MEDIPHARM LABS CORP.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
FOR THE THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2026 and 2025

NOTICE OF NO AUDITOR REVIEW

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

CONTENTS

PAGE

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION 2-3

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF PROFIT/(LOSS) 4

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)…….5

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY 6

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS 7

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS …. 8-28

NOTE 1	NATURE OF OPERATIONS	8
NOTE 2	BASIS OF PREPARATION OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS	9-12
NOTE 3	FINANCIAL ASSETS AND FINANCIAL LIABILITIES	12
NOTE 4	TRADE AND OTHER RECEIVABLES	13
NOTE 5	INVENTORIES	13
NOTE 6	BIOLOGICAL ASSETS	14-15
NOTE 7	OTHER ASSETS	15
NOTE 8	PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	16-17
NOTE 9	TRADE AND OTHER PAYABLES	18
NOTE 10	PROVISIONS, CONTINGENT ASSETS AND LIABILITIES AND COMMITMENTS	18-19
NOTE 11	LOANS AND BORROWINGS	20
NOTE 12	CAPITAL, RESERVES AND OTHER EQUITY ITEMS	20-22
NOTE 13	REVENUE	22-23
NOTE 14	EXPENSES BY NATURE	23-24
NOTE 15	FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT	24-27
NOTE 16	FAIR VALUE OF FINANCIAL INSTRUMENTS	27-28
NOTE 17	TRANSACTIONS AND BALANCES WITH RELATED PARTIES	28
NOTE 18	EVENTS AFTER THE REPORTING PERIOD	28

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at September 30, 2026 and December 31, 2025

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

	Notes	September 30, 2026	December 31, 2025
ASSETS			
Current assets:			
Cash and cash equivalents		10,101	10,806
Trade and other receivables	4	9,168	7,529
Inventories	5	8,274	7,850
Biological assets	6	100	168
Other assets	7	1,087	1,114
Total current assets		**28,730**	**27,467**
Non-current assets:			
Property, plant and equipment	8	17,033	17,596
Intangibles	8.2	694	675
Total non-current assets		**17,727**	**18,271**
Total assets		**46,457**	**45,738**

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at September 30, 2026 and December 31, 2025

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

	Notes	September 30, 2026	December 31, 2025
LIABILITIES AND EQUITY			
Current liabilities:			
Trade and other payables	9	9,412	9,201
Current employee benefit obligations		1,077	524
Loans and borrowings	11	320	201
Total current liabilities		**10,809**	**9,926**
Total liabilities		**10,809**	**9,926**
Equity:			
Common shares	12.1	202,072	201,904
Reserves		3,812	3,399
Accumulated other comprehensive loss		(106)	(112)
Accumulated deficit		(170,130)	(169,379)
Total equity		**35,648**	**35,812**
Total liabilities and equity		**46,457**	**45,738**

Commitments and contingencies	10
Subsequent events	18

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

/s/ "*Keith Strachan*"
Keith Strachan
Director

/s/ "*John Medland*"
John Medland
Director

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

MEDIPHARM LABS CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF PROFIT/ (LOSS)
For the three and nine months ended September 30, 2026 and 2025

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

	Notes	Three months ended September 30		Nine months ended September 30	
		2026	**2025***	**2026**	**2025***
Revenue		12,364	12,218	32,648	36,359
Excise taxes		(562)	(770)	(1,899)	(2,297)
Net revenue	13	**11,802**	**11,448**	**30,749**	**34,062**
Cost of sales	5	(8,049)	(8,598)	(19,233)	(22,909)
Gross profit before change in fair value of biological assets		**3,753**	**2,850**	**11,516**	**11,153**
Realized fair value adjustment on sale of inventories		(364)	(329)	(1,189)	(1,088)
Unrealized gain on changes in fair value of biological assets	6	417	468	1,113	1,366
Gross profit		**3,806**	**2,989**	**11,440**	**11,431**
General administrative expenses		(2,355)	(3,165)	(7,803)	(11,499)
Marketing and selling expenses		(1,214)	(1,582)	(3,839)	(5,130)
Research and development expenses		(16)	(47)	(123)	(171)
Share-based compensation expense	12, 14	(103)	(194)	(697)	(1,133)
Other operating (expenses)/ income, net		(39)	(189)	155	73
Operating profit/(loss)		**79**	**(2,188)**	**(867)**	**(6,429)**
Finance income		47	62	157	174
Finance expense		(14)	(16)	(41)	(44)
Net profit/(loss) for the period		**112**	**(2,142)**	**(751)**	**(6,299)**
Basic and diluted profit/(loss) per share		0.00	(0.01)	(0.00)	(0.02)
Weighted average number of outstanding shares		427,177,154	420,755,012	425,874,056	417,194,077

*Comparative information has been reclassified due to a change in classification. See Note 14(6).

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

MEDIPHARM LABS CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/ (LOSS)

For the three and nine months ended September 30, 2026 and 2025

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

	Notes	Three months ended September 30		Nine months ended September 30	
		2026	2025	2026	2025
Net profit/(loss) for the period		**112**	**(2,142)**	**(751)**	**(6,299)**
Other comprehensive income/(loss)					
Items that may be reclassified to profit or loss					
Exchange differences on translation of foreign operations		1	(8)	6	58
Total comprehensive income/(loss) for the period		**113**	**(2,150)**	**(745)**	**(6,241)**

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the nine months ended September 30, 2026 and 2025

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

	Common Shares		Reserves				
	Number	Share capital	Share-based payments	Warrant reserve	Accumulated other comprehensive loss	Accumulated deficit	Total
Balance at January 1, 2025	**415,048,645**	**201,210**	**24,461**	**5,095**	**(156)**	**(187,426)**	**43,184**
Shares issued on exercise of RSUs (Note 12.1)	5,691,552	426	(640)	-	-	-	(214)
Shares issued on exercise of options (Note 12.1)	14,815	1	(2)	-	-	-	(1)
Share based compensation (Note 12)	-	-	1,133	-	-	-	1,133
Transfer of warrant reserve upon expiration of warrants*	-	-	-	(5,095)	-	5,095	-
Foreign exchange translation	-	-	-	-	58	-	58
Net loss for the period	-	-	-	-	-	(6,299)	(6,299)
Balance at September 30, 2025	**420,755,012**	**201,637**	**24,952**	**-**	**(98)**	**(188,630)**	**37,861**
Balance at January 1, 2026	**424,864,269**	**201,904**	**3,399**	**-**	**(112)**	**(169,379)**	**35,812**
Shares issued on exercise of RSUs (Note 12.1)	1,809,258	136	(250)	-	-	-	(114)
Shares issued on exercise of options (Note 12.1)	503,627	32	(34)	-	-	-	(2)
Share based compensation (Note 12)	-	-	697	-	-	-	697
Foreign exchange translation	-	-	-	-	6	-	6
Net loss for the period	-	-	-	-	-	(751)	(751)
Balance at September 30, 2026	**427,177,154**	**202,072**	**3,812**	**-**	**(106)**	**(170,130)**	**35,648**

* Warrant reserve has been reclassified to accumulated deficit as the warrants expired unexercised.

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the nine months ended September 30, 2026 and 2025

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

		Nine months ended September 30	
	Notes	**2026**	**2025**
Cash flows from operating activities:			
Net loss for the period		(751)	(6,299)
Adjustments for:			
Depreciation and amortization	8	1,105	1,264
Write down of inventory	5	47	112
Change in fair value of biological assets		76	(278)
Impairment of assets held for sale		-	115
Loss on disposal of property, plant and equipment		-	147
Gain on disposal of assets held for sale		-	(271)
Change in expected credit loss	15	2	13
Finance income, net		(116)	(130)
Unrealized foreign exchange difference		(17)	10
Share-based compensation	12, 14	697	1,133
Cash generated from/ (used in) operating activities before changes in working capital		1,043	(4,184)
Change in trade and other receivables	4	(1,641)	(225)
Change in inventories	5	(547)	799
Changes in biological assets	6	68	(25)
Change in other assets	7	27	(89)
Change in trade and other payables	9	95	155
Change in current employee benefit obligation		553	(2,370)
Changes in working capital		(1,445)	(1,755)
			-
Net cash used in operating activities		**(402)**	**(5,939)**
Cash flows from investing activities:			
Purchase of property, plant and equipment	8	(409)	(100)
Purchase of intangible assets	8.2	(152)	-
Proceeds from sale of property, plant and equipment		-	35
Proceeds from sale of assets held for sale		-	4,685
Net cash (used in)/generated from investing activities		**(561)**	**4,620**
Cash flows from financing activities:			
Loan received	11	457	500
Repayment of loans and borrowings	11	(287)	(407)
Interest received		157	174
Interest paid		(39)	(40)
Payment of lease liabilities		(53)	(62)
Net cash generated from financing activities		**235**	**165**
Effects of exchange rate changes		**23**	**48**
Decrease in cash and cash equivalents		**(705)**	**(1,106)**
Cash and cash equivalents at the beginning of the period		**10,806**	**11,690**
Cash and cash equivalents at the end of the period		**10,101**	**10,584**

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

NOTE 1 - NATURE OF OPERATIONS

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

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

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

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

These condensed interim consolidated financial statements of the Company as at and for the three and nine months ended September 30, 2026 (the "Interim Financial Statements"), include the financial statements of the Company and its wholly owned subsidiaries. Throughout these Interim Financial Statements, unless the context indicates or requires otherwise, the terms the "Company", "MediPharm", "we", "us" and "our" refer to MediPharm Labs Corp. together with its subsidiaries. The Company's subsidiaries are stated below:

Subsidiaries	Registered Country
MediPharm Labs Inc. ("MPL")	Canada
ABcann Medicinals Inc.	Canada
Harvest Medicine Inc.	Canada
Beacon Medical Germany GmbH	Germany
Beacon Medical Australia Pty Ltd.	Australia

NOTE 2 - BASIS OF PREPARATION OF THE INTERIM FINANCIAL STATEMENTS

2.1 Basis of presentation

(i) Statement of compliance

These Interim Financial Statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* and should be read in conjunction with the Company's last annual consolidated financial statements as at and for the year ended 31 December 2025. They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS® Accounting Standards issued by the International Accounting Standards Board ("IASB").

On November 11, 2026, the Board of Directors of the Company approved these Interim Financial Statements.

(ii) Historical cost convention

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

(iii) Foreign currency translation

Functional and presentation currency

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

Foreign currency transactions and balances

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

Foreign operations

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

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

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

(iv) Basis of consolidation

Subsidiaries

The percentage of voting power held by the parent company, MediPharm Labs Corp. and its subsidiaries and the total percentage of ownership interests at September 30 and December 31 are presented below:

	Proportion of voting power held by the Company		
Subsidiaries	**(%)**	**(%)**	**(%)**
	September 30, 2026	**December 31, 2025**	**September 30, 2025**
MediPharm Labs Inc.	100%	100%	100%
ABcann Medicinals Inc.	100%	100%	100%
Harvest Medicine Inc.	100%	100%	100%
Beacon Medical Germany GmbH	100%	100%	100%
Beacon Medical Australia Pty Ltd.	100%	100%	100%

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

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the condensed interim consolidated statements of profit/(loss) and condensed interim consolidated statements of comprehensive income/(loss) from the date the Company gains control of the subsidiary until the date when the Company ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Company's accounting policies.

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

2.2 Accounting standards issued but not yet effective

IFRS 18 *Presentation and Disclosure in Financial Statements* will replace IAS 1 *Presentation of Financial Statements* and applies for annual reporting periods beginning on or after 1 January 2027. The Company has not early adopted the new accounting standard in preparing these condensed consolidated interim financial statements; however, earlier application is permitted.

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

IFRS 18 introduces expanded requirements for how financial information is presented and disclosed. The standard adds new subtotals, categories for income and expenses, and mandates disclosure of management performance measures. It also enhances rules around aggregation and disaggregation. Adoption is retrospective, and the Company is currently assessing system changes, preparing draft disclosures, and planning comparative restatements ahead of the 2027 effective date.

2.3 Use of estimates and judgements

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

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

(i) Expected loss rate

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

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

The Company issues share-based warrants and stock options. In estimating the fair value of the share-based warrants and stock options, the Company uses the Black Scholes option pricing model with inputs such as expected life, expected forfeiture rate and volatility of the stock option, based on their best estimate. The assumptions used for estimating fair value for share-based payment transactions with respect to stock options are disclosed in Note 12.2.

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

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

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

The assessment of any impairment of the Company's property, plant and equipment and intangible assets is dependent upon an estimate of the recoverable amounts of these assets. The determination of whether triggering events require an assessment of the recoverable amount of the asset or Cash Generating Unit ("CGU") requires judgement. If triggering events are identified, the recoverable amount of the CGU is determined based on the higher of the value in use and fair value less costs of disposal.

The process to calculate the fair value less costs of disposal require use of valuation methods such as market and cost approaches which uses key inputs and assumptions such as market transactions, inflation indices and discount factors. The process to calculate the value in use requires the use of a discounted cash flow method which uses assumptions or key variables including estimated cash flows, discount rates and terminal value growth rates. The Company applies judgement when determining which methods are most appropriate to estimate the value in use and fair value less costs of disposal.

(iv) Valuation of biological assets and inventories

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

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

NOTE 3 – FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	September 30, 2026	December 31, 2025
Financial assets at amortized cost		
Cash and cash equivalents	10,101	10,806
Trade and other receivables (Note 4)	9,168	7,529
Financial liabilities at amortized cost		
Trade and other payables (Note 9)	9,412	9,201
Current employee benefit obligations	1,077	524
Loan and borrowings (Note 11)	320	201

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

NOTE 4 – TRADE AND OTHER RECEIVABLES

	September 30, 2026	December 31, 2025
Trade receivables, net	8,996	6,767
Other receivables (1)	23	423
HST/GST/VAT receivable	149	339
	9,168	**7,529**

(1) Other receivables primarily comprise accrued interest and vendor refunds.

Credit risk and aging analysis related to trade receivables are included in Note 15.1.

NOTE 5 – INVENTORIES

	September 30, 2026	December 31, 2025
Raw materials	2,568	2,467
Semi-finished and finished goods	4,317	4,116
Consumables and packages	1,389	1,267
	8,274	**7,850**

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

For the three and nine months ended September 30, 2026, the Company recognized write downs of the carrying value of its raw materials and finished goods of $25 and $47 (three and nine months ended September 30, 2025: $nil and $112) in cost of sales.

NOTE 6 – BIOLOGICAL ASSETS

	September 30, 2026	December 31, 2025
As at January 1	168	147
Unrealized gain on changes in fair value of biological assets	1,113	1,775
Transfer to inventories upon harvest	(1,181)	(1,754)
As at end of period	**100**	**168**

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

As at September 30, 2026, the Company's biological assets were, on average, 29% complete (December 31, 2025 –45% complete) and it was expected that the biological assets would yield approximately 212kg of dry flower, and 91kg of trim at harvest (December 31, 2025 –225kg and 96kg, respectively). As at September 30, 2026, the Company had 2,540 plants (December 31, 2025 – 2,700 plants) that were biological assets.

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

This is determined using a valuation model that calculates biological asset value by estimating the expected yield of each plant at harvest, prorated based on the stage at which the plant is in its lifecycle, multiplied by the survival rate of plants at this stage in their life cycles; the estimated per-gram fair value for the expected yield (different fair values are applied for trim and dry flower yield), and the processing and selling costs (which are deducted).

The fair value of biological assets is considered a Level 3 categorization in the IFRS fair value hierarchy.

The significant estimates and inputs used to assess the fair value of biological assets include the following assumptions:

- Average number of weeks in the growing cycle is sixteen weeks from propagation to harvest. The Company considers plants less than 3.5 weeks of age to be in the cloning stage; between 3.5 and 6 weeks to be in the vegetative state; and more than 6 weeks to be in the flowering stage. The estimates for the growing cycle are unchanged from December 31, 2025.
- Expected average harvest yield is 119g per plant (December 31, 2025 – 119g), approximately 70% of which is dry flower and 30% is trim (December 31, 2025 – 70% and 30%).
- Expected average fair value of $1.64 per gram for flower products and $0.07 per gram for trim at the time of harvest as at September 30, 2026 (December 31, 2025 - $1.64 and $0.07 respectively).

NOTE 6 – BIOLOGICAL ASSETS (Continued)

- Expected average cost to complete harvest and cost of post-harvest activities to prepare bulk product is $0.61 per gram as at September 30, 2026 (December 31, 2025 - $0.61 per gram).

The expected average fair values were determined by reference to recent bulk flower purchases and the Company's historical purchases and sales, less the cost to complete harvest and post-harvest activities. The estimates of growing cycle, harvest yield and costs per gram are based on the Company's historical results. These assumptions are subject to volatility and several uncontrollable factors, which could significantly affect the fair value of biological assets in future periods.

No sensitivity is disclosed due to immaterial amount of biological assets held at September 30, 2026 and December 31, 2025.

NOTE 7 – OTHER ASSETS

	September 30, 2026	December 31, 2025
Deposits and down payments (1)	362	562
Prepaid insurance	450	337
Other (2)	275	215
	1,087	**1,114**

(1) Deposits and down payments primarily include the down payments to suppliers for the purchase of inventory. The December 31, 2025 balance also included an inventory credit received from one of the Company's customers in connection with the settlement of a long outstanding receivable.

(2) Other includes prepaid expense for software subscriptions, listing and regulatory fees, professional services and property taxes.

NOTE 8 – PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

	January 1, 2026	Additions	Transfers	Disposals	September 30, 2026
Cost					
Land	1,863	-	-	-	1,863
Building and building improvements	24,973	35	-	-	25,008
Leasehold improvements	209	-	-	-	209
Computers	1,400	22	-	-	1,422
Office equipment	213	-	-	-	213
Machinery and plant equipment	12,200	-	10	-	12,210
Motor vehicles	37	-	-	-	37
Security equipment	738	-	-	-	738
Construction in progress (1)	10	352	(10)	-	352
Right-of-use assets (Note 8.1)	290	-	-	-	290
	41,933	**409**	**-**	**-**	**42,342**
Less: Accumulated depreciation and impairment losses					
Building and building improvements	10,763	581	-	-	11,344
Leasehold improvements	173	6	-	-	179
Computers	1,379	9	-	-	1,388
Office equipment	213	-	-	-	213
Machinery and plant equipment	10,769	351	-	-	11,120
Motor vehicles	37	-	-	-	37
Security equipment	738	-	-	-	738
Right-of-use assets (Note 8.1)	265	25	-	-	290
	24,337	**972**	**-**	**-**	**25,309**
Net book value	**17,596**				**17,033**

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

NOTE 8 – PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS (Continued)

8.1 Right-of-use assets

The Company leases assets. The details of the asset types where the Company is lessee are listed below. Total amount of leases with a term of 12 months or less ("short-term leases") expensed to the condensed interim consolidated statements of profit/(loss) for the three and nine months ended September 30, 2026, is $21 and $65 respectively (three and nine months ended September 30, 2025: $17 and $76 respectively).

	January 1, 2026	Additions	September 30, 2026
Cost			
Right-of-use assets			
-Building	290	-	290
	290	**-**	**290**
Less: Accumulated depreciation			
Right-of-use assets			
-Building	265	25	290
	265	**25**	**290**
Net book value	**25**		**-**

8.2 Intangible assets

	January 1, 2026	Additions	September 30, 2026
Cost			
Brands	950	-	950
Licenses	225		225
Other intangibles	180	152	332
	1,355	**152**	**1,507**
Less: Accumulated amortization and impairment			
Brand	515	83	598
Licenses	101	33	134
Other intangibles	64	17	81
	680	**133**	**813**
Net book value	**675**		**694**

NOTE 9 – TRADE AND OTHER PAYABLES

	September 30, 2026	December 31, 2025
Payable to suppliers (1)	5,566	4,715
Accrued liabilities (2)	2,188	3,206
Contract liabilities (3)	323	76
Deposits from customers (4)	608	498
Other (5)	727	706
	9,412	**9,201**

(1) Payable to suppliers are amounts due to vendors for unpaid goods and services received arising in the ordinary course of business. Trade payables are typically short term in nature with due dates less than 60 days.
(2) Accrued liabilities mainly result from products and services received from third parties related to ordinary course of business for which invoices have not been received as of the reporting date and also includes severance liabilities of $246 (December 31, 2025: $1,078).
(3) Contract liabilities comprise of advance consideration received from customers for contracts that include revenue recognition over time. During the three and nine months ended September 30, 2026, the Company recognized revenue amounting to $42 and $118 respectively from contract liabilities and received additional advance consideration of $301 and $365 respectively.
(4) Deposits from customers comprise of down payments from customers for products to be delivered.
(5) Other includes HST/GST/QST payable and excise tax payable.

NOTE 10 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES AND COMMITMENTS

10.1 Litigation and claims

On May 5, 2025, Apollo Technology Capital Corporation ("Apollo"), Nobul Technologies Inc. ("Nobul") and Regan McGee (collectively, the "Plaintiffs") filed a Statement of Claim in the Ontario Superior Court of Justice against Tyr LLP ("Tyr"), a partner of Tyr, David Pidduck, who was at the time the Chief Executive Officer and a director of the Company, and Chris Taves, who was at the time Chairman of the Board of the Company (the "Apollo Claim").

The Apollo Claim alleged, among other things, that Tyr acted for the Company despite an alleged conflict of interest, breached fiduciary duties and duties of confidence, and sought various forms of relief, including damages of $50,000,000 for defamation, as well as an interim, interlocutory and/or permanent order restraining Tyr from continuing to act as counsel for the Company.

On May 23, 2025, the Plaintiffs agreed to dismiss the Apollo Claim as against Tyr and its partner with prejudice and acknowledged that neither had misused confidential information nor acted in a conflict of interest by representing the Company. Messrs. Pidduck and Taves subsequently 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.

NOTE 10 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES AND COMMITMENTS (Continued)

On January 30, 2026, the Plaintiffs filed an appeal with the Court of Appeal for Ontario (the "Appeal") appealing the Court's decision dismissing the Apollo Claim. 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. The costs order is subject to an automatic stay pending the resolution of the Appeal. The Appeal was heard on October 15, 2026, and the Court of Appeal has reserved its decision. The timing of the decision is not known. Accordingly, the Company has not recognized the $250,000 costs award as an asset because realization remains uncertain pending the outcome of the Appeal. The Company was not a defendant in the Apollo Claim or a party to the costs proceeding. Neither the Company nor any of its officers or directors has any obligation to make payments in connection with these matters.

Separately, on May 1, 2025, Apollo submitted a notice to the Company pursuant to section 4.4 of the Company's by-laws of its intention to nominate six (6) directors (the "Dissident Nominees") for election at the annual and special meeting of shareholders held on June 16, 2025 (the "ASM"). On May 7, 2025, Apollo filed a dissident information circular on SEDAR+, which was subsequently amended and restated on May 15, 2025, and further amended on May 20, 2025 (the "Dissident Circular"). The Dissident Circular, among other things, disclosed Apollo's intention to nominate the Dissident Nominees at the ASM and recommended that shareholders of the Company vote for the Dissident Nominees and against management's director nominees (the "Proxy Contest").

On May 12, 2025, Apollo and Nobul applied to the Superior Court of Justice – Ontario (Commercial List) (the "Court") seeking, amongst other remedies, the appointment of a third-party independent chair and no fewer than five scrutineers for the ASM (the "Apollo Application"). On June 11, 2025, the Court dismissed the Apollo Application in full and, on July 28, 2025, awarded the Company $85,000 in costs, which the Company subsequently received.

On May 27, 2025, the Company filed an application with the Court concerning the conduct of Apollo and certain other parties (the "Respondents") in connection with the Proxy Contest (the "MediPharm Application"), seeking production of documentation and information relevant to the Proxy Contest and, if necessary and only in circumstances where any of the Dissident Nominees were elected to the Board at the ASM, an order invalidating proxies, voting support agreements or votes cast at the ASM if obtained by the Respondents in breach of securities or corporate law.

At the ASM held on June 16, 2025, management's director nominees – Chris Halyk, Emily Jameson, John Medland, David Pidduck, Shelley Potts, Keith Strachan and Chris Taves – were elected to the Board of Directors. As none of the Dissident Nominees were elected at the ASM, the Company has not, as at the date hereof, pursued the MediPharm Application further.

The Company has not recognized a liability in connection with the Apollo Claim, the Appeal or the MediPharm Application, as management has determined that it is not probable that these matters will result in any future cash outflow by the Company.

10.2 Capital Commitments

As at September 30, 2026, the Company had capital expenditure commitments of approximately $0.2 million.

NOTE 11 – LOANS AND BORROWINGS

	September 30, 2026	December 31, 2025
Loans and borrowings (1)	320	150
Lease liability	-	51
	320	**201**

(1) Loans and borrowings comprise a financing arrangement for the Company's insurance premiums. Under the current financing arrangement, the Company borrowed a notional amount of $457 and repaid $91 and $137 during the three and nine months ended September 30, 2026. The debt has a maturity date of March 30, 2027, bears an interest rate of 5.89% and, as at September 30, 2026, seven monthly instalments remained outstanding. These comprise the instalment due in September 2026, which was debited by the lender after the period end and six remaining equal monthly instalments. Under the previous financing arrangement, the Company borrowed a notional amount of $500 and repaid $150 during the three and nine months ended September 30, 2026 (year ended December 31, 2025: $350).

NOTE 12 – CAPITAL, RESERVES AND OTHER EQUITY ITEMS

12.1 Common shares issued

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

For the nine months ended September 30, 2026, 1,769,602 stock options (September 30, 2025: 50,000 stock options) were exercised through the issuance of 503,627 Common Shares for proceeds of $nil (September 30, 2025: 14,815 Common Shares for proceeds of $nil), resulting in an increase to Common Shares on the condensed interim consolidated statement of financial position of $32 (September 30, 2025: $1). In addition, during the nine months ended September 30, 2026, 3,334,023 RSUs were settled (September 30, 2025: 8,552,781) through issuance of 1,809,258 (September 30, 2025: 5,691,552) Common Shares, resulting in an increase to Common Shares on the condensed interim consolidated statement of financial position of $136 (September 30, 2025: $426). The unissued shares are withheld for tax obligations, which are settled in cash by the Company.

NOTE 12 – CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Continued)

12.2 Stock options / Share based compensation

On May 26, 2026, the Company granted options to purchase up to 5,450,124 Common Shares with an exercise price of $0.08 per share for a 5-year term expiring May 26, 2031, under the Company's omnibus equity incentive plan. The options vested immediately on the grant date. Total fair value of the options issued was $295 and was estimated using the Black Scholes option pricing model, using the following assumptions: estimated volatility of 83.59%, expected life of 5 years, a risk-free rate of 3.12%, a forfeiture rate of 2.07%, and a share price of $0.08.

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

	2026		2025	
	Number of options	Weighted average exercise price $	Number of options	Weighted average exercise price $
As at January 1	38,366,324	0.111	37,000,534	0.148
Issued during the period	5,450,124	0.080	1,964,636	0.080
Exercised during the period	(1,769,602)	0.064	(50,000)	0.062
Forfeited/cancelled during the period	(3,293,299)	0.225	(1,262,667)	1.106
As at September 30	**38,753,547**	**0.100**	**37,652,503**	**0.112**

The range of exercise prices for options outstanding as at September 30, 2026 is as below:

	Weighted average remaining contractual life (years)	Number of outstanding options
Exercise price range	**2026**	**2026**
Equal to $0.06 and less than $0.10 [(1)]	2.576	27,169,897
Equal to $0.10 and less than $0.15	0.686	5,183,650
Equal to $0.15 and less than $0.20	0.270	6,400,000
		38,753,547

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

NOTE 12 – CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Continued)

12.3 RSUs / Share based compensation

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

	2026 Number of RSUs	2025 Number of RSUs
As at January 1	6,268,707	15,671,086
Granted during the period	2,419,640	1,271,971
Exercised during the period	(3,334,023)	(8,552,781)
Forfeited during the period	(304,153)	-
As at September 30	**5,050,171**	**8,390,276**

NOTE 13 – REVENUE

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

	Three months ended September 30		Nine months ended September 30	
	2026	2025	2026	2025
Canada	4,880	5,002	13,439	14,754
International sales				
Australia	102	3,103	1,985	8,233
Germany	5,023	2,775	12,130	9,536
Other	1,797	568	3,195	1,539
	11,802	**11,448**	**30,749**	**34,062**
Canadian Adult Use and Wellness	1,364	1,757	3,906	4,713
Canadian Medical Cannabis				
Clinics	282	441	1,036	1,420
Other Canadian Medical Cannabis	2,025	2,508	6,556	7,788
	2,307	**2,949**	**7,592**	**9,208**
International Medical Cannabis	6,922	6,446	17,300	19,113
Pharmaceutical and B2B	1,209	296	1,951	1,028
	11,802	**11,448**	**30,749**	**34,062**
Products transferred at a point in time	10,756	10,993	28,313	32,756
Products and services transferred over time	1,046	455	2,436	1,306
	11,802	**11,448**	**30,749**	**34,062**

NOTE 13 – REVENUE (Continued)

For the three months ended September 30, 2026, the Company had two customers (September 2025: two) which individually contributed 10% or more of the Company's total revenue for the period. Individually, these customers represented 36.4% and 12.5% of total revenue for the period ended September 30, 2026 (September 30, 2025: two customers represented 14.5% and 16.3%). The Company had no other customer that represented more than 10% of the Company's total revenues for the three months ended September 30, 2026 and 2025.

For the nine months ended September 30, 2026, the Company had one customer (September 2025: two) which individually contributed 10% or more of the Company's total revenue for the period**.** This customer represented 30.1% of total revenue for the nine months ended September 30, 2026 and is an international distributor serving multiple end customers and channels (September 30, 2025: two customers represented 13.5% and 10.7%). The Company had no other customer that represented more than 10% of the Company's total revenues for the nine months ended September 30, 2026 and 2025.

NOTE 14 – EXPENSES BY NATURE

	Three months ended September 30		Nine months ended September 30	
	2026	**2025**	**2026**	**2025**
Inventory and consumables recognized in cost of sales (6)	5,634	6,020	11,892	14,800
Fair value adjustments in cost of sales	(53)	(139)	76	(278)
Write down of inventory to net realizable value (Note 5)	25	-	47	112
Employee compensation (1)	2,745	3,027	8,491	9,435
Consulting and professional fees (2)	431	893	1,662	4,578
ECL expense on receivables (Note 15.1)	-	5	2	13
Share based compensation expense (3)	103	194	697	1,133
Supplies and small equipment (4)	213	182	694	658
Depreciation and amortization	339	420	1,105	1,264
Rent and occupancy cost	344	371	910	1,051
Foreign exchange (gain) loss	41	(41)	(51)	8
Analytical testing	252	224	731	842
Advertising and promotion (6)	495	640	1,564	1,985
Insurance	175	205	582	708
Software and licenses	328	297	939	958
Freight	353	362	976	1,269
Health Canada fee and regulatory costs (5)	94	197	555	649
Other (7)	204	779	744	1,306
	11,723	**13,636**	**31,616**	**40,491**

NOTE 14 – EXPENSES BY NATURE (Continued)

(1) Employee compensation includes severance cost in relation to restructuring measures undertaken by the Company during the period. For the three and nine months ended September 30, 2026, the severance cost incurred in relation to the restructuring amounted to $63 and $207 respectively (three and nine months ended September 30, 2025: $104 and $333).

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

(3) For the nine months ended September 30, 2026, out of total share-based compensation expense of $697 (September 30, 2025: $1,133), general administrative expense portion is $592 (September 30, 2025: $945), marketing and selling expense portion is $61 (September 30, 2025: $109), cost of sales portion is $44 (September 30, 2025: $79) and research and development portion is $nil (September 30, 2025: $nil).

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

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

(6) During the three and nine months ended September 30, 2026, the Company modified the classification of patient education fees to more appropriately reflect the nature of the expense. Comparative amounts in the condensed interim consolidated statements of profit/(loss) were reclassified for consistency. As a result, patient education fees of $427 and $1,357 were reclassified from "cost of sales" to "marketing and selling expenses" for the three and nine months ended September 30, 2025, respectively.

(7) Other includes investor relations, travel expenses, bank fees, and repair and maintenance expenses.

NOTE 15 – FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT

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

15.1 Credit risk

Credit risk arises from deposits with banks and financial institutions and outstanding receivables if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company holds cash and cash equivalents of $10,101 (December 31, 2025: $10,806).

NOTE 15 – FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT (Continued)

The cash is held with banks and financial institutions that are either Schedule 1 Canadian banks, large credit unions, or other large foreign banks.

At September 30, 2026, the exposure to credit risk for gross trade receivables and contract assets by the type of customer is as follows:

	September 30, 2026	December 31, 2025
Business to business customers	7,761	5,545
Insurance companies (1)	571	748
Distributors / Retailers (2)	673	494
	9,005	**6,787**

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

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

As at September 30, 2026, the Company holds trade receivables from two customers representing 43% and 11% of total trade receivables (December 31, 2025: four customers representing 18%, 15%, 12%, and 11% of total trade receivables). The Company had no other customer that represented more than 10% of the Company's gross trade receivables.

The Company limits its exposure to credit risk from trade receivables and contract assets by negotiating full or partial advance payment from certain business-to-business customers before the shipment of the products. Also, the Company's management believes that the exposure to credit risk from distributors and insurance companies is very limited since most of the distributors and insurance companies are either government organizations or large reputable organizations. As at September 30, 2026, the allowance for expected credit losses in connection with its trade receivables and contract assets was $9 (December 31, 2025: $20).

The aging of the Company's trade receivables at September 30, 2026 is as follows:

	September 30, 2026 Carrying amount	December 31, 2025 Carrying amount
Current (not past due)	7,329	4,656
1-30 days past due	1,347	1,863
31-90 days past due	250	229
90-270 days past due	79	13
270-365 days past due	-	20
>365 days	-	6
Gross trade receivables	**9,005**	**6,787**
Expected credit losses	(9)	(20)
Net trade receivables	**8,996**	**6,767**

NOTE 15 – FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT (Continued)

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

	2026	2025
Balance at January 1	20	78
Amounts written off	(13)	(71)
Net remeasurement of loss allowance	2	13
Expected credit losses as at September 30	**9**	**20**

15.2 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to meet obligations when due. At the end of the reporting period the Company held deposits at banks and financial institutions of $10,101 (December 31, 2025: $10,806) that are expected to readily generate cash inflows for managing liquidity risk. Due to the dynamic nature of the underlying businesses, the Company management maintains flexibility in funding by maintaining a minimum cash level at banks and financial institutions.

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

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

Contractual maturities of financial liabilities At September 30 2026	**Total Less than 6 months**	**6-12 months**	**12-36 months**	**36-60 months**	**Total Contractual cash flows**	**Carrying amount**
Trade and other payables	9,412	-	-	-	9,412	9,412
Employee benefit obligations	1,077	-	-	-	1,077	1,077
Loans and borrowings	328	-	-	-	328	320
Total financial liabilities	**10,817**	**-**	**-**	**-**	**10,817**	**10,809**

NOTE 15 – FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT (Continued)

15.3 Market risk

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

15.3 (i) Foreign currency risk

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

A 5% strengthening of CAD against USD, EUR, and AUD would increase the Company's net loss by $8, $16, and $13 respectively.

15.4 Capital risk management

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

Management defines capital as the Company's shareholders' equity and debt (consisting of the Company's loans and borrowings). As at September 30, 2026, total managed capital is $35,968 (December 31, 2025: $36,013). The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund both existing and future value-added growth opportunities. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners or through debt financing.

NOTE 16 – FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

NOTE 16 – FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

During the nine months ended September 30, 2026, there were no transfers between levels. The Company does not have any level 3 financial instruments.

NOTE 17 – TRANSACTIONS AND BALANCES WITH RELATED PARTIES

17.1 Key management personnel compensation

The Company has determined that key management personnel consist of directors and officers in the Company. The non-share-based compensation remuneration to directors and officers during the three and nine months ended September 30, 2026 was $179 and $542 respectively (three and nine months ended September 30, 2025: $301 and $894 respectively) and is included in general and administrative expenses.

During the nine months ended September 30, 2026 the Company issued 3,765,306 options at an average exercise price of $0.08 per share (nine months ended September 30, 2025: 1,964,636 options at an average exercise price of $0.08 per share) and 1,686,783 RSUs (nine months ended September 30, 2025: 1,271,971 RSUs) to its key management personnel and recognized total share-based compensation expenses related to key management personnel of $517 (Nine months ended September 30, 2025: $586).

During the nine months ended September 30, 2026, the Company's key management personnel exercised nil options for gross proceeds of $nil (nine months ended September 30, 2025: nil options for gross proceeds of $nil) and 2,710,717 RSUs were settled through the issuance of 1,424,997 Common Shares amounting to $107 (nine months ended September 30, 2025: 5,970,751 RSUs were settled through the issuance of 4,491,680 Common Shares amounting to $336). The unissued Common Shares are withheld for taxes.

17.2 Transactions and balances with key management personnel

Several key management personnel hold positions in other companies that result in them having control or significant influence over these companies. The Company had no transactions with these companies during the nine months ended September 30, 2026 and 2025.

As at September 30, 2026, the Company has $162 (December 31, 2025: $967) due to key management personnel and no amount was due to entities over which they have control or significant influence (December 31, 2025: $nil). The balance due to key management personnel comprise of accrued compensation and is included in current employee benefit obligations in the condensed interim consolidated statements of financial position.

NOTE 18 – EVENTS AFTER THE REPORTING PERIOD

Except for the Appeal described in Note 10, no event, which is material to the understanding of this report, has occurred between the period-end date and the date of this report.