



MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three Months Ended October 31, 2025 and 2024

CanadaBis Capital Inc.

Management Discussion & Analysis

For the Three Months Ended October 31, 2025 and 2024

MANAGEMENT DISCUSSION AND ANALYSIS

This Management Discussion and Analysis (“MD&A”) for CanadaBis Capital Inc. (“CanadaBis” or the “Company”) should be read in conjunction with the Company’s unaudited condensed consolidated financial statements for the three months ended October 31, 2025 and 2024 (the “Financial Statements”). These Financial Statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), and the accounting policies applied in these Financial Statements are based on IFRS as issued, outstanding and in effect on August 1, 2024. All amounts are presented in Canadian dollars unless otherwise stated. This MD&A is dated December 30, 2025.

Basis of Presentation and going concern

This MD&A has been prepared with reference to the National Instrument 51-102 Continuous Disclosure Obligations established by the Canadian Securities Administrators. Additional information concerning CanadaBis, including its Consolidated Financial Statements can be found on SEDAR+ at www.sedarplus.ca.

These Financial Statements include the financial information of the Company’s subsidiaries:

- Stigma Pharmaceuticals Inc. – 100% held;
- 1998643 Alberta Ltd. (operating as “Stigma Grow”) - 100% held; include cultivation and wholesale, and Extract;
- Full Spectrum Labs Ltd. (operating as “Stigma Roots”) – 100% held;
- 2103157 Alberta Ltd. (operating as “INDICative Collection”) -100% held; the retail operation; and
- Goldstream Cannabis Inc. – 95% held.

The Company’s consolidated financial statements were prepared on a going concern basis. The going concern basis reflects management’s expectation that the Company will be able to continue operating for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that would be required if the going concern assumption were no longer appropriate.

For the three months ended October 31, 2025, the Company recorded a net loss of \$0.13 million (Adjusted EBITDA of \$0.2.0 million) with positive cash flows from operating activities of \$0.44 million. As at October 31, 2025, the Company had excise taxes payable of \$6.3 million, of which approximately \$5.2 million represented amounts in arrears, including interest and penalties. These arrears are subject to regular scheduled payments in accordance with arrangements with the Canada Revenue Agency which the Company remains fully compliant.

The Company’s ability to continue as a going concern depends on its ability to improve operating cash flows, continued cooperation with lenders and remediation of debt covenants, continued cooperation with Canada Revenue Agency including compliance with current filing requirements and its ability to successfully raise funds and its ability to meet its debt obligations.

There can be no certainty that the Company will obtain the necessary financing or achieve the operational improvements required to support its ability to continue as a going concern. Accordingly, these financial statements do not reflect any adjustments that might result should the Company be unable to continue as a going concern.

COMPANY OVERVIEW

CanadaBis is a vertically integrated cannabis company with a licensed cultivation and manufacturing facility located in Red Deer, Alberta Canada. The common shares of CanadaBis (“Common Shares”) trade on the TSX Venture Exchange (“TSX-V”) under the ticker symbol “CANB”.

CanadaBis participates in the Canadian recreational cannabis market pursuant to the Canadian Cannabis Act. The Company does not engage in any cannabis-related activities in the United States as defined in Canadian Securities Administrators Staff Notice 51-352.

The Company’s value proposition is centered on delivering high quality cannabis products and manufacturing services that meet the needs of both ‘business to business’ and ‘business to consumer’ customers. The Company focuses on building recognizable and trusted product brands while maintaining flexible production capabilities that allow it to respond quickly to changes in market demand.

The Canadian cannabis market continues to shift toward high potency, extract derived and infused product formats. These formats require specialized extraction and formulation capabilities which are not widely available across the sector. CanadaBis has established recognized expertise in producing high quality concentrates and infused products at scale, and the Company’s strategy is to leverage this capability to support growth across both ‘business to business’ and ‘business to consumer’ channels.

The Company’s strategic priorities include:

- **Strengthening its position as an industry leader** in innovative and efficient, scalable production of concentrate and infused formats.

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- **Maintaining a focused and differentiated brand portfolio** (DAB BODS, NGL, HIGH PRIESTESS, STIGMA GROW, VERO) with an emphasis on consistent product performance and consumer recognition.
- **Aligning product offerings with evolving consumer demand**, continuous development of innovative new products including high-potency concentrates, infused pre-rolls, extract-derived formats and select complementary dried flower SKUs.
- **Expanding contract manufacturing and white label services** for licensed producers seeking access to specialized extraction capacity without significant capital investment.
- **Advancing product development capabilities** to drive internal innovation and support partner co-development and commercialization initiatives.
- **Leveraging operational agility** to efficiently scale new formulations and adjust production mix based on provincial sell-through trends and market pricing dynamics.
- **Providing reliable customer service and supply execution** across both business-to-business and business-to-consumer channels.
- **Supporting education and awareness efforts** focused on concentrate and infused product characteristics to promote responsible and informed use.

By prioritizing formats that align with evolving consumer purchasing behavior, the Company aims to improve production throughput, enhance margin sustainability and expand revenue across both wholesale and retail channels. The strategic focus on extraction and infused product capabilities is expected to support scalable growth and improved financial performance as the market continues to move toward higher THC, extract driven categories.

Consumer Brands:

The Company maintains a portfolio of established product brands that are distributed across multiple provincial markets in Canada. The CanadaBis brand family includes **DAB BODS, NGL, HIGH PRIESTESS, STIGMA GROW and VERO**, each designed to serve distinct consumer preferences within the concentrates, infused pre roll and specialty flower categories. The portfolio reflects the Company's focus on extract-derived formats, consistent product quality and recognizable brand identity. The Company continues to support brand development through targeted commercialization strategies, product innovation and ongoing engagement with provincial distributors and retailers to maintain shelf presence and market relevance.

- **DAB BODS** focuses on approachable, high-potency concentrate and infused formats designed for broad consumer appeal and repeatable performance.
- **NGL** offers modern and trend-driven product expressions tailored to younger legal-age consumers seeking bold flavor and high THC impact formats.
- **HIGH PRIESTESS** is oriented toward artisanal concentrate and infused offerings with emphasis on terpene expression, sensory profile and premium experience.
- **STIGMA GROW** represents the Company's core extraction identity and is associated with reliability, potency and consistency across multiple concentrated formats.
- **VERO** focuses on curated and formulated products that highlight cannabinoid balance, controlled potency and refined flavor profiles.



DAB BODS



HIGH PRIESTESS



NGL



VERO

MARKETING AND COMMERCIALIZATION ADVANTAGE

The Company maintains a diversified commercialization and market engagement strategy through selective participation in board-supported promotional initiatives, and by leveraging the Company's in-house Retail Relationship Management team, which engages directly and consistently with licensed retailers across key provincial markets. These representatives provide ongoing product education, highlight new and upcoming launches, support merchandising and promotional planning, and gather real-time feedback on consumer preferences and store-level sell-through trends.

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This direct-to-retailer engagement model enhances brand visibility, supports stronger product positioning at the point of sale, and enables the Company to adapt commercial and production strategies more rapidly to changing market dynamics. Management believes that this approach provides a meaningful competitive advantage in a highly saturated market where differentiation is driven not only by product quality but also by sustained store-level support and presence. Our strategic marketing approach is evidenced through repeat shelf placement and sustained performance for the Company’s flagship brands, each of which has demonstrated consistent consumer demand and meaningful retail velocity in core markets.

STRATEGIC TRANSACTIONS AND DEVELOPMENTS

On March 11, 2025, the Company and Simply Solventless Concentrates Ltd. (“SSC”) entered into a definitive arrangement agreement (the “Arrangement Agreement”), pursuant to which SSC was to acquire all of the issued and outstanding shares of the Company in consideration for the issuance of SSC Shares on the basis of the Exchange Ratio as defined in the Arrangement Agreement (the “Transaction”).

On April 28, 2025, CanadaBis terminated the Arrangement Agreement with SSC due to an “SCC Material Adverse Change” under the terms of the Arrangement Agreement. The Company does not anticipate additional costs associated with the termination (Note 29 – Commitments and contingencies).

On April 2, 2025 and April 14, 2025, the Company closed a brokered private placement of the issuance of 2,620 and 1,415 unsecured 11% convertible debentures (the “Debenture(s)”), respectively at \$1,000 per Debenture for the aggregate gross proceeds of \$4,035,000 (collectively, the “Financing”) from the First and Final Tranches. The Financing provided additional funds for short term liquidity needs. Refer to “Liquidity and Capital Resources” for further details on the resulting accounting. The Company granted 1,281,000 broker warrants and 694,000 advisory warrants to the Agent pursuant to the Financing. Refer to “Shareholders’ Capital” for further details on the resulting accounting.

QUARTERLY HIGHLIGHTS

| | Three months ended | |
|---------------------------------------------------|--------------------|------------------|
| | October 31, 2025 | October 31, 2024 |
| Gross revenue | \$5,729,412 | \$9,602,446 |
| Excise duty | 2,468,122 | 4,515,919 |
| <i>Excise duty %</i> | 43.1% | 47.0% |
| Net revenues | 3,261,290 | 5,086,527 |
| Cost of sales | 1,716,085 | 2,885,281 |
| Gross profit | 1,545,205 | 2,201,246 |
| <i>Gross profit %</i> | 27.0% | 22.9% |
| Net income (loss) and comprehensive income (loss) | (128,539) | 321,569 |
| Net income (loss) per share (basic and diluted) | \$0.00 | \$0.00 |
| Adjusted EBITDA ⁽¹⁾ | \$197,029 | \$675,892 |

(1) *Adjusted EBITDA is a Non-GAAP performance measure. Refer to “Cautionary Statement Regarding Certain Non-GAAP Performance Measures” for further details.*

RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Gross Revenue

Gross revenue for the three months ended October 31, 2025 (the “Quarter”) was \$5.7 million, compared to \$9.6 million in the same period of the prior year, representing a year over year decrease of approximately 41%. The decline primarily reflects a deliberate reduction in wholesale volumes as the Company exited certain low margin and working capital intensive SKUs, rationalized provincial listings, and focused production on higher margin extract derived and infused product categories. In particular, a substantial portion of the Company’s year over year revenue decline reflects the discontinuation of its large format milled flower SKU during the fiscal second quarter of 2025. This product historically represented approximately 2,500 cases per month of provincial shipments during the comparable period in the prior year. No cases of this SKU were sold during the current Quarter. The decision to discontinue this product was driven by margin considerations and working capital efficiency, and management continues to evaluate opportunities to reintroduce select large format offerings at improved margin levels.

In addition to these planned volume reductions, cannabis sales in British Columbia were adversely impacted during the Quarter by labour disruptions at the British Columbia Liquor Distribution Branch (the “BC LDB”). Job action by BCGEU members began in early September 2025 and expanded to include LDB cannabis distribution facilities later in the month, resulting in significant interruptions to product ordering,

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warehousing, and deliveries to licensed retailers. While the strike concluded in late October, the disruption constrained product availability and reduced sell through during the Quarter. The Company estimates that the BC LDB shutdown resulted in approximately \$500,000 of lost cannabis sales during the Quarter. Provincial wholesale ordering in British Columbia remains meaningfully below prior year levels subsequent to the Quarter as retailers and distributors continue to normalize inventory positions following the distribution shutdown.

Looking forward, the Company expects improved sales performance as new SKUs are launched, including its new Vero brand which has demonstrated meaningful early traction in the vape category. Vero represents a differentiated, concentrate forward vape format designed to deliver consistent flavour, potency, and reliability across retail channels. Early sell through data and feedback from provincial buyers and retail partners have been encouraging, with strong initial consumer response supporting management's expectations for broader distribution and repeat purchasing as the brand expands its provincial footprint. In addition, targeted commercial activation programs with key retail partners are expected to further support awareness, trial, and ongoing demand.

Revenue by operating stream: Although the Company no longer reports multiple operating segments for financial reporting purposes, management continues to evaluate performance and allocate resources across two primary revenue streams: extraction and concentrate based products, and cultivation and wholesale dried flower sales.

For the three months ended October 31, 2025 and 2024, revenue by operating stream was as follows:

| | Three months ended | |
|-------------------------------------|--------------------|--------------------|
| | October 31, 2025 | October 31, 2024 |
| Extraction and concentrate products | \$4,695,578 | \$7,199,848 |
| Cultivation and wholesale | \$1,033,834 | \$2,402,598 |
| Gross Revenue | \$5,729,412 | \$9,602,446 |

Extraction and concentrate products consist of cannabis oils, concentrates, infused pre rolls, and derivative products manufactured using the Company's in-house extraction and formulation capabilities and sold under the Company's branded portfolios as well as through contract manufacturing arrangements with third party licensed producers. These products typically carry higher average selling prices and are subject to higher excise duty, but also offer superior gross margin potential when input costs and production efficiency are optimized.

Cultivation and wholesale consists primarily of dried cannabis flower and biomass sold into provincial distribution channels and to third party licensed producers. These products are subject to lower excise rates and generally have lower unit margins but provide steady baseline volume and support the Company's integrated production model by supplying feedstock for internal extraction.

Extraction and concentrate based products represented approximately **80%** of net revenue for the Quarter, reflecting the Company's strategic focus on higher value, extract derived formats. Cultivation and wholesale sales represented approximately **20%** of net revenue and primarily relate to dried flower and biomass sold into provincial and wholesale channels.

Management believes this revenue mix provides a more meaningful view of the Company's operating performance than formal segment reporting, given the integrated nature of the Company's production, processing, and commercialization activities.

Excise Duty

Excise duty for the three months ended October 31, 2025 was \$2.5 million, compared to \$4.5 million in the same quarter of the prior year. As a percentage of gross revenue, excise represented 43.1% in the Quarter, a decrease from 47.0% in the comparative period. The lower excise burden in Q1 2026 compared to the same period in the prior year reflects the Company's rationalization during the second half of fiscal 2025 of numerous high-THC extract-derived and infused pre-roll products that were commercially successful but subject to comparatively higher per-unit excise tax. The Company's decision to discontinue these select SKUs with unsustainable margin profiles resulted in a sequential easing of excise pressure in the latter part of fiscal 2025 and Q1 2026. Management expects a more balanced excise-to-revenue relationship consistent with Q1 2026 moving forward as product mix continues to shift toward formats with stronger unit economics.

Net Revenue

Net revenue for the Quarter was \$3.3 million, compared to \$5.1 million in the same period of the prior year. The decrease in net revenue is primarily attributable to the excise impact associated with high THC product formats and the Company's decision to rationalize lower margin SKUs in the provincial distribution system discussed above.

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Cost of Sales

Cost of sales for the three months ended October 31, 2025 was \$1.7 million, compared to \$2.9 million in the same quarter of the prior year. As a percentage of sales, cost of sales was 30.0% during the Quarter consistent with 30.0% in the comparative quarter. Cost of Sales are 32% lower than the preceding quarter ended July 31, 2025 (the "Prior Quarter") due to ongoing cost and labour efficiency initiatives that have been recently implemented.

Gross Profit

Gross profit for the Quarter was \$1.6 million, compared to \$2.2 million in the same quarter of the prior year, resulting in a gross margin of 27%, up from 22.9% in the comparative period. Gross profit as a percentage of sales is higher by 21% than the 22.3% gross profit percentage recorded in the prior quarter ended July 31, 2025. The increase in gross profit percentage during the Quarter as compared to the prior quarter and same period in the prior year reflects ongoing cost and labour efficiency initiatives coupled with the discontinuation of numerous successful but low margin SKUs as discussed above, along with changes in product mix. Looking forward, management expects gross margin percentage to stabilize in the 27%-30% range as the Company continues to refine its cost and labour model, coupled with the introduction of new, reformulated infused and extract-based products built for higher contribution margins. These upcoming product lines will benefit from reduced cost of goods sold through new source material partnerships, optimized production inputs, and enhanced yield efficiency. Supported by these initiatives, as well as ongoing cultivation and process refinements, gross margin is anticipated to strengthen progressively through Fiscal 2026.

Net Income (Loss)

The Company recorded a net loss of \$0.13 million for the Quarter, compared to net earnings of \$0.32 million in the same quarter of the prior year. The Quarter loss compared to the comparative period is largely attributed to the lower sales partially offset by the improved gross profit for the reasons discussed above.

Adjusted EBITDA

The Company realized positive Adjusted EBITDA for the Quarter of \$0.20 million, compared to \$0.68 million in the same quarter of the prior year. The slightly lower positive Adjusted EBITDA over the comparative period reflects the lower sales realized in the Quarter due to SKU rationalization discussed above, partially offset by an improved gross profit margin of 27.0% compared to 22.9%, as discussed above.

Adjusted EBITDA is a Non-GAAP financial measure used by management to evaluate operating performance by excluding non-cash fair value adjustments, depreciation and amortization, finance costs and other non-operating items. Refer to "Cautionary Statement Regarding Certain Non-GAAP Performance Measures" for further details.

SELECT QUARTERLY FINANCIAL INFORMATION

| Three months ended | October 31, 2025 | July 31, 2025 | April 30, 2025 | January 31, 2025 | October 31, 2024 | July 31, 2024 | April 30, 2024 | January 31, 2024 |
|---------------------------|---------------------|------------------|-------------------|---------------------|---------------------|------------------|-------------------|---------------------|
| (Unaudited) | 2026 Q1 | 2025 Q4 | 2025 Q3 | 2025 Q2 | 2025 Q1 | 2024 Q4 | 2024 Q3 | 2024 Q2 |
| Gross revenue | \$5,729,412 | \$6,412,907 | \$5,518,442 | \$8,997,064 | \$9,602,446 | \$7,248,309 | \$7,084,646 | \$7,071,335 |
| Excise duty | 2,468,122 | \$2,741,117 | \$2,281,231 | \$4,091,181 | \$4,515,919 | \$3,315,684 | \$3,114,749 | \$2,762,571 |
| Excise duty % | 43.1% | 42.7% | 41.3% | 45.5% | 47.0% | 45.7% | 44.0% | 39.1% |
| Net revenues | 3,261,290 | \$3,671,790 | \$3,237,211 | \$4,905,883 | \$5,086,527 | \$3,932,625 | \$3,969,897 | \$4,308,764 |
| Cost of sales | 1,716,085 | \$2,244,065 | \$1,643,124 | \$2,745,133 | \$2,885,281 | \$1,966,843 | \$1,801,591 | \$2,250,159 |
| Gross profit | 1,545,205 | \$1,427,725 | \$1,594,087 | \$2,160,750 | \$2,201,246 | \$1,965,782 | \$2,168,306 | \$2,058,605 |
| Gross profit % | 27.0% | 22.3% | 28.9% | 24.0% | 22.9% | 27.1% | 30.6% | 29.1% |
| Net income (loss) and | (128,539) | (\$1,782,336) | (\$22,001) | \$96,917 | \$321,569 | (\$326,557) | \$109,824 | \$109,901 |
| Net income (loss) per | \$0.00 | (\$0.01) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| share (basic and diluted) | | | | | | | | |
| Adjusted EBITDA | \$197,029 | (\$636,534) | \$440,665 | \$434,158 | \$675,892 | (\$609,505) | \$497,663 | \$564,609 |

Quarterly Trends

Gross revenue fluctuated over the past eight quarters, reflecting changes in provincial purchasing patterns, product mix and the timing of new product introductions. Revenue peaked in Q1 2025 with the launch of several high THC extract derived and infused products, before moderating in Q3 2025 and Q4 2025 following the Company's decision to discontinue select SKUs with unsustainable margin profiles and the temporary pause in new product launches implemented during the second and third quarters of fiscal 2025 in connection with the SSC

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Transaction. Net revenue during the first and second quarters of fiscal 2025 was also influenced by higher excise tax rates on certain product formats, with excise tax as a percentage of gross revenue ranging from approximately 41% to 47% across the fiscal year. During fiscal Q1 2026, cannabis sales in British Columbia were adversely impacted by labour disruptions at the British Columbia Liquor Distribution Branch ("BCGEU"). Job action by BCGEU members began in early September 2025 and expanded to include LDB cannabis distribution facilities later in the month, resulting in significant interruptions to product ordering, warehousing, and deliveries to licensed retailers. While the strike concluded in late October and distribution activities began to gradually resume, the disruption constrained product availability and reduced sell through during the Quarter. The Company estimates that the LDB shutdown resulted in approximately \$500,000 of lost cannabis sales during the period.

Gross profit and gross margin percentages showed quarter-to-quarter variability tied to product mix. Margins were strongest in Q3 2025 at 28.9%, supported by a higher proportion of concentrate and infused products with more favorable unit economics. Margins were lowest in Q4 2025 at 22.3% and recovered to 27.0% in Q1 2026 reflecting the full effect of SKU rationalization and product mix adjustments undertaken in the second half of fiscal 2025 along with ongoing cost and labour efficiency initiatives implemented during Q4 2025.

Net income also varied by quarter, influenced by margin performance, operating cost timing and non-recurring items. Positive net income was recorded in Q1 2025 and Q2 2025 as revenue mix and contribution margins supported earnings performance. Net income for Q4 2025 reflects a net loss, which was impacted by one-time, non-operational adjustments related to interest and other charges associated with excise tax arrears, rather than from ongoing operating performance. This adjustment does not reflect the underlying earnings capacity of the core business but relates to historical excise assessments recognized during the Quarter. Q1 2026 realized a net loss largely driven by the loss in sales from the BCGEU job action discussed above.

Overall, quarterly results demonstrate the sensitivity of earnings to product mix, excise impacts and commercial listing decisions, and reinforce management's ongoing focus on product portfolio optimization, input cost efficiency and disciplined cost management.

LIQUIDITY AND CAPITAL RESOURCES

As at October 31, 2025, the Company reported net working capital of \$3,686,900 compared to \$845,170 as at July 31, 2024 (as restated.) The Quarter reflects a decrease in current assets of \$110,644 and a reduction in current liabilities of \$2,731,086. The overall movement in working capital was significantly impacted by the reclassification of current debt to long term debt as further discussed in the Loans section below and Note 12(ii) - Long term, in the Financial Statements. The current classification of this debt as at July 31, 2025 resulted from a covenant breach identified at year end, for which the Lender subsequently provided a waiver after July 31, 2025. Because the waiver was received subsequent to July 31, 2025, the related debt was classified as current in accordance with IAS 1. As at October 31, 2025, this debt has resumed long term classification.

The Company reported an increase in cash of \$107,864 during the Quarter. This change reflects cash inflows from operating activities of \$437,611 compared to outflows of \$676,512 for the same period in the prior year, net of financing outflows of \$328,096 (\$98,290 in the prior year) largely attributed to repayments of long term debt and lease obligations, and investing cash outflows of \$1,651 (prior year - \$102,561) related to property and equipment expenditures.

Convertible debentures

On April 2, 2025 and April 14, 2025, the Company closed a brokered private placement of the issuance of 2,620 and 1,415 unsecured 11% convertible debentures (the "Debenture(s)"), respectively at \$1,000 per Debenture for the aggregate gross proceeds of \$4,035,000 (collectively, the "Financing") from the First and Final Tranches. The Debentures mature on April 2, 2029 (the "Maturity Date") and bear interest at the rate of 11% per annum, with such interest to be accrued on a quarterly basis and payable quarterly in arrears. Interest shall be paid in cash or common shares of the Company (the "Common Shares") at the Company's sole discretion, subject to Exchange approval. Following August 3, 2025 and prior to the Maturity Date, pursuant to the terms of the Debentures, at the option of the holder the principal amount of each Debenture shall be convertible into Common shares at \$0.10 per Common Share (the "Conversion Price" at no additional consideration. The Debentures will be repaid in cash at the Maturity Date.

On and following September 2, 2025, the Company shall have the right to either partially or fully redeem the outstanding Debentures in cash at 105% of the outstanding principal amount of the Debenture at the time of redemption, plus accrued interest in cash, provided, however, that if the Debentures are redeemed before being outstanding for six (6) months, the Company shall pay the holder all accrued and unpaid interest, plus an additional amount to ensure the holder receives at least six (6) months of interest on the principal amount being redeemed, net of any interest already paid. The Debentures will be subject to a statutory hold period of four months and one day following the issuance date.

The unsecured convertible debentures issued are deemed a compound financial instrument. The Company allocated \$2,268,119 net of issuance costs of \$363,862, of the debt to the liability component and \$1,209,056 net of issuance costs of \$193,963, to the equity component.

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Management estimated the fair value of the debt using a discount rate of 25% applicable to the Company's business, with the residual value allocated to the equity component. The redemption feature at the option of the Company was determined to be a derivative asset at October 31, 2025 but was determined to be NIL.

The Company paid the agent an aggregate fee of \$128,100 that is included in transaction costs. The Company granted the Agent an aggregate of 1,281,000 broker warrants and an aggregate of 694,000 advisory warrants pursuant to the Financing as outlined in Note 20(b) of the Financial Statements.

Refer to Subsequent Events for details on the Company's election to satisfy the upcoming interest installment due on December 31, 2025, in common shares of the Company.

Loans

On June 3, 2021, the Company announced that a binding commitment letter was signed on May 24, 2021 with Connect First Credit Union (the "Credit Union") for a new credit facility of \$9.6 million to be comprised of a 5-year term, \$8,850,000 commercial mortgage loan bearing interest at a fixed rate of 4.35% per annum (calculated daily and payable monthly in arrears) (the "Commercial Mortgage Loan") and a \$750,000 on demand line of credit bearing interest at a rate of the lender's prime lending rate plus 1.00% per annum (calculated daily and payable monthly in arrears) (collectively, the "New Credit Facility"). On July 23, 2021, the first tranche of \$7,210,000 was released upon meeting customary closing conditions and was used to settle the existing long-term debt (vendor takeback mortgage and demand mortgage). Aggregate financing costs associated with the New Credit Facility incurred was \$225,000 that was allocated against the Commercial Mortgage Loan. The costs associated with the loan form part of the amortized costs of the loan used to determine the effective interest rate of 3.63%. The monthly payable of principal and accrued interest of the Commercial Mortgage Loan is \$60,490. As at October 31, 2025, \$649,002 was drawn down on the line of credit, which is classified as financing activities for purposes of presentation in the consolidated statement of cash flows for the three months ended October 31, 2025.

The New Credit Facility is secured through the First Coverage Demand Collateral Mortgages over the properties held by 1998643 Alberta Ltd. and 2103157 Alberta Ltd. in the amounts of \$8,850,000 and \$750,000, respectively. Also, first charge security interest over all present and acquired personal property, unlimited guarantees and postponement of claims by Goldstream Cannabis Inc. and 1926360 Alberta Ltd., and the assignment and postponement of all related party debt to the amount of \$1,640,000 is in place.

The commitment letter includes financial covenants requiring the Company to maintain:

- (i) a debt service coverage ratio of not less than 1.40:1, tested annually,
- (ii) a debt-to-equity ratio of not greater than 1.00:1, tested annually, and
- (iii) a current ratio of not less than 1.25:1, tested monthly.

On July 31, 2025, the Company was not in compliance with the debt service coverage covenant. As at October 31, 2025, the Company remained non-compliant with the debt service ratio covenant. However, during the Quarter the Company received confirmation from the Credit Union that it would provide a waiver of compliance in respect of the covenant breaches at July 31, 2025 which extends until July 31, 2026. The waiver which was received on November 14, 2025, confirms that the Company is not in default under the credit agreement as a result of these covenant breaches and that the credit facility remains in good standing. Management continues to monitor covenant performance on an ongoing basis and is engaged in discussions with the lender regarding potential amendments to the covenant structure to better align with the Company's operating profile, seasonality and growth plans.

On February 23, 2021, the Company through one of its wholly-owned subsidiaries secured funding of \$393,428 under the Regional Relief and Recovery Fund ("RRRF"), an economic relief program under Canada's overall COVID-19 Economic Response Plan to fund ongoing non-capital operations. Repayment of this loan commenced on February 1, 2023 with 35 consecutive monthly installments of \$10,930 and one final payment of \$10,878 due on December 31, 2025. Interest is charged at an average bank rate plus 3% from commencement of repayment to December 31, 2025. Considering the interest free period and that received funding at an interest rate below market, the funding was deemed a government grant resulting in a deferred income liability recognized representing the benefit received. An annual effective interest rate of 5.45% was considered reflective of a market rate available at a financial institution under similar terms of repayment. As at October 31, 2025, the deferred income liability of \$148 was outstanding net of \$588 recognized during Quarter as other income representing recognition of this benefit over the term of the funding agreement. A corresponding accretion expenses were recognized to accrete the loan outstanding during the current periods presented. The accretion expense is offset against an equal amount recognized in other income, resulting in a net impact of \$Nil to net income for the three months ended October 31, 2025 and 2024.

Lease obligations

During the Quarter, the Company did not enter into any new lease agreements.

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Excise Tax Remittance and Payment Arrangement

Excise taxes represent a material component of operating cash flows across the Canadian cannabis sector, particularly for producers with concentrate and infused product portfolios where excise constitutes a higher portion of the final selling price. Recognizing this industry-wide dynamic, the Company actively manages its excise remittances and cash conversion cycle to ensure obligations are met in a timely and sustainable manner. Management continues to monitor product mix, pricing strategy, and margin performance to maintain alignment between operating cash flows and excise-related commitments as market conditions evolve.

Excise taxes, both current and past, are being remitted on a regular and timely basis. The Company continues to work closely with the Canada Revenue Agency to ensure full compliance with its excise obligations, including the remittance of all assessed amounts in accordance with its operational cash flow cycle. Management remains focused on maintaining excise compliance as a priority while optimizing working capital and liquidity to support ongoing operations and growth.

OUTLOOK

The Company expects continued demand for high potency extract derived and infused cannabis products across the Canadian market. Consumer purchasing trends and provincial product assortment decisions continue to favor concentrate forward formats and value driven infused pre rolls, areas in which the Company has established brand presence and consistent retail sell through. Management intends to maintain this position through targeted commercialization initiatives, disciplined innovation, and continued focus on production efficiency and consistency.

A key strategic priority for the year ahead is the optimization of the Company's capital structure. Management continues to advance initiatives to restructure and refinance existing debt obligations with the objective of better aligning repayment schedules with operating cash flows and improving near term liquidity. These initiatives are intended to enhance financial flexibility and support the allocation of capital toward core operating priorities.

The Company continues to pursue initiatives to improve input cost economics and supply stability. Subsequent to the period end, the Company entered into a long term supply agreement with an outdoor cannabis cultivator, providing access to biomass at costs substantially below the average input costs realized during fiscal 2025. While the financial impact of this agreement will depend on production volumes and market conditions, management expects the arrangement to support improved contribution margins and reduce exposure to supply disruption risks across extract derived and infused product categories.

In addition, the Company continues to advance cultivation refinement initiatives within its own facility aimed at improving flower quality, cannabinoid expression, and yield consistency. These initiatives are intended to support both branded flower offerings and internal extract input requirements.

In parallel, the Company is implementing an enterprise resource planning system with enhanced manufacturing, data tracking, and analytics capabilities. These systems are intended to improve operational visibility, strengthen quality control processes, and support more informed decision making across production planning and resource allocation.

Management remains focused on improving operating performance through cost discipline, margin improvement, and cash flow generation. By aligning product offerings with consumer demand, improving input economics, enhancing production efficiency, and strengthening balance sheet flexibility, the Company believes it is positioned to support more stable operations and pursue selective growth opportunities, subject to market conditions.

COMMITMENTS AND CONTINGENCIES

Other than disclosed in Note 11 – Lease obligations, Note 18 – Related party transactions and Note 24 – Commitments and contingencies of the Financial Statements, the Company has not entered into any agreements resulting in contractual commitments outstanding as at October 31, 2025.

CAUTIONARY STATEMENT REGARDING CERTAIN NON-GAAP PERFORMANCE MEASURES

This MD&A includes financial measures that are not determined in accordance with International Financial Reporting Standards (“IFRS”). These measures are defined as “non-GAAP financial measures”, “non-GAAP ratios” or “supplementary financial measures” under National Instrument 52-112 – Non-GAAP and Other Financial Measures Disclosure (“NI 52-112”).

These measures are provided as additional information to complement IFRS measures and provide readers with insight into how management evaluates the Company's operating performance, financial position, and cash generating capability. However, these measures

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do not have standardized meanings under IFRS and therefore may not be comparable to similar measures presented by other companies. Non-GAAP measures should not be viewed in isolation or considered as a substitute for IFRS measures.

Adjusted EBITDA is a measure of the Company's financial performance. It is intended to provide a proxy for the Company's operating cash flow and is widely used by industry analysts to compare CanadaBis to its competitors and derive expectations of future financial performance of the Company. Adjusted EBITDA increases comparability between corresponding companies by eliminating variability resulting from differences in capital structures, management decisions related to resource allocation, and the impact of fair value adjustments on biological assets, inventory, and financial instruments, which may be volatile on a period-to-period basis. Adjusted EBITDA is not a recognized, defined, or standardized measure under IFRS. The Company calculates Adjusted EBITDA as net income (loss) and comprehensive income (loss) excluding changes in fair value of biological assets, depreciation and amortization expense, share-based payments, and finance costs.

Reconciliation from GAAP measure (Net income (loss)) to Non-GAAP Measure (Adjusted EBITDA)

| | Three months ended | |
|------------------------------------------|--------------------|------------------|
| | October 31, 2025 | October 31, 2024 |
| Net income (loss) before tax | (\$128,539) | \$321,569 |
| Adjustments: | | |
| Finance cost | 263,816 | 114,368.0 |
| Depreciation and amortization | 76,845 | 228,807.0 |
| Change in fair value of biological asset | (15,093) | 11,148.0 |
| Adjusted EBITDA | \$197,029 | \$675,892 |

SHAREHOLDERS' CAPITAL

CanadaBis is authorized to issue an unlimited number of common voting shares, common non-voting shares, and preferred shares. The common voting shares trade on the TSX Venture Exchange ("TSX-V") under the symbol "CANB". As at October 31, 2025, CanadaBis had the following issued and outstanding:

- 138,256,380 common voting shares;
- 1,281,000 broker warrants
- 694,000 advisory warrants; and
- 1,220,000 options.

Stock Option Plan

The Company has established a stock option program for its officers, directors, employees, and certain consultants under which the Company may grant options to acquire common voting shares at the market price of the shares, at the grant date. No options were granted, nor exercised, 317,500 options were cancelled and forfeited, and 4,620,000 options expired during the twelve months ended July 31, 2025 leaving 1,220,000 options outstanding with a weighted average exercise price of \$0.23 as at October 31, 2025.

Warrants

Pursuant to the Debenture offering in April 2025, the Company granted 1,281,000 broker warrants and 694,000 advisory warrants (together, the "Compensation Options"). Each Compensation Option entitles the holder thereof to acquire one Common Share at an exercise price equal to \$0.10 for a period of 48 months following the date hereof. Fair value of the warrants was determined using the Black-Scholes Model at a value of \$138,250 and a weighted average fair value per unit value of \$0.07. The key assumptions used in the determination of the fair value were as follows: expected volatility of 114.4%, risk-free rate of 4.0%, and expected life of 4 years. The fair value of these warrants issued was included in the transaction costs allocated to the liability and equity components of the Debentures. As at October 31, 2025, an aggregate 1,975,000 warrants were issued and outstanding.

RISKS RELATED TO THE BUSINESS AND INDUSTRY

The Company's business and industry risks are described in detail in the most recent annual MD&A. During the current interim period, the Company experienced sales disruption resulting from the British Columbia Liquor Distribution Branch labour disruption, which temporarily impacted provincial sales volumes. This event did not alter the fundamental business and industry risks previously disclosed.

Other than the matter described above, there were no material changes to the Company's business or industry risks during the interim period.

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RELATED PARTY TRANSACTIONS

The following transactions between related parties are disclosed below;

| Amount due to related parties | July 31, 2025 | July 31, 2024 |
|--------------------------------------|----------------------|----------------------|
| SS Pipelines Ltd. (i) | \$ 689,744 | \$ 689,744 |
| Runaway Developments Ltd. (ii) | 653,792 | 653,792 |
| Director and shareholders (iii) | 214,110 | 218,012 |
| 890859 Alberta Ltd. (iv) | 10,802 | 10,802 |
| | \$ 1,568,448 | \$ 1,572,350 |

- (i) SS Pipelines Ltd. is a company owned by shareholders, a director and officer of the Company. The amounts due to related parties are non-interest bearing, unsecured and have no fixed terms of repayment. Accordingly, the amounts have been presented as being all current on the consolidated statements of financial position.
- (ii) Runaway Developments Ltd. is a company owned by a shareholder of the Company. The amounts due to Runaway Developments Ltd. bears interest at 7% per annum and the maturity was extended to December 31, 2021 but not extended subsequently. As at October 31, 2025 and 2024, the outstanding balances included accrued interest of \$3,792
- (iii) As at October 31, 2025, an aggregate amount of \$214,110 (July 31, 2024 - \$218,012) was due to a Director and shareholders of the Company. These amounts are due on demand, unsecured and interest free. Majority of this amount outstanding as at October 31, 2025 pertained to the vape filling machine rental fee. Effective January 31, 2025, the Company entered into separate agreements to rent for a twelve-month period a vape filling machine from a director and shareholder of the Company. During the three months ended October 31, 2025, aggregate equipment rental expenses of \$15,340 and \$10,000, respectively, were incurred representing a rental fee of \$1 per vape filled.
- (iv) 890859 Alberta Ltd. is a company owned by a shareholder and officer of the Company. 890859 Alberta Ltd. that sold non-cannabis balms and creams produced by the Company. As at October 31, 2025 and 2024, a balance of \$10,802 was due to 890859 Alberta Ltd. This amount is non-interest bearing, unsecured and have no fixed terms of repayment. Accordingly, this amount is presented as current in the consolidated statement of financial position.

The Company is leasing an extraction machine from a company that is owned by three directors of CanadaBis. See Notes 10(ii) and 11 for further details. On June 27, 2022, the Board of Directors approved an annual consulting agreement with a director to provide certain legal, corporate and administration consulting services, which was renewed for an annual term effective May 1, 2023. The terms and conditions of this consulting agreement is within normal course of business and payable immediately. Upon expiry of this agreement, no formal agreement was entered into but services continue to be provided under past terms and conditions. Amounts outstanding in accordance with this agreement is included in trade accounts payable. During the three months ended October 31, 2025, the consulting services expenses incurred were \$1,120.

OFF-BALANCE SHEET ARRANGEMENTS

The Company is not aware of any off-balance sheet arrangements.

PROPOSED TRANSACTIONS

There are no proposed transactions that will materially affect the Company.

CRITICAL ACCOUNTING ESTIMATES & JUDGEMENTS

There have been no significant changes in CanadaBis' critical accounting estimates for the three months ended October 31, 2025. Further information on the Company's critical accounting policies and estimates are disclosed in Note 5 to the Financial Statements.

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking information that reflects management's expectations related to expected future events, financial performance, and operating results of the Company. Investors should not place undue reliance on forward-looking statements as the plans, intentions, or expectations upon which they are based might not occur.

All statements other than statements of historical fact included in the MD&A may be forward-looking information. Forward-looking information are not facts, but only expectations as to future events and generally can be identified by the use of statements that include words or phrases

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such as, “anticipate”, “believe”, “continue”, “could”, “estimate”, “expect”, “intend”, “likely”, “may”, “project”, “predict”, “propose”, “potential”, “might”, “plan”, “seek”, “should”, “targeting”, “will”, “Non-GAAP Measures”, “Adjusted EBITDA” and similar expressions. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors that may cause CanadaBis’ actual results or events to differ materially from those anticipated in such forward-looking statements.

CanadaBis believes that the expectations reflected in these forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement. This MD&A contains forward-looking statements pertaining to the following:

- the Company’s business plans;
- the Company’s monitoring of consumer plans and expectations regarding the developments of extraction products in the cannabis space;
- new credit facility approval;
- expectations regarding the Company’s evaluation of growth opportunities and plans with respect to the same;
- projection of market prices and costs;
- anticipated supply and demand for recreational cannabis;
- the Company’s expansion of the cultivation and extraction facilities;
- the Company’s ability to offer high quality cannabis products; and
- International market for recreational cannabis.

With respect to forward-looking statements listed above and contained in this MD&A, CanadaBis has made assumptions regarding, among other things, the following:

- there will be no material change to the regulatory environment in which CanadaBis operates;
- pricing of various cannabis products;
- development costs remaining consistent with budgets;
- market demand for proposed product and brand launches;
- the expected growth in the amount of cannabis sold by the Company and the expected timing, size, and pricing regarding the recreational market; and
- capital cost of expected expansion by the Company, if deemed necessary.

CanadaBis’ actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth above. Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. CanadaBis does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by law.

SUBSEQUENT EVENTS

Subsequent to period end, on December 9, 2025, the Company announced that it has exercised its right under the terms of the Convertible Debenture Indenture to satisfy the interest installment due on December 31, 2025 through the issuance of common shares of the Company in lieu of cash. Total interest of \$110,658 will be settled through the issuance of 2,766,435 common shares on December 31, 2025. The common shares issued will be subject to a hold period of four months and one day from the date of issuance. The issue price of the common shares was determined as the greater of the five day volume weighted average trading price of the Company’s common shares on the TSX Venture Exchange immediately preceding the record date, and the five day volume weighted average trading price immediately preceding the interest payment date, in accordance with the terms of the Convertible Debenture Indenture. The Company retains the discretion, subject to the terms of the Indenture and applicable Exchange approval, to resume cash interest payments in future periods.

ADDITIONAL INFORMATION

Other additional information relating to the Company may be found at www.sedarplus.ca/home.