

(TSX: LABS)

MEDIPHARM LABS CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2026

NOVEMBER 11, 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 nine months ended September 30, 2026, was prepared by management of the Company as of November 11, 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 nine months ended September 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 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"). 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**"), ABcann Medicinals 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 in Good Manufacturing Practice ("**GMP**") certified facilities. 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.

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. MediPharm Labs' facility in Barrie, Ontario (the "**Barrie Facility**") holds GMP certifications from Health Canada (Drug Establishment Licence) ("**DEL**")[1], an NHP Site Licence under the Natural Health Products Regulations and EU-GMP certification issued by Germany's Landesamt für Arbeitsschutz, Verbraucherschutz und Gesundheit ("LAVG"). 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. It has also filed a DMF for 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. 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. Following the Hope Facility Sale, Canna Farms was amalgamated with MediPharm Labs and the licence in respect of the Hope Facility was cancelled.

MediPharm's wholly owned subsidiary, Harvest Medicine, provides medical cannabis patients across Canada with 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.

- 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. 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.

[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.

- 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. 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, holds GMP certification from ANVISA (February 2024) and holds EU-GMP certification from LAVG for cannabis oil (extract) products (July 2024). The EU-GMP certification is valid until April 2027, and site re-qualification will be performed before its expiry date[2].

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, it received EU GMP certification from LAVG. The facility has supplied flower to the UK, the EU, Australia, New Zealand and other markets.

Management received written confirmation from LAVG of the renewal of the Napanee Facility's EU GMP certification in July 2024. The EU-GMP certification is valid until April 2027, and site re-qualification will be performed before its expiry date[3].

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.

On June 1, 2024, the Company relocated its direct-to-patient medical sales logistics from the Hope Facility to the Barrie Facility.

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.

[2] This forward-looking statement is based on the following material factors and assumptions: (a) a competent authority completes the site re-qualification by April 2027; and (b) the Barrie Facility continues to meet the EU GMP requirements.
[3] This forward-looking statement is based on the following material factors and assumptions: (a) a competent authority completes the site re-qualification by April 2027; and (b) the Napanee Facility continues to meet the EU GMP requirements.

On September 17, 2025, the Company completed the sale of its vacant land at Hope, British Columbia for a gross amount of $0.45M.

Company Regulatory History

MediPharm Labs received its oil production licence on March 29, 2018 (the "Licence"). The Licence was transitioned to a standard processing licence under the Cannabis Act on October 17, 2018, renewed for a further five-year term on September 28, 2021 and amended over time to permit the sale of cannabis products to provincial distributors and retailers and holders of licences for the sale of medical cannabis, the sale, distribution and delivery of dried and fresh cannabis, and, from May 1, 2024, the possession and sale of cannabis for medical purposes.

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. The Company's NHP Site Licence was renewed on June 3, 2026 and is valid till June 3, 2027.

MediPharm Labs holds a Cannabis Drug Licence ("CD Licence") from Health Canada, received on February 17, 2021, that allows it to manufacture, supply and sell drugs that contain cannabis. The CD Licence is valid until January 26, 2029.

MediPharm Labs received a GMP DEL from Health Canada on July 14, 2021 in accordance with the Food and Drugs Act (Canada) and associated Regulations. The DEL confirms compliance with GMP standards and can be used for the manufacturing, testing and sale of non-sterile APIs and pharmaceuticals, including drug products containing cannabis.

On February 23, 2022, MediPharm Labs submitted a Type II Drug Master File to the FDA for pharmaceutical grade, naturally derived CBD active pharmaceutical ingredients, allowing U.S. pharmaceutical companies to reference the Company's API in regulatory submissions. International pharmaceutical partners have referenced the DMF in U.S. drug product and Investigational New Drug ("IND") applications. Advancement of these programs remains subject to clinical development, regulatory review and partner-specific decisions, and any resulting commercialization would be expected to occur over time. If one or more of these partners is successful in its U.S. filings, any resulting drug containing cannabis would receive marketing authorization through a New Drug Application ("NDA") or Abbreviated New Drug Application ("ANDA") and would be regulated as an FDA approved pharmaceutical drug under the U.S. Federal Food, Drug, and Cosmetic Act, rather than under state regulated cannabis frameworks. Seeking FDA approvals and participating in Phase 2 and Phase 3 clinical trials are 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".

A subsidiary in Germany is EU-GMP/GDP licensed and able to import cannabis products, and Beacon Medical Germany received an import licence in March 2021 to import medical cannabis flower from the Napanee Facility to Germany and the European Union.

In February 2024, the Company received a GMP certificate from ANVISA, initiated in relation to MediPharm's current medical cannabis product authorizations through its Brazilian customer base and supported by its Health Canada DEL, product-specific GMP validation and long-term stability studies. ANVISA certification was renewed in April 2026 and is valid until February 2028. 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. The licence was scheduled to expire on September 28, 2026 and was renewed by Health Canada with a new expiry date of September 3, 2031.

- 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.

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[4]. 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. 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 continue this expansion going forward.[5] 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 currently ships 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.

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

[4] 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".

[5] 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.

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[6].

On July 14, 2026, the Company shared positive results obtained from the Phase II LiBBY (Life's End Benefits of Cannabidiol and Tetrahydrocannabinol) academic clinical trial, which were presented at the Alzheimer's Association International Conference ("AAIC") in London, United Kingdom. The LiBBY study used a proprietary cannabinoid formulation manufactured 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").

The Company is currently evaluating potential next steps, including additional clinical development opportunities, regulatory pathways and strategic partnerships[7].

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.

On April 27, 2026, the Company announced developments relating to U.S. cannabis rescheduling. Effective April 22, 2026, FDA-approved marijuana products and state-licensed medical marijuana were placed in Schedule III of the U.S. Controlled Substances Act. All other marijuana remains in Schedule I. A Drug Enforcement Administration (DEA) proceeding to reschedule all marijuana is in progress. If finalized, broader rescheduling may reduce barriers to U.S. clinical research and pharmaceutical development, which the Company believes it is positioned to support through its FDA site registration, Health Canada Drug Establishment Licence and experience supplying pharmaceutical-grade cannabis.[8]

Subsequent Events

On October 13, 2026, the Company announced that it had completed its first commercial shipment of CBD metered-dose inhalers to Adeiwa Pharma ("Adeiwa") for distribution to patients in Panama. Under Panama's medical cannabis framework, the product was authorized for importation through an exception process, allowing distribution through authorized private pharmacies. Adeiwa will leverage its distribution and clinic

[6] This forward-looking statement is based on the following material factors and assumptions: (a) Remidose LATAM completes the remaining regulatory requirements in Costa Rica on a timeline that allows shipments to begin as expected; and (b) the Company receives the required export permits and approvals to ship its products to Costa Rica. Shipments may be delayed or may not occur if these approvals are not obtained.
[7] This forward-looking statement is based on the following material factors and assumptions: (a) the Company is able to secure the funding, clinical partners and regulatory support required to advance further clinical development of its formulation; and (b) the Company is able to identify and enter strategic partnerships on commercially acceptable terms. Results from the Phase II study may not be replicated in later trials, and the Company may not pursue or complete any of the next steps under evaluation.
[8] This forward-looking statement is based on the following material factors and assumptions: (a) that the proposed rescheduling of certain cannabis products under the U.S. Controlled Substances Act will be implemented substantially as anticipated and will not be materially delayed, amended, or withdrawn, and (b) that the Company will continue to maintain its FDA site registration and Health Canada Drug Establishment Licence in good standing.

network to support patient access, and the Company expects the product to reach patients during the fourth quarter of 2026[9].

Financial Overview

During the three months ended September 30, 2026 ("Q3 2026"), the Company reported higher revenue, gross profit and Adjusted EBITDA[10] compared with the three months ended September 30, 2025 ("Q3 2025").

The Company's Adjusted EBITDA[11] was $0.4M, representing its third consecutive quarter of positive adjusted EBITDA[12] and an improvement of $1.5M or 141% versus Q3 2025. The Company also reported net income of $0.1M in Q3 2026, marking its second consecutive quarter of positive net income. These results were 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.

During the three months ended September 30, 2026 ("Q3 2026"), the Company generated revenue of $11.8M, an increase of $1.8M or 18%, compared with $10.0M in the three months ended June 30, 2026 ("Q2 2026"). Revenue also increased from $11.4M in the three months ended September 30, 2025 ("Q3 2025").

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[13], reflecting broader market conditions that also impacted major industry participants. During 2026, the Therapeutic Goods Administration ("TGA") continued its review of Australia's medicinal cannabis regulatory framework, while regulatory scrutiny of prescribing practices remained elevated. Management believes these developments continued to influence prescribing behaviour and market demand.

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 approximate 30% reduction. As a significant portion of the Company's Canadian medical cannabis revenue is generated from VAC-reimbursed patients, Canadian Medical Cannabis revenue declined approximately 22% year over year in Q3 2026. Management continues to implement initiatives to mitigate the impact of the reimbursement change while maintaining its commitment to serving veteran patients.

International Medical revenue was $6.9M in Q3 2026, representing approximately 59% of consolidated revenue. This represents a sequential increase of $1.1M, or approximately 20%, from $5.8M in Q2 2026, primarily driven by higher international flower and dronabinol revenue, partially offset by continued weakness in Australia. Revenue also increased from $6.4M in Q3 2025, supported by growth in branded flower in Europe, as the Company continued to transition from lower-margin unbranded flower toward higher-value branded products under the Beacon and Wildlife banners. The Company also continued to

[9] This forward-looking statement is based on the following material factors and assumptions: (a) the Company and its distribution partner will maintain all required regulatory approvals and authorizations; (b) commercial distribution and patient access activities will proceed as anticipated; and (c) demand for the Company's CBD metered-dose inhaler products will be consistent with management's expectations.

[10] Adjusted EBITDA is a non-IFRS measure. See "Reconciliation of non-IFRS Measures" for a reconciliation to IFRS measures.
[11] Adjusted EBITDA is a non-IFRS measure. See "Reconciliation of non-IFRS Measures" for a reconciliation to IFRS measures.
[12] Adjusted EBITDA is a non-IFRS measure. See "Reconciliation of non-IFRS Measures" for a reconciliation to IFRS measures.
[13] As reported by the Penington Institute, Medicinal Cannabis Sales and Regulatory Enforcement – Australia (April 2026), available online.

transition from pre-diluted bulk dronabinol toward higher-value syringe and finished-product formats. These initiatives are intended to reduce exposure to commodity pricing pressure and support gross margin improvement over time. About 83% of Q3 2026 consolidated revenue, or $9.8M, 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 $1.4M in Q3 2026, compared with $1.8M in Q3 2025 and $1.5M in Q2 2026.

Canadian Medical Cannabis revenue was $2.3M in Q3 2026, compared with $2.9M in Q3 2025. The decline was driven primarily by the VAC reimbursement reduction discussed above. Revenue remained consistent with Q2 2026, reflecting stabilization following the reimbursement changes, as the Company continues to pursue growth opportunities across its broader Canadian medical platform.

Pharmaceutical and B2B revenue was $1.2M in Q3 2026. This represents a sequential increase of $0.8M and an increase of $0.9M compared with Q3 2025. The increase was driven by higher order volumes from existing customers, together with contributions from new business.

Year-to-date, the Company's revenue was $30.7M, a decline versus prior year period, largely driven by the Australian regulatory changes and VAC reimbursement reduction discussed above.

The Company's Q3 2026 gross profit was $3.8M/32.3%, compared to $3.0M/26.1% in Q3 2025. Q3 2026 gross margins increased year over year, reflecting ongoing margin optimization efforts. The year-over-year improvement reflects the benefits of cost reduction initiatives and a favourable shift in international product mix, including increased contributions from higher-value branded products in Germany. Management remains focused on sustaining and building on these margin improvements.

Year-to-date gross profit was $11.4M, or 37.2% of revenue, compared with $11.4M, or 33.6% of revenue, in the corresponding prior-year period. Gross margin improved by 360 basis points, reflecting continued benefits from cost reduction initiatives and improvements in product mix. Management continues to focus on operational efficiencies and higher-value products to support gross margin performance.

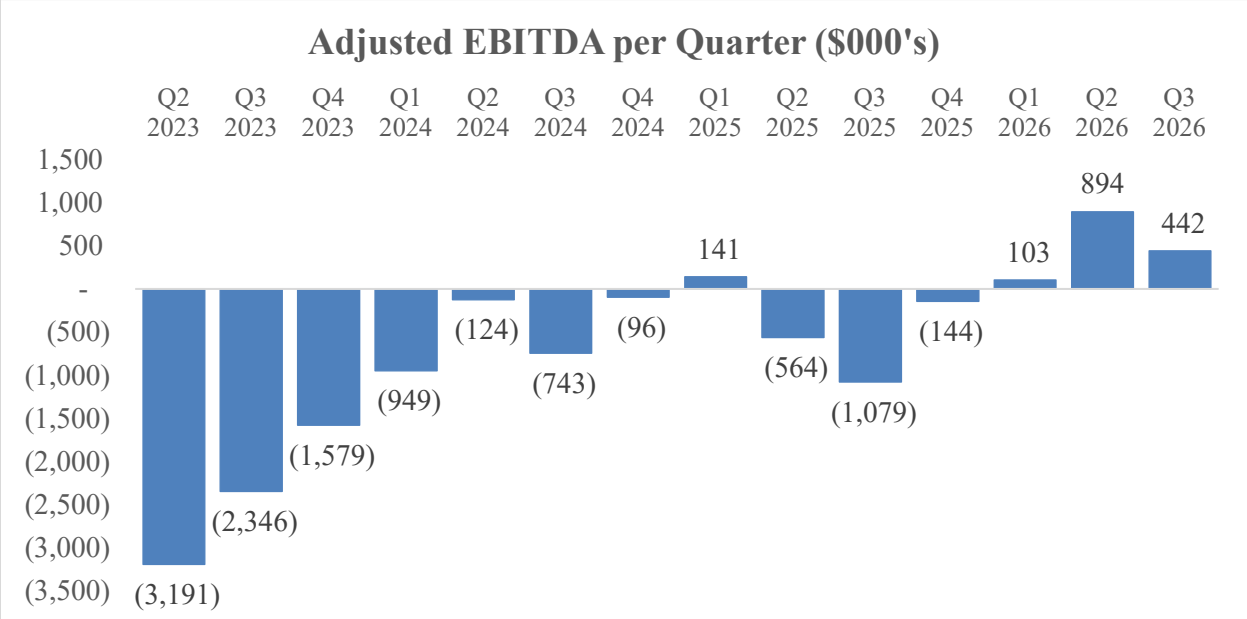
Operating expenses (general administrative expenses, marketing and selling expenses, and R&D expenses) were $3.6M in Q3 2026, a decrease of $1.2M, or 25%, compared with the prior-year period, primarily reflecting the benefits of restructuring and other cost reduction initiatives, as well as elevated costs in Q3 2025 associated with the proxy contest. Operating expenses decreased by $0.4M or 11%, compared with Q2 2026 driven by the continued benefits of restructuring and other cost reduction initiatives. Management continues to evaluate additional expense reduction opportunities.

The Company's year-to-date operating expenses of $11.8M decreased 30% or $5.0M 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 $11.5M which decreased $2.5M or 18% versus the corresponding prior year period due to restructuring and other cost reduction initiatives.

Adjusted EBITDA[14] was $0.4M in Q3 2026, an improvement of $1.5M compared with Q3 2025, representing the third consecutive quarter of positive Adjusted EBITDA[15].

[14] Adjusted EBITDA is a non-IFRS measure. See "Reconciliation of non-IFRS Measures" for a reconciliation to IFRS measures.
[15] Adjusted EBITDA is a non-IFRS measure. See "Reconciliation of non-IFRS Measures" for a reconciliation to IFRS measures.

Year-to-date Adjusted EBITDA[16] was positive $1.4M, an improvement of $2.9M compared with the corresponding prior-year period. The improvement reflects higher gross margins and lower operating expenses resulting from continued cost reduction initiatives and disciplined cost management.



Strong Balance Sheet: The Company's cash balance at the end of Q3 2026 was $10.1M, an increase from $9.9M in Q2 2026. 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 $0.3M of debt consisting of insurance premium financing. 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 Greg Hunter, Chief Executive Officer and Chief Financial Officer of the Company, 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

[16] Adjusted EBITDA is a non-IFRS measure. See "Reconciliation of non-IFRS Measures" for a reconciliation to IFRS measures.

Officer. Effective November 4, 2026, the Board of Directors appointed Greg Hunter as Chief Executive Officer and as a member of the Board of Directors.

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, Greg Hunter, 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 cannabis journey, with access to healthcare practitioner consultations, medical cannabis education and an eCommerce platform through which patients can order their cannabis medications. In 2026 Harvest Medicine has expanded their roster of healthcare practitioners and physician pain specialists, increasing capacity for new patients. Canna Farms continues to evolve the available product assortment, with a focus on service excellence and strategic product curation to best meet diverse patient needs.

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 launched its proprietary inhaler platform in 2025 and has continued to expand its assortment and provincial distribution in 2026.

MediPharm Labs launched novel water-soluble Pocket Drops in Q3, with additional line extensions confirmed for Q4 2026[17]. The company continues to evolve the domestic product portfolio across multiple brands and strategically pursues select provincial and partner listings across Canada[18].

International Presence:

The International Medical Business Unit continued to deliver on their strategic objectives, with year-over-year and sequential quarterly revenue growth. Revenue growth came from expanded branded product sales in Germany and new markets such as Brazil and New Zealand.

The Company achieved regulatory milestones, including the receipt of a notified body opinion letter for its metered dose inhaler, a key step toward obtaining regulatory acceptance required to support future

[17] This forward-looking statement is based on the following material factors and assumptions: (a) the Company will have sufficient demand for the new product formats and SKUs; and (b) the Company will be able to complete product development, manufacturing and packaging in time to launch the line extensions in Q4. Actual results may differ materially from those expressed or implied by this forward-looking statement. Launches may be delayed or may not occur if demand is lower than expected, if there are manufacturing or supply chain delays, or if the required regulatory notifications are not completed on time.
[18] This forward-looking statement is based on the following material factors and assumptions: (a) the Company receives the required approvals to list new products with provincial distributors and other partners; and (b) provincial distributors and partners continue to list and purchase the Company's products on commercially acceptable terms. Actual results may differ materially from those expressed or implied by this forward-looking statement. Listings may not be obtained, may be delayed, or may be on less favourable terms if provincial distributors or partners decline or defer the Company's products, or if regulatory or distributor requirements change.

commercial sales in the United Kingdom and the European Union[19]. This achievement is believed to be one of the first cannabis based pressurized metered dose inhaler, manufactured in Canada.

Brazil

The Company continued commercial activities in Brazil and maintained its ANVISA GMP certification. Brazil's medical cannabis market continues to evolve following the implementation of RDC 1015/2026 in May 2026, which expanded permitted administration routes to include inhalation and other non-smoked formats, broadened prescribing authority and simplified prescribing requirements. Management believes these developments may support broader patient access and future commercial opportunities in Brazil[20].

France

During Q3 2026, the Company continued supplying GMP cannabis oil products to France and remained engaged in the development of the country's medical cannabis framework. Management believes France represents a long-term commercial opportunity as patient access, reimbursement mechanisms and the permanent regulatory framework continue to develop. The company has completed several regulatory dossiers for its exclusive French market partner that will be used to request product authorization in the future, pending finalization of the national regulations[21].

Beacon Medical Australia

During Q3 2026, the Company continued to expand its branded portfolio in Australia, including its Wildlife product line. While the market continues to be affected by changing prescribing practices and increased regulatory oversight, MediPharm remains focused on serving patients through differentiated branded products across multiple price points and product formats. The Company updated its product portfolio and will continue to develop products that meet patient and market need[22].

[19] This forward-looking statement is based on the following material factors and assumptions: (a) the notified body opinion letter is accepted by the relevant regulatory authorities in the United Kingdom and the European Union as supporting the Company's compliance pathway for its metered dose inhaler; and (b) the Company is able to complete the remaining regulatory, manufacturing and import requirements needed to commence sales in those markets. Actual results may differ materially from those expressed or implied by this forward-looking statement. Regulators may require additional data or approvals, and sales in the United Kingdom and the European Union may be delayed or may not occur.

[20] This forward-looking statement is based on the following material factors and assumptions: (a) Brazilian authorities continue to implement RDC 1015/2026 as currently written, including the expanded administration routes and prescribing authority; and (b) the Company maintains its ANVISA GMP certification and obtains the product approvals required to supply its inhalation and other non-smoked formats in Brazil. Actual results may differ materially from those expressed or implied by this forward-looking statement. Brazilian regulations may be amended, interpreted differently or enforced more strictly, and patient access and demand may not develop as expected.

[21] This forward-looking statement is based on the following material factors and assumptions: (a) France finalizes and implements its permanent medical cannabis regulatory framework, including patient access and reimbursement mechanisms, on a timeline that supports commercialization; and (b) the regulatory dossiers prepared by the Company for its exclusive French market partner are accepted by the French regulatory authorities and the partner receives the required product authorizations to market the Company's products in France. Actual results may differ materially from those expressed or implied by this forward-looking statement. The timing and content of the French framework are outside the Company's control, authorizations may be delayed, conditioned or not granted, reimbursement may not be established on commercially viable terms, and the Company depends on its exclusive partner to submit dossiers and launch products.

[22] This forward-looking statement is based on the following material factors and assumptions: (a) the Company will have sufficient demand for its new Beacon Medical branded product formats and SKUs in Australia; and (b) the Company receives the required approvals, including TGA notifications and import permits, to supply new products in Australia. Actual results may differ materially from those expressed or implied by this forward-looking statement. Prescribing practices, regulatory enforcement and the outcome of the TGA's review of the medicinal cannabis framework may reduce demand or delay or prevent new product launches.

New Zealand

During Q3 2026, the Company continued to support the commercialization of Beacon Medical branded products in New Zealand and pursued portfolio expansion through additional regulatory approvals and product launches. Beacon Medical branded products are now available in Canada, Germany, Australia and New Zealand.

Beacon Medical Germany

During Q3 2026, the Company continued to expand its branded product portfolio in Germany and advance its European growth strategy. The Company believes its focus on branded products and pharmaceutical-quality standards supports its long-term participation in the German medical cannabis market. It also continued to advance regulatory activities related to its metered-dose inhaler platform to support future commercialization opportunities in Europe[23].

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[24].

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.

[23] This forward-looking statement is based on the following material factors and assumptions: (a) the Company obtains the regulatory approvals required to market its metered-dose inhaler platform in Germany and the broader European Union; and (b) demand for the Company's branded medical cannabis products in Germany continues to develop as expected. Actual results may differ materially from those expressed or implied by this forward-looking statement. Regulatory reviews may take longer than expected or result in additional requirements, and changes to German or European cannabis regulation could adversely affect the Company's plans.
[24] According to the FDA Drug Master File List last updated in Q3 2026, available online.

Researcher	Indication	Phase	Recent Milestone
USC (University of Southern California) Keck School of Medicine	Treatment of Alzheimer's Agitation Disorder	Phase 2	Phase II LiBBY trial completed. Positive results were announced on July 14, 2026.
McMaster University	Treatment of post-surgical pain	Phase 3	Phase 2 study completed and results posted on September 8, 2026. Study currently in Phase 3 status. Conclusion of Phase 2 references the potential transition from oil drop to capsules on the definitive trial.
University Health Network – Toronto	Improving Pain Disability with The Use of Oral Cannabinoids	Pilot	Clinical trial materials supplied and study activities completed. No results posted for pilot study.
McMaster University	Insomnia in depressive disorder	Phase 2	Enrollment completed and data analysis is ongoing.
Centre for Medical Cannabis Research	PK of single dose THC/CBD in healthy adult controls and kidney disease	Phase 1	Patient dosing completed and data analysis is ongoing.
University of Manitoba	Chronic Headaches in Adolescents	Phase 2	Study remains active and product shelf-life extension was granted during 2026.
University of Manitoba	Tolerability Study of Cannabinoids for symptom management in pediatric oncology	Phase 1/ Phase 2	Study remains active and the study has progressed to the next phase of patient allocation.
University Health Network – Toronto	Restless Legs Syndrome	N/A	Study remains active. Clinical trial materials supplied.
University of Manitoba	Drug Resistant Epilepsy	Phase 2	Regulatory approvals have been obtained, and clinical trial material manufacturing and supplied. Study remains active.
BC Cancer Agency	Symptom Management in Cancer Patients	Phase 2	Trial completed. Initial results concluded pending final peer review.
University of Calgary	The differential effects of THC vs. CBD on cognition in persons with MS	Pilot Phase 2	Regulatory approval obtained and clinical trial materials supplied.

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			
	September 30, 2026 $'000s	**June 30, 2026 $'000s**	**March 31, 2026 $'000s**	**December 31, 2025 $'000s**
Net revenue	11,802	9,984	8,963	11,062
Gross profit before change in fair value of biological assets *	3,753	4,293	3,470	4,148
Gross profit *	3,806	4,312	3,322	4,275
General administrative expenses	(2,355)	(2,606)	(2,842)	(4,243)
Marketing and selling expenses *	(1,214)	(1,327)	(1,298)	(1,505)
R&D expenses	(16)	(83)	(24)	(52)
Share-based compensation expense	(103)	(440)	(154)	(211)
Other operating(expense)/income, net	(39)	110	84	(271)
Operating income/(loss)	79	(34)	(912)	(2,007)
Net profit/(loss) for the period	112	4	(867)	(1,968)
Profit/(loss) per share – basic and diluted	0.000	0.000	(0.002)	(0.020)
Adjusted EBITDA [(1)]	442	894	103	(144)

	Three months ended			
	September 30, 2025 $'000s	**June 30, 2025 $'000s**	**March 31, 2025 $'000s**	**December 31, 2024 $'000s**
Net revenue	11,448	11,808	10,806	12,042
Gross profit before change in fair value of biological assets *	2,850	3,707	4,596	4,102
Gross profit *	2,989	3,800	4,642	4,155
General administrative expenses	(3,165)	(5,291)	(3,043)	(3,741)
Marketing and selling expenses *	(1,582)	(1,839)	(1,709)	(1,872)
R&D expenses	(47)	(46)	(78)	(35)
Share-based compensation expense	(194)	(502)	(437)	(227)
Other operating (expense)/income, net	(189)	78	184	(83)
Operating loss	(2,188)	(3,800)	(441)	(1,803)

Net loss	(2,142)	(3,770)	(387)	(1,726)
Loss per share – basic and diluted	(0.010)	(0.009)	(0.001)	(0.010)
Adjusted EBITDA [(1)]	(1,079)	(564)	141	(96)

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

***** 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. 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 and $539 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 and December 31, 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 profit/(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-Sept 2026 $'000s	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
Canada	4,880	4,198	4,361	5,007	5,002	4,897	4,855	5,505
International sales								
Australia	102	846	1,037	2,484	3,103	2,980	2,150	2,429
Germany	5,023	4,205	2,902	2,471	2,775	3,150	3,611	3,837
Other	1,797	735	663	1,100	568	781	190	271
	11,802	**9,984**	**8,963**	**11,062**	**11,448**	**11,808**	**10,806**	**12,042**
Canadian Adult Use and Wellness	1,364	1,456	1,086	1,384	1,757	1,607	1,349	1,732
Canadian Medical Cannabis								
Clinics	282	342	412	448	441	509	470	523
Other Canadian Medical Cannabis	2,025	1,964	2,566	2,742	2,508	2,610	2,670	2,604
	2,307	**2,306**	**2,978**	**3,190**	**2,949**	**3,119**	**3,140**	**3,127**
International Medical Cannabis	6,922	5,786	4,592	6,055	6,446	6,721	5,946	6,515
Pharmaceutical and B2B	1,209	436	307	433	296	361	371	668
	11,802	**9,984**	**8,963**	**11,062**	**11,448**	**11,808**	**10,806**	**12,042**
Products transferred at a point in time	10,756	9,127	8,430	10,212	10,993	11,478	10,285	11,551
Products and services transferred over time	1,046	857	533	850	455	330	521	491
	11,802	**9,984**	**8,963**	**11,062**	**11,448**	**11,808**	**10,806**	**12,042**

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 September 30, 2026

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

	Three months ended September 30			
	2026 $'000s	2025 $'000s	$ Variance	Management Commentary
Net revenue	11,802	11,448	354	Increased 3%, driven by growth in International Medical Cannabis and Pharmaceutical and B2B revenue, partially offset by lower Canadian Medical Cannabis revenue due to the VAC reimbursement reduction and lower Adult Use & Wellness revenue. See "Financial Overview" for additional details.

Cost of sales	(8,049)	(8,598) [(2)]	549	Decreased 6% despite higher revenue, reflecting cost reduction initiatives and a favourable product mix, including increased sales of higher-value branded products in Germany. See "Financial Overview" for more details.
Gross profit before change in fair value of biological assets	3,753	2,850[(2)]	903	Increased 32%, reflecting cost reduction initiatives and increased sales of higher-value international products. See "Financial Overview" for more details.
Gross profit	3,806	2,989[(2)]	817	Increased primarily due to improved gross margins resulting from cost reduction initiatives and a favourable product mix. See "Financial Overview" for more details.
General administrative expenses	(2,355)	(3,165)	810	Decreased 26% due to general expense reductions, reflecting restructuring and other cost reduction initiatives. See "Financial Overview" for more details.
Marketing and selling expenses	(1,214)	(1,582) [(2)]	368	The decrease reflects lower freight costs and headcount reductions implemented as part of ongoing cost control initiatives.
R&D expenses	(16)	(47)	31	The decrease is due to lower R&D activities.
Share-based compensation expenses	(103)	(194)	91	The decrease is due to the lower value of unvested share-based awards compared to the prior period.
Other operating expenses, net	(39)	(189)	150	Other operating expense, net decreased by 79%, primarily due to non-recurring asset write-offs and impairment charges recorded in Q3 2025, partially offset by foreign exchange difference.
Operating income/(loss)	79	(2,188)	2,267	See comments above.
Adjusted EBITDA [(1)]	442	(1,079)	1,521	Adjusted EBITDA is a non-IFRS measure. See "Reconciliation of non-IFRS Measures" for reconciliation to IFRS measures.
Finance income	47	62	(15)	Finance income decreased compared with Q3 2025, primarily due to lower interest earned on cash balances.
Finance expense	(14)	(16)	2	Expenses consistent with prior period.

Profit/(loss) before taxation	112	(2,142)	2,254	See comments above.
Net profit/(loss) for the period	112	(2,142)	2,254	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 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 statement of profit or 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. The table below summarizes the impact of this reclassification on the Company's financial results for the three and nine months ended September 30, 2025:

	Three months ended September 30			**Nine months ended September 30**		
	As previously reported	**Reclassification**	**As reclassified**	**As previously reported**	**Reclassification**	**As reclassified**
Cost of sales	9,025	(427)	8,598	24,266	(1,357)	22,909
Marketing and selling expenses	1,155	427	1,582	3,773	1,357	5,130
Gross profit	2,562	427	2,989	10,074	1,357	11,431
Net loss	(2,142)	-	(2,142)	(6,299)	-	(6,299)

Discussion and Analysis of the Results for the Nine-Month Period Ended September 30, 2026

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

	Nine months ended September 30			
	2026 $'000s	**2025 $'000s**	**$ Variance**	**Management Commentary**
Net revenue	30,749	34,062	(3,313)	Decreased 10%, driven by lower International Medical revenue following Australian regulatory changes and lower Canadian Medical Cannabis revenue from the VAC reimbursement reduction See "Financial Overview" for more details.

Cost of sales	(19,233)	(22,909) [(2)]	3,676	Decreased 16%, reflecting lower sales volumes, cost reduction initiatives and the ongoing transition to higher-value branded products in Germany. See "Financial Overview" for more details.
Gross profit before change in fair value of biological assets	11,516	11,153[(2)]	363	Increased 3% despite lower revenue, reflecting cost reductions, the transition to branded products in Germany and improved Australian margins. See "Financial Overview" for more details.
Gross profit	11,440	11,431[(2)]	9	Gross margin improved 360 basis points to 37.2% from 33.6%, reflecting cost reductions and a favourable product mix, offset by lower revenue.
General administrative expenses	(7,803)	(11,499)	3,696	Decreased 32%, reflecting restructuring and other cost reduction initiatives and elevated 2025 costs related to the Proxy Contest. See "Financial Overview" for more details.
Marketing and selling expenses	(3,839)	(5,130) [(2)]	1,291	Decreased 25%, reflecting lower freight costs and headcount reductions under ongoing cost control initiatives.
R&D expenses	(123)	(171)	48	The decrease is due to lower R&D activities.
Share-based compensation expenses	(697)	(1,133)	436	The decrease is due to the lower value of unvested share-based awards compared to the prior period.
Other operating income, net	155	73	82	Other operating income, net increased primarily due to non-recurring asset write-offs and impairment charges recorded in 2025.
Operating loss	(867)	(6,429)	5,562	See comments above.
Adjusted EBITDA [(1)]	1,439	(1,502)	2,941	Adjusted EBITDA is a non-IFRS measure. See "Reconciliation of non-IFRS Measures" for reconciliation to IFRS measures.
Finance income	157	174	(17)	Finance income decreased compared with 2025, primarily due to lower interest earned on cash balances.
Finance expense	(41)	(44)	3	Expenses consistent with prior period.

Loss before taxation	(751)	(6,299)	5,548	See comments above.
Net loss for the period	(751)	(6,299)	5,548	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 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 statement of profit or 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. The table below summarizes the impact of this reclassification on the Company's financial results for the three and nine months ended September 30, 2025:

	Three months ended September 30			**Nine months ended September 30**		
	As previously reported	**Reclassification**	**As reclassified**	**As previously reported**	**Reclassification**	**As reclassified**
Cost of sales	9,025	(427)	8,598	24,266	(1,357)	22,909
Marketing and selling expenses	1,155	427	1,582	3,773	1,357	5,130
Gross profit	2,562	427	2,989	10,074	1,357	11,431
Net loss	(2,142)	-	(2,142)	(6,299)	-	(6,299)

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 profit/(loss) adjusted for interest, provisions for income taxes, other non-cash items including depreciation and amortization, share-based compensation, and extraordinary and non-recurring items.

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

	Three months ended			
	September 30, 2026 $'000s	**June 30, 2026 $'000s**	**March 31, 2026 $'000s**	**December 31, 2025 $'000s**
Net operating profit/ (loss)	79	(34)	(912)	(2,007)
Adjusted for:				
Share-based compensation expense	103	440	154	211
Depreciation and amortization	339	384	382	396
Restructuring related severance expenses	-	23	121	942
Incremental cost of cannabis inventory acquired in a business combination [(1)]	-	116	9	7
Fair value adjustments in gross profit	(53)	(19)	148	(127)
Miscellaneous [(2)]	(26)	(16)	171	138
AGM related proxy fees [(3)]	-	-	18	162
Transaction costs [(4)]	-	-	12	134
Adjusted EBITDA	**442**	**894**	**103**	**(144)**

(1) This represents the fair value realized on sale of cannabis inventory acquired in a business combination.
(2) 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.
(3) 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
(4) This includes non-recurring fees; expenses associated with the evaluation of potential mergers and acquisitions and fees related to reorganization of legal entities.

	Three months ended			
	September 30, 2025 $'000s	**June 30, 2025 $'000s**	**March 31, 2025 $'000s**	**December 31, 2024 $'000s**
Net operating loss	(2,188)	(3,800)	(441)	(1,803)
Adjusted for:				
Share-based compensation expense	194	502	437	227
Depreciation and amortization	420	419	425	563
Restructuring related severance expenses	104	229	-	80
Impairment loss on remeasurement of assets held for sale	34	81	-	-

Loss/ (gain) on disposition of assets	147	(271)	-	-
Early lease termination cost	-	-	-	70
Incremental cost of cannabis inventory acquired in a business combination [(1)]	31	42	20	251
Write down inventories [(2)]	-	-	-	10
Fair value adjustments in gross profit	(139)	(93)	(46)	(53)
Indirect tax reassessments [(3)]	-	-	524	-
Miscellaneous	-	57	(28)	150
ASM and Proxy Contest related fees [(4)]	173	2,170	-	-
Transaction costs/ (income) [(5)]	145	100	(750)	409
Adjusted EBITDA	**(1,079)**	**(564)**	**141**	**(96)**

(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 September 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 September 30, 2026, and as of the date of this MD&A, options to purchase up to 38,753,547 Common Shares were issued and outstanding. During the nine months ended September 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 3,293,299 Common Shares were forfeited, cancelled and/or expired.

As at September 30, 2026, and as of the date of this MD&A, RSUs representing the right to acquire up to 5,050,171 Common Shares were issued and outstanding. During the nine months ended September 30, 2026, 2,419,640 RSUs were granted, 3,334,023 RSUs were settled through issuance of 1,809,258 Common Shares, resulting in an increase to Common Shares on the condensed interim consolidated statement of financial position of $136, and 304,153 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:

	Nine months ended 30-Sep			
	2026 $'000s	**2025 $'000s**	**Change**	**Management Commentary**
Cash and cash equivalents, beginning of the period	10,806	11,690	(884)	
Net cash used in operating activities	(402)	(5,939)	5,537	Net cash used in operating activities improved significantly from $5.9M in 2025 to $0.4M in 2026. The improvement reflects better operating performance, lower operating expenses resulting from restructuring and other cost reduction initiatives, and lower costs related to the Proxy Contest, which were approximately $2.3M in the first nine months of 2025.
Net cash (used in)/generated from investing activities	(561)	4,620	(5,181)	Net cash used in investing activities increased compared with 2025, primarily due to the receipt of net proceeds from the sale of the Hope Facility in the prior period, which did not recur in 2026, partially offset by additions to property, plant and equipment.
Net cash generated from financing activities	235	165	70	Net cash generated from financing activities increased compared with 2025, primarily due to lower repayments of insurance premium financing in the current period.
Effect of exchange rate change on cash and cash equivalents	23	48	(25)	
Cash and cash equivalents, end of period	10,101	10,584	(483)	Refer to comments above.

Contractual Obligations

The Company's contractual obligations as at September 30, 2026 increased by $2.08M compared to September 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	9,412	9,412	-	-	-
Employee benefit obligations	1,077	1,077	-	-	-
Loans and borrowings	328	328	-	-	-
Total contractual obligations	**10,817**	**10,817**	**-**	**-**	**-**

Capital Resources

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

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;
- clinical development, regulatory review and extended commercialization timelines associated with DMF initiatives;
- 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, 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, 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. 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. In addition, the Company was not a defendant in the Apollo Claim or a party to the costs proceeding, and neither the Company nor any of its officers or directors has any obligation to make payments in connection with these matters.

The Company continues to believe that the allegations set forth in the Apollo Claim are without merit and does not expect these matters to 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 nine months ended September 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 nine months ended September 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**.**