (a) the Company assumes that it will receive a compliant rating from Health Canada and that Health Canada will renew the Licence; and (b) the Company assumes that it will continue to be in compliance with the relevant regulatory frameworks, guidelines, and requirements of Health Canada. The Company clarifies that as of the date hereof, it has received compliant ratings from Health Canada but cannot guarantee that there will not be issues with compliance inspections that may arise in the future. Such statements are informed by, among other things, regulatory guidelines for receiving and maintaining the Licence. See "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors".

continue this expansion going forward.[4] In addition to the core competencies mentioned earlier, the Company is also involved in selling GMP-certified finished cannabis flower to international partners. This is offered in both branded formats (Beacon Medical and Wildlife) and as white-label products.

The Company commenced shipping initial cannabis oil and vape products in December 2019, and as at the date of this MD&A are currently shipping several product formats (being formulated cannabis oil bottles, topicals, gels disposable vaporizer pens, vaporizer cartridges, MDIs, soft chews, capsules, concentrates, dried flower, and pre-roll products) and SKUs direct to authorized distributors, provincial governments, our B2B customers and internationally.

As a result of the acquisition of VIVO Cannabis in April 2023, MediPharm Labs started business in direct to patient medical cannabis sales, via Canna Farms, as well as medical cannabis clinic services via Harvest Medicine. These business operations are further described in the "Canadian Medical Cannabis" portion of this MD&A's Business Overview section (page 6).

Corporate Highlights

On January 13, 2026, the Company announced that it had entered into a definitive supply agreement with Remidose Aerosols Inc. for the shipment of GMP-certified medicinal cannabis products to Costa Rica. Under the agreement, the Company will supply a range of GMP-certified cannabis products including oils, tinctures, metered dose inhalers and dried flower to Remidose's affiliated entity, Remidose LATAM SRL ("**Remidose LATAM**"). Remidose LATAM has already advanced its regulatory process, and the Company expects that shipment of product will begin once the remaining requirements are completed

On July 14, 2026, the Company announced positive results from the Phase II LiBBY (Life's End Benefits of Cannabidiol and Tetrahydrocannabinol) clinical trial, presented at the Alzheimer's Association International Conference ("AAIC") in London, United Kingdom. The LiBBY study evaluated the Company's proprietary oral cannabinoid formulation — developed and manufactured exclusively by MediPharm Labs — for the treatment of agitation in patients with advanced dementia. The study met its primary endpoint, demonstrating statistically significant improvement in agitation symptoms as early as two weeks, with benefits sustained throughout the 12-week double-blind treatment period. Open-label extension findings further supported durability of response over time.

The LiBBY study is led by investigators at the Keck School of Medicine of the University of Southern California and funded by the National Institute on Aging, part of the U.S. National Institutes of Health ("NIH"). These results represent the first Phase II clinical trial of this kind in which the active pharmaceutical ingredient was sourced from a Canadian cannabis producer and constitute the strongest clinical validation to date of MediPharm Labs' pharmaceutical-grade manufacturing capabilities and proprietary formulation development.

Management believes these results represent a significant milestone in advancing the clinical validation of cannabinoid-based medicines and demonstrate the Company's pharmaceutical development, manufacturing and clinical trial supply capabilities. The results further support MediPharm's strategy of expanding its participation in pharmaceutical and clinical development programs and pursuing opportunities in regulated medical markets globally. The Company is currently evaluating potential next steps, including additional clinical development opportunities, regulatory pathways and strategic partnerships.

[4] This forward-looking statement is based on the following material factors and assumptions: (a) the Company would have sufficient demand for the new product formats and SKUs.; and (b) the Company receives required permits to list new products with provincial distributors.

During Q2 2026, the Company filed two U.S. provisional patent applications related to proprietary cannabinoid pharmaceutical formulations designed for the treatment of agitation associated with dementia and other neurodegenerative conditions. The applications also cover certain formulation characteristics, manufacturing processes and methods of use. The filings support the Company's strategy of expanding and protecting its intellectual property portfolio and establish initial priority dates for future patent filings.

On April 27, 2026, the Company announced that the U.S. Department of Justice and Drug Enforcement Administration issued a final order rescheduling FDA approved cannabis drug products and state licensed medical cannabis from Schedule I to Schedule III of the U.S. Controlled Substances Act, effective April 22, 2026. The rescheduling is expected to reduce regulatory barriers to U.S. clinical research and pharmaceutical development. The Company believes it is well positioned to support such activities based on its FDA site registration, Health Canada Drug Establishment License, and experience supplying pharmaceutical grade cannabis products into the United States.[5]

Subsequent Events

Except as disclosed under "Corporate Highlights" section, there have been no events after the reporting date that could have a material effect on this MD&A.

Financial Overview

During the three months ended June 30, 2026 ("Q2 2026"), the Company's revenue of $10.0M increased $1.0M or 11% versus $9.0M in the three months ended March 31, 2026 ("Q1 2026").

The Company reported net income of $4K in Q2 2026, representing a return to profitability. The positive earnings result was achieved despite regulatory changes in Australia and VAC reimbursement changes in the Canadian market as discussed below. This reflects the success of management's initiatives to improve gross margins, reduce operating costs, and enhance overall operating efficiency. In addition, the Company generated Adjusted EBITDA of $0.9M, its strongest quarterly Adjusted EBITDA performance since 2019 and its second consecutive quarter of positive Adjusted EBITDA.

The result in Q2 2026 was achieved despite a decline in revenue compared with three months ended June 30, 2025 ("Q2 2025"). The year-over-year revenue decline was primarily attributable to three industry-wide developments affecting the Australian and Canadian medical cannabis markets, and the German dronabinol market.

In Australia, medicinal cannabis sales contracted broadly across the industry as a result of increased regulatory enforcement and reduced prescribing behaviour. Australian medicinal cannabis unit sales declined approximately 28.5% in the second half of 2025[6], reflecting sector-wide dynamics rather than Company-specific factors, with major Australian market participants similarly reporting impacts from this regulatory shift. See "Beacon Medical Australia" on page 18 for additional context.

In Canada, Veterans Affairs Canada ("VAC") reduced the maximum reimbursable amount for medical cannabis from $8.50 per gram to $6.00 per gram, effective April 1, 2026, representing an approximately 30% reduction in reimbursement rates. As a significant portion of the Company's Canadian medical

[5] This forward-looking statement is based on the following material factors and assumptions: (a) [that the final order rescheduling certain cannabis products to Schedule III will remain in effect and will not be amended or repealed, (b) that the Company will continue to maintain its FDA site registration and Health Canada Drug Establishment License in good standing.
[6] As reported by the Penington Institute, Medicinal Cannabis Sales and Regulatory Enforcement – Australia (April 2026), available online.

cannabis revenue is generated from VAC-reimbursed patients, the reimbursement change had an impact on revenue during the quarter. The Company experienced a reduction of approximately 18% in Canadian Medical Cannabis revenue due to the VAC rate change during Q2 2026. While management implemented mitigation initiatives and incorporated the change into its operational planning, the reimbursement reduction remained the primary driver of the decline in Canadian Medical Cannabis revenue. The Company remains committed to serving its veteran patient base and continues to evaluate opportunities to mitigate the impact of the reimbursement change on its Canadian Medical Cannabis platform.

In Germany, the Company's broader medical cannabis business continued to benefit from growth in the German market. Dronabinol revenue declined following regulatory changes that effectively eliminated certain pre-diluted bulk dronabinol formats. While the Company continues to participate in the dronabinol market, it is focused on transitioning from lower-volume bulk dronabinol products to higher-value syringe and finished-product formats, creating opportunities for differentiated pharmaceutical offerings.

International Medical revenue was $5.8M in Q2 2026, delivering approximately 58% of consolidated revenue. This increased sequentially from $4.6M or approximately 51% in Q1 2026, as the Company continued to transition from lower-margin unbranded flower toward higher-value branded products under the Beacon and Wildlife banners. This strategic shift is expected to reduce exposure to commodity pricing pressure and support improved gross margin over time. Revenue decreased from $6.7M in Q2 2025, primarily due to the Australian and German market changes discussed above. About 81% of Q2 2026 consolidated revenue, or $8.1M, was generated through prescription-based medical channels, reflecting the Company's continued focus on regulated medical cannabis markets globally.

Canadian Adult Use and Wellness revenue was $1.5M in Q2 2026, compared with $1.6M in Q2 2025. Sequentially, revenue increased from $1.1M in Q1 2026, consistent with typical industry seasonality following the post-holiday period in the first quarter, together with management's continued focus on commercial execution.

Canadian Medical Cannabis revenue was $2.3M in Q2 2026, compared with $3.1M in Q2 2025 and $3.0M in Q1 2026. The decline was driven primarily by the VAC reimbursement reduction discussed above.

Pharmaceutical and B2B revenue was $0.4M in Q2 2026, consistent with both Q2 2025 and Q1 2026.

Year- to- date, the Company's revenue was $18.9M which declined 16% versus prior year period largely driven by the Australian regulatory changes and VAC reimbursement reduction discussed previously.

The Company's Q2 2026 gross profit was $4.3M/43.2%, compared to $3.3M/37.1% in Q1 2026 and $3.8M /32.2% in Q2 2025. Q2 2026 gross margins increased both sequentially and year over year, reflecting ongoing margin optimization efforts. When adjusted for discrete items including severance and biological asset fair value adjustments, Q2 2026 adjusted gross margin was 42.8%, an improvement from 40.2% in Q1 2026 and 32.5% in Q2 2025. This improvement reflects the benefits of cost reduction initiatives and the ongoing transition to higher-value branded products in Germany. These margin improvements were achieved despite the market induced revenue decline and management remains focused on sustaining and building on these margin improvements.

Year-to-date gross profit was $7.6M, or 40.3% of revenue, compared with $8.4M, or 37.3%, in the corresponding prior-year period. Management continues to focus on operational efficiencies to support gross profit performance.

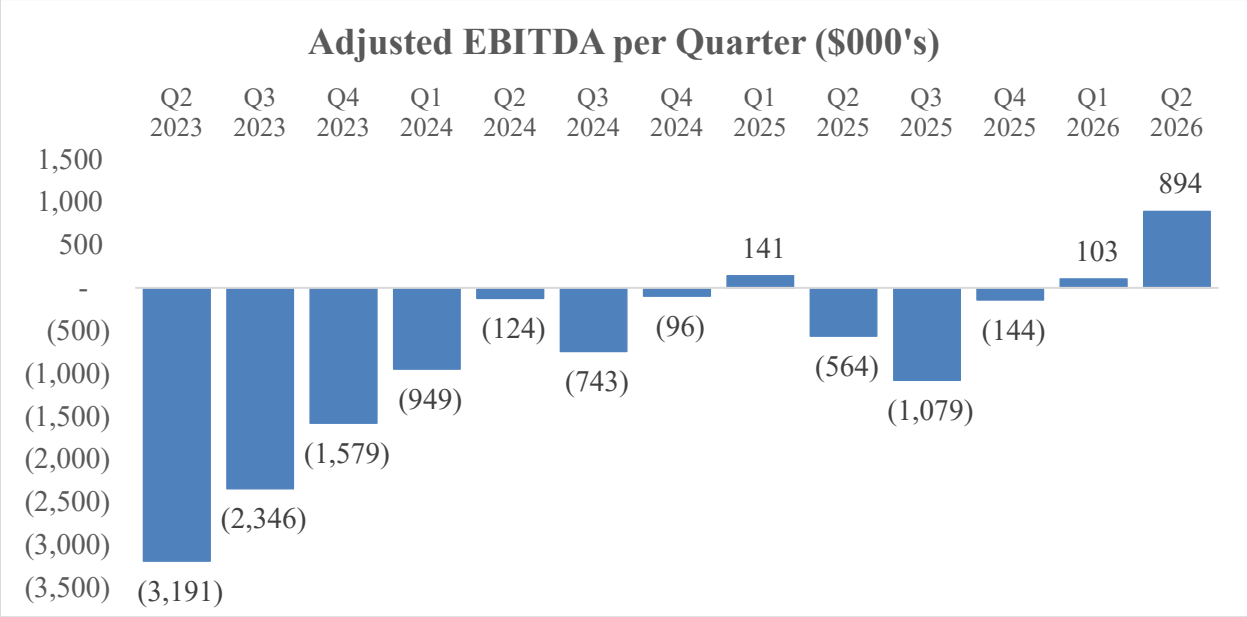
Operating expenses (general administrative expenses, marketing and selling expenses, and R&D expenses) were $4.0M in Q2 2026, a decrease of $3.2M, or 44%, compared with the prior-year period, primarily due

to elevated 2025 costs associated with the proxy contest. Operating expenses decreased by $0.2M or 4%, compared with Q1 2026 driven by restructuring completed at the end of Q1 2026 that is expected to generate over $1.0M of annualized savings. When adjusting for severance, transaction fees, and other discrete items, Q2 2026 operating expenses were $3.9M. Management continues to evaluate additional expense reduction opportunities.

The Company's year- to-date operating expenses of $8.2M decreased 32% or $3.8M versus prior year. When adjusting for severance for restructuring, costs related to the Proxy Contest, and other discrete items, year to date operating expenses were $7.9M which decreased $1.7M or 18% versus the corresponding prior year period due to restructuring and other cost reduction initiatives.

Adjusted EBITDA was $0.9M in Q2 2026, an improvement of $1.5M compared with Q2 2025 and by $0.8M compared with Q1 2026. This represents the Company's strongest quarterly Adjusted EBITDA result since 2019 and its second consecutive quarter of positive Adjusted EBITDA. The result demonstrates that the Company's margin improvement and cost reduction initiatives are offsetting the revenue headwinds experienced during the quarter and positioning the Company for improved performance as seasonal tailwinds return in subsequent quarters.

Year-to-date Adjusted EBITDA was positive $1.0M, an improvement of $1.4M compared with the corresponding prior-year period. This improvement was driven by continued margin expansion and disciplined cost management.



Strong Balance Sheet: The Company's cash balance at the end of Q2 2026 was $9.9M, consistent with Q1 2026. During the quarter, the Company increased inventory levels to support anticipated customer demand and future growth initiatives, which represented a use of cash. Despite this investment in working capital, the Company's cash balance remained stable, reflecting improved profitability, disciplined expense management, and effective working capital practices. Management continues to maintain a strong cash position through disciplined inventory management and by optimizing the timing of cash payment streams related to international operations. The Company remains virtually debt-free with the remaining $0.4M of debt substantially comprised of insurance premium financing and leases. Unlike many other cannabis

companies, MediPharm is current on its cannabis excise duties and accounts payable and owns its two production facilities.

This cash position is expected to provide MediPharm with stability to execute on its short-term sales plans and provides the balance sheet strength to support the Company's long-term growth strategy including strategic mergers and acquisitions. This balance sheet strength puts MediPharm in a strong position relative to many of our peer group who are burdened with excessive debt, unpaid excise duties, and significantly stretched accounts payable.

Corporate Governance: With the exception of David Pidduck, former Chief Executive Officer of the Company and Keith Strachan, co-founder and former President of the Company, the members of the Company's Board of Directors are independent.

Effective January 1, 2026, Michael Bumby was appointed to the Board of Directors of the Company to fill a resulting vacancy following the resignation of Shelley Potts as a director on December 31, 2025.

Effective January 23, 2026, David Pidduck stepped down from his role as Chief Executive Officer while continuing to serve as a director of the Company. On the same date, Greg Hunter, the Company's Chief Financial Officer, was appointed Interim Chief Executive Officer, in addition to his role as Chief Financial Officer.

Chris Taves and Chris Halyk did not seek re-election to the Company's Board of Directors at the annual and special meeting of shareholders held on June 17, 2026. Following the meeting, Keith Strachan was appointed Chair of the Board. As of the date of this MD&A, the Board of Directors consists of Keith Strachan (Chair), David Pidduck, Michael Bumby, John Medland and Emily Jameson.

Domestic Presence: MediPharm Labs operates in Canada pursuant to the Cannabis Act across both the medical and adult-use channels, with distribution through provincial boards, direct-to-patient platforms, and third-party partnerships.

MediPharm Labs is a leader in medical cannabis in Canada through our Canna Farms Medical platform, Harvest Medicine medical clinics and medical B2B product partnerships. MediPharm supports thousands of patients across Canada throughout their full cannabis journey, with direct access to virtual healthcare practitioner consultations and an eCommerce platform through which patients can order their cannabis medications. In Q2 2026, Harvest Medicine expanded their roster of healthcare practitioners and physician pain specialists, increasing capacity for new patients. The company also launched new product listings across partner medical eCommerce platforms in the quarter.

In the Adult Use & Wellness Channel, MediPharm Labs is a leader in the cannabis oil category under the MediPharm Brand and is the only licensed producer currently manufacturing and selling novel metered dose cannabinoid inhalers in Canada. The Company entered into a licensing agreement with Remidose Aerosols Inc. to acquire the exclusive global rights for advanced cannabis products including aerosol oral mist sprays and MDIs in 2024. The company launched MDI inhalers in 2025 and has continued to expand the offered assortment and provincial listings.

MediPharm Labs continues to strategically evolve its product portfolio, securing new listings with provincial boards and medical platforms across a differentiated family of brands and formats, including oils, inhalers, extracts, edibles, soft gels and pre-rolls. Several new products are slated to be released in the

second half of 2026[7], across the Company's, MediPharm, Wildlife and Northbound brands, with provincial listings confirmed.

International Presence:

During Q2 2026, the Company continued to advance its International Medical Cannabis business through the execution of purchase orders secured in prior periods, new commercial activity across core markets, and ongoing regulatory engagement in select jurisdictions. The Company remains focused on executing within regulated medical frameworks and advancing sustainable, repeatable commercial pathways across its international markets with a focus on organic growth and the continued expansion of its branded product portfolio.

Brazil
In April, the Company received a renewal of its ANVISA Good Manufacturing Practices (GMP) certificate for medicines. The GMP certificate enables the Company to continue manufacturing and supplying non-sterile liquids ("oils") and reinforces the Company's commitment to pharmaceutical standards in highly regulated markets such as Brazil. The Company commenced manufacturing activities related to the Brazilian purchase order received in Q1 2026. The order is expected to ship in Q3 2026 [8] and will represent the Company's first product with this Brazilian customer.

The Brazilian medical cannabis market continues to evolve and in May 2026 ANVISA published regulatory amendments to the cannabis framework, with RDC 1015/2026 taking effect. The new regulations significantly expand the permitted administration routes to include dermatological, inhalation, and other non-smoked formats. Additionally, RDC 1015/2026 relaxed the prescription type required for medicinal cannabis and expanded the type of health care practitioners that can prescribe medical cannabis in Brazil.

France
The Company successfully shipped its second purchase order of GMP cannabis oils to France in Q2 2026. Further orders are expected in the year as the market continues its transition from a limited pilot program to a permanent medical framework, with the potential to expand patient access and support product reimbursement frameworks[9].

The Company views France as a potentially meaningful strategic market over the long term given its scale, centralized oversight, and the development of a formalized market access mechanism[10].

[7] This forward-looking statement is based on the following material factors and assumptions: (a) provincial listings and commercial launch timelines will proceed as anticipated; (b) the Company will maintain sufficient production, inventory and distribution capabilities to support planned product launches; (c) the Company will continue to receive and maintain all required regulatory approvals and authorizations; and (d) market demand for the Company's new products and brands will be consistent with management's expectations.
[8] This forward-looking statement is based on the following material factors and assumptions: (a) the Company will obtain the necessary customary import and export approvals including applicable Brazilian and Canadian regulatory authorizations, and complete required commercial and manufacturing preparations as planned; and (b) demand for the Company's products from customers in the Brazilian medical market will meet expectations.
[9] This forward-looking statement is based on the following material factors and assumptions: (a) applicable regulatory and legislative authorities will implement a permanent medical cannabis framework substantially as currently contemplated, including the receipt of necessary regulatory approvals, legislative authorizations and, where applicable, the establishment of reimbursement mechanisms; and (b) demand for the Company's products from customers in the French medical cannabis market will meet expectations.
[10] This forward-looking statement is based on the following material factors and assumptions: (a) France will implement and maintain a permanent medical cannabis framework substantially as currently contemplated, including the development of a formalized market access mechanism; (b) the Company will obtain the necessary regulatory approvals, product registrations, customary import and export approvals and other applicable authorizations required to participate in the French market; and (c) demand for the Company's products in the French medical cannabis market will meet expectations.

Beacon Medical Australia

The Company successfully launched its value-focused Wildlife brand in Q2 2026, featuring two THC-dominant flower products in 15-gram units. This launch expands Beacon's participation in a segment that has grown rapidly as Australian patient pricing has compressed and a greater share of flower SKUs have shifted to lower price points, broadening affordability and driving volume at the value end of the market. Management believes participation in the value segment unlocks a portion of the market the Company did not previously compete in and supports broader patient access across price tiers.

The Australian medicinal cannabis market experienced a decline in unit sales during the second half of 2025, resulting in an approximately 28.5% reduction in sales over the six-month period[11]. This market-wide contraction followed the Australian Health Practitioner Regulation Agency's ("Ahpra") issuance of updated clinical guidance for cannabis prescribers, together with increased regulatory enforcement activity. Ahpra commenced enforcement action against a number of medical practitioners and indicated that additional investigations remained ongoing as of Q2 2026. Management believes that ongoing regulatory adjustments will continue to influence prescribing behaviour in the Australian market.

New Zealand

Following the successful launch of Beacon branded medicinal THC flower in Q1, the Company received replenishment orders, expected to ship in Q3 2026[12]. Management is evaluating future product launches while regulatory submissions for additional products remain under review by the local health regulator. With this milestone, Beacon Medical branded products are now offered in four countries, including Canada, Germany, Australia, and New Zealand.

Beacon Medical Germany

The Company continued to execute on its branded portfolio strategy in Germany with the launch of additional Beacon Medical and Wildlife branded flower products. Sales of European branded products grew 114% compared to the prior quarter with further launches expected in the second half of 2026[13]. Management believes a branded strategy can help mitigate exposure to spot market price compression while accessing more stable customer demand. This approach is intended to support a more predictable business model over time as competitive intensity increases.

During Q2 2026, the Company submitted a regulatory dossier for its metered dose inhaler product to a notified body. A response is expected in the second half of 2026, which could advance the commercialization pathway and support regulatory approvals for the Company's metered dose inhaler featuring THC and CBD[14]. The submission represents an important milestone in the development of the

[11] As reported in the Penington Institute, Medicinal Cannabis Sales and Regulatory Enforcement – Australia (April 2026), available online.

[12] This forward-looking statement is based on the following material factors and assumptions: (a) the Company will obtain approval for additional products from the New Zealand health authority, as well as the necessary customary import and export approvals and other applicable regulatory authorizations, and complete required commercial and operational preparations as planned; and (b) demand for the Company's products in the New Zealand medical market will meet expectations.

[13] This forward-looking statement is based on the following material factors and assumptions: (a) the Company will obtain any necessary regulatory approvals, product registrations, customary import and export approvals, and other applicable authorizations required to support planned product launches in European markets, and complete required commercial, manufacturing and supply chain preparations as planned; and (b) demand for the Company's branded products in European medical cannabis markets will meet expectations

[14] This forward-looking statement is based on the following material factors and assumptions: (a) the notified body will review the regulatory dossier and provide a response within the anticipated timeframe; (b) the Company will successfully address any information requests and obtain the necessary regulatory approvals, certifications and authorizations required for the commercialization of its metered dose inhaler products; (c) the Company will complete required commercial, manufacturing and

Company's pharmaceutical-grade metered dose inhaler platform, a differentiated cannabinoid delivery technology designed to provide precise and consistent dosing for patients.

Unique Suite of Licences and Authorizations: The Company has built on an industry-leading and expanding portfolio of licences, receiving a DEL from Health Canada, which is required to produce pharmaceutical prescription drugs with marketing authorization. This allows for participation in clinical trials and partnerships with other pharmaceutical companies that could result in potentially patentable intellectual property. The Company leveraged its collection of licences to enter into a research master agreement with McMaster University for participation in various cannabis based clinical trials and to enter into a research support agreement with the Keck School of Medicine of University of Southern California to conduct a Phase 2 trial on the efficacy of THC and CBD to treat hospice-eligible patients diagnosed with dementia and experiencing agitation. During the 2022 fiscal year, the Company leveraged the DEL to register CBD API with the FDA for commercial opportunities in pharmaceutical development, novel drugs, and generic drugs. This makes the Company the first Canadian company to register a CBD API DMF with the US FDA[15].

The Company's Napanee Facility holds a Part I and Part II EU GMP licence issued by the German Federal Institute for Drugs and Medical Devices. This allows the flower production and packaging of EU GMP products destined for Australia, Germany and the United Kingdom. With the possibility of additional European Union countries in the future, as medical cannabis regulations evolve. The Company's Barrie Facility holds a Part II EU GMP licence issued by the German Federal Institute for Drugs and Medical Devices in addition to its Health Canada DEL described above.

Clinical Research with Cannabinoids: MediPharm remains focused on supporting clinical research and supporting the development of future cannabis derived pharmaceutical drugs. Consistent with this commitment, the Company will supply the sponsor and principal investigators with cannabis-derived study drugs, placebos, and other services and assistance as may be required during the course of the studies. This CTM is provided for a fee and any contributions made in-kind are in relation to intangible future benefits to the Company.

The following update provides current milestone achievements of notable projects.

Researcher	Indication	Phase	Recent Milestone
USC (University of Southern California) Keck School of Medicine	Treatment of Alzheimer's Agitation Disorder	Phase 2	FDA approval of Investigational New Drug (IND) Clinical Trial Material (CTM) delivered, and enrollment commenced in Q3 2023. Second CTM delivery occurred in Q4 2023. Shipment of additional CTM for trial and open label extension shipped in late Q2 2025. The Phase II LiBBY clinical trial was subsequently completed, with results announced on July 14, 2026. See "Corporate Highlights - Positive

operational preparations as planned; and (d) demand for the Company's differentiated portfolio of THC and CBD metered dose inhalers will meet expectations.

[15] According to the FDA Drug Master File List last updated in Q4 2025, available online.

(All amounts disclosed are expressed in Canadian dollars (C$'000s) unless otherwise stated.)

Researcher	Indication	Phase	Recent Milestone
			Phase II LiBBY Clinical Trial Results" for additional details.
McMaster University	Treatment of post-surgical pain	Phase 2	CTM delivered and enrollment commenced in Q1 2023 Patient dosing commenced in Q2 2023. Additional CTM delivered in Q1 2024. Enrollment completed in Q4 2024. Last patient visit in February 2025 and data analysis ongoing.
University Health Network – Toronto	Improving Pain Disability with The Use of Oral Cannabinoids	Pilot	CTM Delivered and enrollment clinic in Q1 2023. Manufacturing of CTM in Q4 2025 and shipment completed in Q1 2026.
McMaster University	Insomnia in depressive disorder	Phase 2	CTM Shipment in Q1 2023 Patient dosing commenced in Q2 2023 with 2/3 of patients enrolled. Additional CTM delivered in Q1 2024. Enrollment completed in Q4 2024. Data analysis began in Q1 2025 and is currently in progress.
Centre for Medical Cannabis Research	PK of single dose THC/CBD in healthy adult controls and kidney disease	Phase 1	Patient dosing has been completed, and data analysis by the Principal Investigator is currently underway.
University of Manitoba	Chronic Headaches in Adolescents	Phase 2	Health Canada approval in December 2022. CTM shipment completed in Q1 2023, with an additional CTM delivery in Q1 2024. The study utilized the same CTM produced by the Company as in the preceding University of Manitoba trial to maintain product continuity. The Company was contacted in Q4 2025 for product shelf-life extension. Shelf-life extension was granted in Q1 2026.
University of Manitoba	Tolerability Study of Cannabinoids for symptom management in pediatric oncology	Phase 2	Health Canada approval obtained (No Objection Letter). Material shipped in Q3 2024. The study utilized the same CTM produced by the Company as in the preceding University of Manitoba trial to maintain product continuity. The Company was contacted in Q4 2025 for product shelf-life extension. Shelf-life extension was granted in Q1 2026. Study concluded

Researcher	Indication	Phase	Recent Milestone
			recruiting stage and moving into phase 2 allocation.
University Health Network – Toronto	Restless Legs Syndrome	Phase 2	Principal Investigator received approval in Q1 2025. Material shipped in Q3 2025. Additional material shipped in Q1 2026.
University of Manitoba	Drug Resistant Epilepsy	Phase 2	Regulatory package in preparation with submission Q4 2024. Study approval received initial approval in Q1 2025. No Objection Letter received in July 2025. Manufacturing and shipment of CTM are expected in early Q3 2026.[16]
BC Cancer Agency	Symptom Management in Cancer Patients	Phase 2	CTM shipments in Q1, Q2, Q3, and Q4 2024, with an additional shipment in Q1 2025. 80 of 90 patients recruited by end of Q1 2025. Patient recruitment completed late Q2 2025. The trial was completed in Q3 2025 and now pending compilation of results from the researcher for publication.
University of Calgary	The differential effects of THC vs. CBD on cognition in persons with MS	Pilot Phase 2	Received HC approval in late Q2 2025. CTM manufactured and shipped on Q1 2026.

In addition to these institutionally led studies, the Company is also providing API and clinical trial material to various pharmaceutical companies for commercial projects involving cannabis-derived drugs. The timelines for both institutional and industry research are long by nature with positive outcomes uncertain.

SUMMARY OF QUARTERLY RESULTS

The following tables set out the Company's selected quarterly consolidated financial information:

	Three months ended			
	June 30, 2026 $'000s	**March 31, 2026 $'000s**	**December 31, 2025 $'000s**	**September 30, 2025 $'000s**

[16]This forward-looking statement is based on the following material factors and assumptions: (a) the Company will supply CTM as planned without unexpected delays; and (b) the Company will maintain all required regulatory approvals necessary to commence the protocol in the applicable jurisdiction.

Net revenue	9,984	8,963	11,062	11,448
Gross profit before change in fair value of biological assets *	4,293	3,470	4,148	2,850
Gross profit *	4,312	3,322	4,275	2,989
General administrative expenses	(2,606)	(2,842)	(4,243)	(3,165)
Marketing and selling expenses *	(1,327)	(1,298)	(1,505)	(1,582)
R&D expenses	(83)	(24)	(52)	(47)
Share based compensation expense	(440)	(154)	(211)	(194)
Other operating(expense)/income, net	110	84	(271)	(189)
Operating profit/ (loss)	(34)	(912)	(2,007)	(2,188)
Net profit/(loss) for the period	4	(867)	(1,968)	(2,142)
Profit/(loss) per share – basic and diluted	0.000	(0.002)	(0.020)	(0.005)
Adjusted EBITDA [(1)]	894	103	(144)	(1,079)

	Three months ended			
	June 30, 2025 $'000s	**March 31, 2025 $'000s**	**December 31, 2024 $'000s**	**September 30, 2024 $'000s**
Net revenue	11,808	10,806	12,042	9,798
Gross profit before change in fair value of biological assets *	3,707	4,596	4,102	4,056
Gross profit *	3,800	4,642	4,155	3,537
General administrative expenses	(5,291)	(3,043)	(3,741)	(3,919)
Marketing and selling expenses *	(1,839)	(1,709)	(1,872)	(1,814)
R&D expenses	(46)	(78)	(35)	(126)
Share based compensation expense	(502)	(437)	(227)	(160)
Other operating income/expense), net	78	184	(83)	(226)
Operating loss	(3,800)	(441)	(1,803)	(2,708)
Net loss	(3,770)	(387)	(1,726)	(2,774)
Loss per share – basic and diluted	(0.009)	(0.001)	(0.010)	(0.010)
Adjusted EBITDA [(1)]	(564)	141	(96)	(743)

(1) Adjusted EBITDA is a non-IFRS measure. See "Reconciliation of non-IFRS Measures" for reconciliation to IFRS measures.

***** During the three and six months ended June 30, 2026, the Company modified the classification of patient education fees to more appropriately reflect the nature of the expense. Accordingly, comparative amounts in the above summary of quarterly consolidated financial information have been reclassified for consistency. As a result, amounts of $381, $427, $470, $460, $539 and $417 were reclassified from "cost of sale" to "marketing and selling expenses" for the three months ended December 31, 2025, September 30, 2025, June 30, 2025, March 31, 2025, December 31, 2024 and 30 September 2024 respectively. This reclassification also resulted in a corresponding increase in gross profit for each of the comparative periods presented and had no impact on net loss and adjusted EBITDA.

REVENUE

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

	30-June 2026 $'000s	31-Mar 2026 $'000s	31-Dec 2025 $'000s	30-Sept 2025 $'000s	30-June 2025 $'000s	31-Mar 2025 $'000s	31-Dec 2024 $'000s	30-Sept 2024 $'000s
Canada	4,198	4,361	5,007	5,002	4,897	4,855	5,505	6,219
International sales								
Australia	846	1,037	2,484	3,103	2,980	2,150	2,429	2,493
Germany	4,205	2,902	2,471	2,774	3,150	3,611	3,837	1,024
Other	735	663	1,100	569	781	190	271	62
	9,984	**8,963**	**11,062**	**11,448**	**11,808**	**10,806**	**12,042**	**9,798**
Canadian Adult Use and Wellness	1,456	1,086	1,384	1,756	1,607	1,349	1,732	1,690
Canadian Medical Cannabis								
Clinics	342	412	448	441	509	470	523	532
Other Canadian Medical Cannabis	1,964	2,566	2,742	2,508	2,610	2,670	2,604	3,214
	2,306	**2,978**	**3,190**	**2,949**	**3,119**	**3,140**	**3,127**	**3,746**
International Medical Cannabis	5,786	4,592	6,055	6,446	6,721	5,946	6,515	3,517
Pharmaceutical and B2B	436	307	433	297	361	371	668	845
	9,984	**8,963**	**11,062**	**11,448**	**11,808**	**10,806**	**12,042**	**9,798**
Products transferred at a point in time	9,127	8,430	10,215	10,990	11,478	10,384	11,551	8,959
Products and services transferred over time	857	533	847	458	330	422	491	839
	9,984	**8,963**	**11,062**	**11,448**	**11,808**	**10,806**	**12,042**	**9,798**

DISCUSSION OF OPERATIONS

Revenue

As of the date of this MD&A, our core business generates revenue through four primary streams, being Canadian Adult Use and Wellness, Canadian Medical Cannabis, International Medical Cannabis and Pharmaceutical and B2B, as described previously.

Cost of goods sold

Cost of sales reflects the cost to extract and process the cannabis concentrates as well as the management of product throughput and inventory levels. Cost of sales includes the purchase of material and services such as the purchase of dried cannabis, inbound freight expenses, a portion of insurance expenses, employee wages and benefit costs, and other operating expenses such as repairs and maintenance, plant overhead, fair value adjustments of as well as depreciation and any write-downs of inventory and manufacturing equipment.

Biological assets

Biological assets consist of cannabis plants at various stages of growth (pre-harvest) being cultivated by the Company. The value of these plants is recorded on the balance sheet as biological assets at their anticipated fair value less costs to harvest, package and sell. At harvest, the cumulative biological asset value of these plants is transferred from biological assets to inventory. This biological asset value is thereby 'embedded' in the value of the Company's inventory. Further post-harvest processing expenses are capitalized to inventory. When sold, the value of the capitalized post-harvest processing expenses within the sold inventory are expensed to 'cost of inventory sold', and the biological asset value embedded in the inventory is booked to 'realized gain on biological transformation' on the statement of losses.

All pre-harvest expenses attributable to the cultivation of plants, including both direct and indirect expenses, are expensed as production costs in the period in which they are incurred. They are not capitalized to biological assets and therefore are never included in inventory.

Gross profit

Gross profit is calculated by deducting the cost of sales and fair value adjustments of biological assets from revenue. The Company continues to refine its production processes and methodologies, and sell through historically acquired higher priced raw materials, and expects to increase production efficiency and gross profit.

General administrative expenses

General administrative expenses include personnel expenses, consulting and professional fees, depreciation and amortization, travel and entertainment expenses, bad debt expenses, insurance expenses, occupancy cost, filing fees and other expenses related to the infrastructure required to support our business.

Marketing and selling expenses

Marketing and selling expenses include investor relations expenses, advertising and promotion expenses, personnel expenses, travel and entertainment expenses, freight to customer and other expenses incurred to win new business and retain existing clients.

R&D expenses

R&D expenses currently include expenses related to working on new product lines, a portion of depreciation expense and wages and benefits cost.

Share-based compensation expense

Share-based compensation expense represents fair value of stock options and restricted share units ("**RSU**s") granted to employees and recognised over the vesting period.

Other operating expenses

Other operating expenses include foreign exchange loss, impairment of property, plant and equipment and intangibles, wage and rent subsidies and bank and financial institution service fees, which are costs that do not depend on sales or production quantities.

Finance income

Finance income comprises interest income earned on cash balance and short-term investments.

Finance expense

Finance expense comprises finance fees and interest expenses that were incurred on the loans and convertible notes.

Taxation expense

Taxation expense reflects the Company's income tax expense and deferred tax expense or recovery.

Other comprehensive income and loss

Other comprehensive income and loss include exchange gains and losses on translation of foreign operations.

Discussion and Analysis of the Results for the Three-Month Period Ended March 31, 2026

Results of operations for the three months ended June 30, 2026, as compared to the three months ended June 30, 2025 are discussed below:

	Three months ended June 30			
	2026 $'000s	2025 $'000s	$ Variance	Management Commentary
Net revenue	9,984	11,808	(1,824)	Net revenue decreased compared with Q2 2025, largely due to regulatory headwinds in the Australian and Canadian markets and lower bulk dronabinol revenue in Germany. See "Corporate Highlights – Financial Overview" for additional details.
Cost of sales	(5,691)	(8,101) [(2)]	2,410	The decrease was driven by lower sales volumes and improved margin performance across key markets, reflecting the ongoing impact of management's cost reduction and operational efficiency initiatives. See "Corporate Highlights – Financial Overview" for additional details.

(All amounts disclosed are expressed in Canadian dollars (C$'000s) unless otherwise stated.)

Gross profit before change in fair value of biological assets	4,293	3,707 [(2)]	586	Gross profit before change in fair value of biological assets increased versus Q2 2025 driven by improved margin performance and a favourable shift in product mix toward higher-margin products. See "Corporate Highlights – Financial Overview" for additional details.
Gross profit	4,312	3,800 [(2)]	512	The year-over-year increase is primarily attributable to margin expansion resulting from management's ongoing margin optimization initiatives and focus on higher-margin products and markets.
General administrative expenses	(2,606)	(5,291)	2,685	The decrease was primarily driven by costs incurred in connection with the Proxy Contest related to the ASM held in June 2025, which did not recur in the current period, as well as management's ongoing cost reduction initiatives, including headcount reductions and restructuring activities. See "Corporate Highlights – Financial Overview" for additional details.
Marketing and selling expenses	(1,327)	(1,839) [(2)]	512	The decrease reflects lower freight costs and headcount reductions implemented as part of ongoing cost control initiatives.
R&D expenses	(83)	(46)	(37)	R&D expenses increased mainly due to increase in sample testing.
Share-based compensation expenses	(440)	(502)	62	The decrease is due to a lower value of unvested grants compared to the prior period.
Other operating income, net	110	78	32	The increase is primarily attributable to the reversal of impairment of other assets and impact of foreign exchange difference.
Operating loss	(34)	(3,800)	3,766	See comments above.
Adjusted EBITDA [(1)]	892	(564)	1,456	Adjusted EBITDA is a non-IFRS measure. See "Reconciliation of non-IFRS Measures" for reconciliation to IFRS measures.
Finance income	50	42	8	Finance income increased slightly compared to Q2 2025, primarily attributable to higher interest income on cash and cash equivalents.
Finance expense	(12)	(12)	-	Expenses consistent with prior period.
Loss before taxation	4	(3,770)	3,774	See comments above.

(All amounts disclosed are expressed in Canadian dollars (C$'000s) unless otherwise stated.)

Net loss for the period	4	(3,770)	3,774	See comments above.

(1) Adjusted EBITDA is a non-IFRS measure. See "Reconciliation of non-IFRS Measures" for reconciliation to IFRS measures.

(2) During the three and six months ended June 30, 2026, the Company modified the classification of patient education fees to more appropriately reflect the nature of the expense. Comparative amounts in the statement of profit or loss were reclassified for consistency. As a result, patient education fees of $470 and $930 were reclassified from "cost of sales" to "marketing and selling expenses" for the three and six months ended June 30, 2025, respectively. The table below summarizes the impact of this reclassification on the Company's financial results for the three and six months ended June 30, 2025:

	Three months ended June 30 2025			Six months ended June 30 2025		
	As previously reported	**Reclassification**	**As reclassified**	**As previously reported**	**Reclassification**	**As reclassified**
Cost of sales	8,571	(470)	8,101	15,241	(930)	14,311
Marketing and selling expenses	1,369	470	1,839	2,618	930	3,548
Gross profit	3,330	470	3,800	7,512	930	8,442
Net loss	(3,770)	-	3,770	(4,157)	-	(4,157)

RECONCILIATION OF NON-IFRS MEASURES

The following section provides reconciliations of the supplemental non-IFRS financial measures used in this MD&A, compared to the most directly comparable financial measures calculated and presented in accordance with IFRS. The Company has provided the non-IFRS financial measures, which are not calculated or presented in accordance with IFRS, as supplemental information.

These supplemental non-IFRS financial measures are presented because management has evaluated the financial results of the Company, both including and excluding adjusted items, and believes that the supplemental non-IFRS financial measures presented provide additional perspective and insight when analyzing operating performance. These supplemental non-IFRS measures should not be considered superior to, a substitute for, or as an alternative to and should be read in conjunction with the IFRS financial measures presented.

Adjusted EBITDA

Adjusted EBITDA is a metric used by management which is net operating loss adjusted for interest, provisions for income taxes, other non-cash items including depreciation and amortization, share-based compensation, derivative liabilities, and extraordinary and non-recurring items.

The following tables reconcile the Company's net operating loss (as reported) and Adjusted EBITDA for the past eight quarters:

	Three months ended			
	June 30, 2026 $'000s	**March 31, 2026 $'000s**	**December 31, 2025 $'000s**	**September 30, 2025 $'000s**
Net operating profit/ (loss)	(34)	(912)	(2,007)	(2,188)
Adjusted for:				
Share-based compensation expense	440	154	211	194
Depreciation and amortization	384	382	396	420
Restructuring related severance expenses	23	121	942	104
Impairment loss on remeasurement of assets held for sale	-	-	-	34
Loss/ (gain on disposition of assets)	-	-	-	147
Incremental cost of cannabis inventory acquired in a business combination [(1)]	116	9	7	31
Fair value adjustments in gross profit	(19)	148	(127)	(139)
Miscellaneous [(4)]	(16)	171	138	-
AGM related proxy fees [(2)]	-	18	162	173
Transaction costs [(3)]	-	12	134	145
Adjusted EBITDA	**894**	**103**	**(144)**	**(1,079)**

(1) This represents the fair value realized on sale of cannabis inventory acquired in a business combination.
(2) This relates to certain fees and expenses associated with the Proxy Contest in connection with the ASM held June 16, 2025, and ongoing legal expenses related to the Apollo Claim.
(3) This includes non-recurring fees; expenses associated with the evaluation of potential mergers and acquisitions and fees related to reorganization of legal entities.
(4) This relates to unusual, non-recurring transactions that are not reflective of the Company's ongoing operating performance and are not expected to occur again.

	Three months ended			
	June 30, 2025 $'000s	**March 31, 2025 $'000s**	**December 31, 2024 $'000s**	**September 30, 2024 $'000s**
Net operating loss	(3,800)	(441)	(1,803)	(2,708)
Adjusted for:				
Share-based compensation expense	502	437	227	160
Depreciation and amortization	419	425	563	518
Restructuring related severance expenses	229	-	80	87
Impairment loss on remeasurement of assets held for sale	81	-	-	113
Gain on disposition of assets	(271)	-	-	-
Early lease termination cost	-	-	70	-

	Three months ended			
	June 30, 2025 $'000s	**March 31, 2025 $'000s**	**December 31, 2024 $'000s**	**September 30, 2024 $'000s**
Incremental cost of cannabis inventory acquired in a business combination [1]	42	20	251	110
Write down of inventories [2]	-	-	10	27
Fair value adjustments in gross profit	(93)	(46)	(53)	519
Indirect tax reassessments [3]	-	524	-	153
Miscellaneous	57	(28)	150	-
ASM related Proxy Contest fees [4]	2,170	-	-	-
Transaction costs [5]	100	(750)	409	278
Adjusted EBITDA	**(564)**	**141**	**(96)**	**(743)**

1. This represents the fair value realized on sale of cannabis inventory acquired in a business combination.
2. This adjustment is for unusual inventory write-downs only and not the total value of inventory written down.
3. This relates to liabilities recognized in connection with notices of reassessment related to prior periods issued by the tax authorities.
4. This relates to certain fees and expenses associated with the Proxy Contest in connection with the ASM held June 16, 2025, and ongoing legal expenses related to the Apollo Claim.
5. This includes non-recurring fees, expenses associated with the evaluation of potential mergers and acquisitions, fees related to reorganization of legal entities. This also includes fees and non-refundable deposits related to the proposed sale of the Napanee Facility, which was terminated in January 2025.

CAPITAL STRUCTURE

Common Shares

The Company's authorized capital consists of an unlimited number of Common Shares. As at June 30, 2026, and as at the date of this MD&A, the Company had 427,177,154 Common Shares issued and outstanding.

Stock Options and RSUs

As at June 30, 2026, and as of the date of this MD&A, options to purchase up to 40,277,258 Common Shares were issued and outstanding. During the six months ended June 30, 2026, 5,450,124 options to purchase Common Shares were granted, 1,769,602 options to purchase Common Shares were exercised through the issuance of 503,627 Common Shares for proceeds of nil, and options to purchase 1,769,588 Common Shares were forfeited, cancelled and/or expired.

As at June 30, 2026, and as of the date of this MD&A, RSUs representing the right to acquire up to 4,673,316 Common Shares were issued and outstanding. During the six months ended June 30, 2026, 2,018,571 RSUs were granted, 3,334,023 RSUs were settled, and 279,939 RSUs were forfeited, cancelled and/or expired.

The unissued shares are withheld for tax obligations, which are settled in cash by the Company.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

Management's objectives when managing the Company's liquidity and capital structure are to generate sufficient cash to fund the Company's operating and growth strategy. The Company constantly monitors and manages its capital resources to assess the liquidity necessary to fund operations and capacity expansion.

Management of the Company believes the Company's current resources are sufficient to settle its current liabilities, when considering inventory, trade receivables and cash and cash equivalents.

The following table presents the net cash flows for each of the periods presented:

	Six months ended 30-Jun			
	2026 $'000s	2025 $'000s	Change	Management Commentary
Cash and cash equivalents, beginning of period	10,806	11,690	(884)	
Net cash used in operating activities	(1,258)	(5,781)	4,523	Net cash used in operating activities improved significantly from $5.8M in 2025 to $1.3M in 2026, primarily driven by absence of costs incurred in connection with the Proxy Contest related to the ASM held in June 2025, as well as the impact of ongoing cost reduction initiatives and improved operating performance.
Net cash (used in)/generated from investing activities	(47)	4,161	(4,208)	Net cash inflow in 2025 primarily reflected $4.2M net proceeds received from the sale of the Hope Facility in Q2 2025, which did not recur in 2026, offset by purchases of machinery and equipment.
Net cash generated from financing activities	303	238	65	Net cash generated from financing activities increased compared with 2025, due to higher repayments of insurance premium financing in 2025, resulting in lower financing cash outflows in the current period.
Effect of exchange rate change on cash and cash equivalents	46	54	(8)	
Cash and cash equivalents, end of period	9,850	10,362	(512)	Refer to comments above.

Contractual Obligations

The Company's contractual obligations as at June 30, 2026 increased by $1.06M compared to June 30, 2025, primarily due to increase in trade and other payables and employee benefit obligations offset by part repayment of the insurance premium financing.

Contractual Obligations	Payments due by Period $'000s				
	Total	Less than 6 months	6-12 months	12-36 months	36-60 months
Trade and other payables	8,989	8,989	-	-	-
Employee benefit obligations	1,149	680	469	-	-
Loans and borrowings	411	274	137	-	-
Lease liability	11	11	-	-	-
Total contractual obligations	**10,560**	**9,954**	**606**	**-**	**-**

Capital Resources

As of June 30, 2026, the Company does not have any material commitments for capital expenditures. The Company is continually evaluating various debt and/or equity financing opportunities to lower its cost of capital and optimize its capital structure.

The Company is subject to risks including, but not limited to, its inability to raise additional funds through debt and/or equity financing to support its continued operations and to meet its liabilities and commitments as they come due. See "Risk Factors".

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

See Note 17 of the Financial Statements. Other than compensation of key management personnel, the Company had no transactions with related parties.

RISK FACTORS

There are a number of risk factors that could impact the Company's ability to successfully execute its key strategies and may materially affect future events, performance, or results. In addition to, but not limited to, the risks described herein, reference is made to the following risk factors discussed in greater detail under the heading "Risk Factors" in the Annual Information Form available on www.sedarplus.ca, which risk factors are incorporated by reference into this document and should be reviewed in detail by all readers:

- negative operating cash flow and ability to continue as a going concern;
- limited operating history;

- regulatory compliance risks;
- change of cannabis laws, regulations and guidelines;
- change in medical cannabis benefits provided by the government;
- permit approvals;
- reliance on licences and authorizations;
- lack of long-term client commitments;
- COVID-19 pandemic and other potential public health crises;
- disruption of supply chain;
- risks relating to R&D milestones and the Company's equipment;
- client and receivables risks;
- realization of growth targets including expansion of facilities and operations;
- management of growth;
- history of net losses;
- difficulty to forecast;
- competition;
- competition from illicit market;
- inability to sustain pricing and inventory models;
- conflicts of interest;
- shareholder activism;
- legal proceedings;
- product liability;
- unknown health impact with use of cannabis products;
- product recall;
- insurance and uninsured risks;
- environmental regulation and risks;
- climate change risks;
- unfavourable publicity or consumer perception;
- catastrophic events;
- reliance on production facilities;
- information technology system and cyber attack risks;
- dependence on supply of cannabis and other key inputs;
- maintenance of effective quality control systems;
- retention and acquisition of skilled personnel;
- publication of negative results of clinical trials;
- failure to comply with laws in all jurisdictions;
- United States of America entry restrictions;
- perceived reputational risk for third parties;
- risks related to intellectual property;
- anti-money laundering laws and regulation risks;

- anti-bribery law violations;
- marketing constraints;
- research and development;
- shelf life of inventory;
- scheduled maintenance, unplanned repairs, equipment outages and logistical disruptions;
- risks as a result of international expansions;
- operations in foreign jurisdictions;
- reliance upon international advisors and consultants;
- foreign currency risk;
- international conflict;
- acquisition and integration risk;
- access to capital;
- estimates or judgments relating to critical accounting policies;
- tax risks;
- inflation risk;
- market for the Common Shares;
- significant fluctuations in the market price of the Common Shares;
- investment in the cannabis sector;
- no history of payment of cash dividends;
- reporting issuer status;
- significant sales of Common Shares;
- analyst coverage;
- tax issues related to the Common Shares;
- market for future offerings of securities;
- future sales affecting market price; and
- management discretion concerning use of proceeds.

Proxy Contest

As previously disclosed in the Company's Management's Discussion and Analysis for the year ended December 31, 2025, the Company, David Pidduck, who was at the time the Chief Executive Officer and a director of the Company, and Chris Taves, Chairman of the Board of the Company were named in legal proceedings initiated by certain shareholders in connection with a proxy contest relating to the Company's annual and special meeting held on June 16, 2025 (the "Apollo Claim").

In connection with the Apollo Claim, Messrs. Pidduck and Taves brought a motion under section 137.1 of the *Courts of Justice Act* seeking dismissal of the Apollo Claim against them on the basis that it constituted a Strategic Lawsuit Against Public Participation. The motion was heard on October 31, 2025, and on November 12, 2025, the Court granted the motion and dismissed the Apollo Claim against Messrs. Pidduck and Taves. On April 22, 2026, following consideration of the parties' submissions on costs, the Court ordered that the Plaintiffs pay costs to Messrs. Pidduck and Taves on a full indemnity basis in the aggregate amount of $250,000. On January 30, 2026, the Plaintiffs filed the Appeal appealing the Court's decision

dismissing the Apollo Claim. As a result, the costs order is subject to an automatic stay pending the resolution of the Appeal, which is scheduled to be heard on October 14, 2026. Accordingly, the Company has not recognised the $250,000 cost awarded in its financial statements. In addition, the Company was not a named party to the costs proceeding and neither the Company nor its officers or directors are obligated to pay any amounts in connection with this matter.

The Company continues to believe that the allegations set forth in the Apollo Claim are without merit and does not expect that the outcome of the Appeal will have a material effect on the Company's financial position, results of operations or cash flows. Accordingly, no provision has been recorded. The Company is working with its directors' and officers' insurance providers in connection with the Apollo Claim to ensure that, to the extent coverage is available, the Company maximizes such coverage.

For additional details regarding the proxy contest and related legal proceedings, refer to the Company's Management's Discussion and Analysis for the year ended December 31, 2025, which is available on the Company's website at www.medipharmlabs.com and under the Company's SEDAR+ profile at https://www.sedarplus.ca/.

Shareholder Activism

The Company has been subject to shareholder activism and may be subject to such activism in the future, which may include proxy solicitations, shareholder proposals or other actions by activists to effect changes to the Company or to assert influence on our Board of Directors and management. For example, in May 2025, Apollo launched the Proxy Contest against management of the Company to propose a slate of Dissident Nominees for election at the ASM held on June 16, 2025. On June 16, 2025, at the ASM, management's director nominees were elected/re-elected to the Board of Directors, being Chris Halyk, Emily Jameson, John Medland, David Pidduck, Shelley Potts, Keith Strachan and Chris Taves. None of the Dissident Nominees were elected.

Shareholder activism pursued against the Company has in the past, and may in the future, give rise to or result in, among other things: (a) increased costs, including expenses of third-party advisors, insurance, administrative expenses and other associated costs; (b) perceived uncertainties as to our future direction, which could result in reputational harm and the loss of potential business opportunities and could make it more difficult to attract, retain, or motivate qualified personnel, and strain relationships with investors, customers, suppliers, business partners, and regulators; (c) reduction or delay in our ability to effectively and timely execute our current business strategy and to implement new strategies; (d) diversion of the attention of our Board of Directors and management team; (e) potential litigation as a result of proposals by activist shareholders or proxy contests or matters relating thereto; and (f) fluctuations in the Company's share price based on temporary or speculative market perceptions or other factors that do not necessarily reflect the underlying fundamentals and prospects of our business. Any such shareholder activism could have an adverse effect on our business, financial condition, and results of operations.

Legal Proceedings

From time to time, the Company may be a party to legal and regulatory proceedings, including matters involving governmental agencies, entities with whom it does business and other proceedings arising in the ordinary course of business. The Company will evaluate its exposure to these legal and regulatory proceedings and establish reserves for the estimated liabilities in accordance with generally accepted accounting principles. Assessing and predicting the outcome of these matters involves substantial uncertainties. Unexpected outcomes in these legal proceedings, or changes in management's evaluations or predictions and accompanying changes in or establishment of reserves, could have an adverse impact on

the Company's financial results. In addition, one long-term contract is subject to ongoing litigation, as the counterparty has not fulfilled its contractual obligations for committed amounts.

Any future claims or proceedings against the Company, or any of its directors or officers, could result in monetary damages, which may have a negative impact on the Company's liquidity and financial condition to the extent that the monetary damages exceed coverage under the Company's director and officer insurance, or the extent the director and officer insurance coverage is not available. In addition, defending against these claims can result in substantial costs and divert management time and resources.

CRITICAL ACCOUNTING ESTIMATES

See Note 2.3 of the Financial Statements.

CHANGES IN ACCOUNTING POLICIES

There have been no material changes to our critical accounting estimates and policies during the six months ended June 30, 2026.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS

Management maintains appropriate information systems, procedures, and controls to provide reasonable assurance that information that is publicly disclosed is complete, reliable, and timely. The Chief Executive Officer (the "**CEO**") and Chief Financial Officer (the "**CFO**") of the Company, along with the assistance of senior management under their supervision, have designed disclosure controls and procedures to provide reasonable assurance that material information relating to the Company is made known to the CEO and CFO, and have designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

No changes were made in our design of internal controls over financial reporting during the six months ended June 30, 2026, that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

It should be noted that a control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance of control issues, including whether instances of fraud, if any, have been detected. These inherent limitations include, among other items: (i) that management's assumptions and judgments could ultimately prove to be incorrect under varying conditions and circumstances; (ii) the impact of any undetected errors; and (iii) that controls may be circumvented by the unauthorized acts of individuals, by collusion of two or more people, or by management override.

DISCLOSURE FOR ISSUERS WITH U.S. MARIJUANA-RELATED ACTIVITIES

On February 8, 2018, the Canadian Securities Administrators published the Staff Notice which provides specific disclosure expectations for issuers that currently have, or are in the process of developing, cannabis-related activities in the U.S. as permitted within a particular state's regulatory framework. All issuers with

U.S. cannabis-related activities are expected to clearly and prominently disclose certain prescribed information in required disclosure documents. Different disclosures are required to the extent a reporting issuer is deemed to be directly or indirectly engaged in the U.S. cannabis industry, or deemed to have "ancillary industry involvement", all as further described in the Staff Notice.

As of the date of this MD&A, the Company is not involved in activities that, according to the Staff Notice, would categorize the Company as an issuer with U.S. marijuana-related activities, specifically any cultivation, possession or distribution of marijuana that is illegal under U.S. federal law. The Company's current plans to supply approved CBD APIs to pharmaceutical companies conducting late-stage research, pursuant to its FDA DMF filing (the "**U.S. Activities**") will be completed in accordance with the appropriate U.S. federal laws under which the Company's activities are considered federally legal.

In accordance with the Staff Notice, the Company will evaluate, monitor and reassess this disclosure, and any related risks, on an ongoing basis and intends to supplement and amend the same to investors in public filings, including in the event of government policy changes or the introduction of new or amended guidance, laws or regulations regarding cannabis regulation. As of the date of this MD&A, the Company has no direct or indirect cannabis-related activity outside of the U.S. Activities that would require additional disclosure pursuant to the Staff Notice**.**