LSL PHARMA GROUP INC.

ANNUAL INFORMATION FORM

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2024

October 17, 2025

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INTERPRETATION

Unless the context otherwise requires, all references in this Annual Information Form ("**AIF**") to "us", "we", "our", "LSL Pharma" or the "Corporation" refer to LSL Pharma Group Inc, including where applicable, its subsidiaries.

This AIF should be read in conjunction with LSL Pharma's audited consolidated financial statements and management's discussion and analysis for the fiscal year ended December 31, 2024. The audited consolidated financial statements and management's discussion and analysis of the Corporation are available under the Corporation's profile on SEDAR+ at www.sedarplus.ca. All financial information contained in the AIF have been established in accordance with Canadian generally accepted accounting principles, including International Financial Reporting Standards ("IFRS").

Unless otherwise stated, the information in this AIF is presented as at December 31, 2024, however certain information contained herein has been updated as at the date of this AIF.

CURRENCY

Unless otherwise indicated, all references to "$" or "dollars" in this AIF refer to Canadian dollars.

The Corporation's accounts are maintained in Canadian dollars.

FORWARD-LOOKING INFORMATION

This AIF contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Wherever possible, words such as "plans", "expects", or "does not expect", "budget", "scheduled", "estimates", "forecasts", "anticipates" or "does not anticipate", "believes", "intends" and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, have been used to identify forward-looking information.

Forward-looking information in this AIF may include, but is not limited to,

- information with respect to our future financial and operating performance,
- future development activities, and the costs and timing of those activities,
- timing and receipt of regulatory approvals, consents and permits under applicable legislation,
- new product launches, and
- adequacy of financial resources.

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management as of the date of this AIF made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. We believe that the assumptions and expectations reflected in such forward-looking information are reasonable. Assumptions have been made regarding, among other things: our ability to carry on commercial, development and manufacturing activities, the timely receipt of required approvals and our ability to obtain financing as and when required and on reasonable terms. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from those expressed or implied by such forward-looking information, including our reliance on third-party suppliers and manufacturers, the availability of additional funding, common risks for pharmaceutical products, including product liability claims, insurance and recalls, registration risks in certain jurisdictions, our inability to implement the Corporation's strategy to grow the business, dependence on key management personnel and executives, competition, currency fluctuations. See "Risk Factors". Although we have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There is no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. We do not undertake to update any forward-looking information, except as, and to the extent required by, applicable securities laws.

INDUSTRY DATA

Market data and industry forecasts used in this AIF were obtained from various publications. Although management believes that these independent sources are generally reliable, the accuracy and completeness of such information is not guaranteed and has not been independently verified.

DEFINITIONS

AIF	Annual Information Form
AMF	*Autorité des marchés financiers*
API	Active pharmaceutical ingredient
BDC	Business Development Bank of Canada
Board	Board of Directors of the Corporation
CBCA	*Canada Business Corporations Act, RSC 1985, c. C-44*, and all regulations made thereunder, as amended
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Chairman	Chairman of the Board of Directors of the Corporation
CMO	Contract Manufacturing Organization
Corporation (or LSL Pharma)	LSL Pharma Group Inc.
Dermolab	Dermolab Pharma Ltd.
Desjardins	*Caisse Desjardins des Patriotes de Boucherville*
DIN	An eight-digit Drug Identification Number issued by Health Canada for each Product Drug following Market Authorization in Canada, under the *Food and Drugs Act (Canada) (R.S.C., 1985, c. F-27)*
Eye-care	Development, manufacturing and commercialization of products which aim to safeguard and enhance visual health
FDA	U.S. Food & Drug Administration
Fera Pharmaceuticals	Fera Pharmaceuticals LLC
FY	Fiscal Year
Generic Drug	A drug that, in comparison with an Innovative Drug, contains identical amounts of the identical medicinal ingredients, in comparable dosage forms, but does not necessarily contain the same non-medicinal ingredients and which is interchangeable with the said Innovative Drug
GMP	Good Manufacturing Practices which are the standards established by health authorities under which drugs can be developed, manufactured, packaged, analyzed, stored and shipped.
Gestion Gisèle Lacasse	Gestion Gisèle Lacasse Inc.
Health Canada	The federal institution overseen by the Minister of Health, responsible for helping Canadians maintain and improve their health.
IFRS	International Financial Reporting Standards as issued by the International Accounting Standards Board
Îledor	Îledor Exploration Corporation
Innovative Drug	A drug that contains a medicinal ingredient not previously approved in a drug by a Regulatory Authority and that enjoys proprietary barriers to entry, including regulatory or patent-derived market exclusivity, novelty, or brand differentiation
IQVIA	IQVIA Holdings, Inc. (formerly IMS Health Incorporated), a leading pharmaceutical market research organization
LSL Laboratory	LSL Laboratory Inc.

Option Plan	The stock option plan approved by the Board of the Corporation
Person	An individual, sole proprietorship, body corporate, firm, partnership, limited partnership, unincorporated organization or association, trust, or any other legal or commercial entity
QA/QC	Quality Assurance/Quality Control
QBCA	*Quebec Business Corporations Act, chapter S-31.1,* and all regulations made thereunder, as amended
Regulatory Authority	Any board, commission, association or other body, organization or agency, whether governmental, professional, self-regulatory or otherwise, having jurisdiction over the Corporation or over any part of the business carried on by it
RTO	Reverse take-over
Shares	Class “A” shares of the Corporation
Steri-Med	Steri-Med Pharma Inc.
Tax Act	*Income Tax Act* (Canada)
Transfer Agent	TSX Trust Company Inc.
TSXV	TSX Venture Exchange
US	The United States of America
VSI	Virage Santé Inc.

THE CORPORATION

Name, address and incorporation

The Corporation was created pursuant to the *Canada Business Corporations Act* under the name "Buildex Venture Capital Corporation/Corporation de Capital de Risque Buildex", on July 12, 2010.

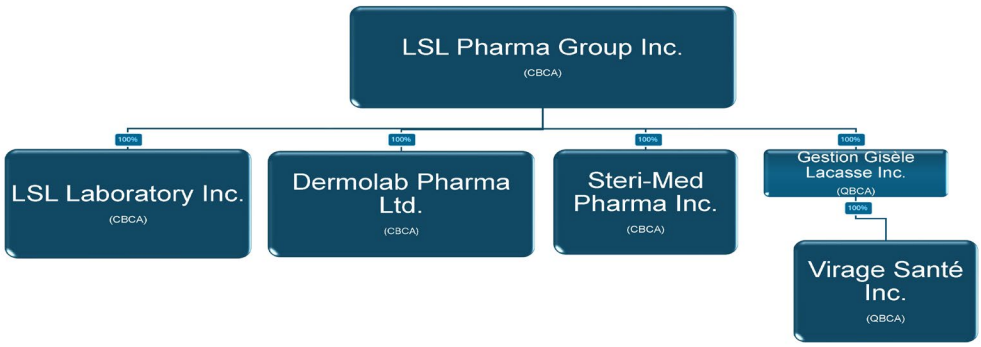
Existing as a "Capital Pool Company" within the meaning of Policy 2.4 of the TSXV (the "**Policy**"), the Corporation entered into a qualifying transaction and acquired, through a reverse share exchange, 100% of the shares of Îledor Exploration Corporation ("**Îledor**"), a company with a gold project in the Îledor region of Quebec. On November 2, 2011, the Corporation changed its name from "Buildex Venture Capital Corporation" to "Îledor Exploration Corporation."

On February 17, 2023, as part of the RTO of LSL Laboratory by Îledor, the Corporation amended its articles to change its corporate name to "LSL Pharma Group Inc./Groupe LSL Pharma Inc.".

The Corporation's head office is located at 540, D'Avaugour Street, Suite 1800, Boucherville (Québec), J4B 0G6.

Intercorporate Relationships

The following organizational chart presents the intercorporate relationships among the Corporation and its subsidiaries. For simplicity, this chart omits non-material wholly-owned subsidiaries.



GENERAL DEVELOPMENT OF THE BUSINESS

Summary

The Corporation is a Canadian integrated pharmaceutical company specializing in the development, manufacturing, and marketing of high-quality sterile ophthalmic pharmaceuticals, as well as cosmetic, pharmaceutical, and natural health products in solid, semi-solid and liquid dosage forms.

Recent History

RTO of LSL Laboratory, - February 2023

For several years, while operating under the name Îledor, the Corporation's main activity was to identify and evaluate assets and businesses with a view to changing its activities in accordance with the Policy. On February 22, 2023, the Corporation completed an arm's length change of business in accordance with the Policy through the RTO of LSL Laboratory. Concurrently with the RTO, the Corporation completed a $8.3 million private placement to fund its growth initiatives.

Listing of LSL Pharma Group on the TSX Venture Exchange. – March 2023

On March 1, 2023, the Shares of the Corporation began trading on the TSXV under the symbol "LSL".

Private Placement of Convertible Debentures – November and December 2023

On November 1, 2023, the Corporation closed a brokered private placement (the "Offering") through the issuance of 328,800 unsecured convertible debentures (the "Debentures") at a price of $10 per Debenture for total gross proceeds of $3,288,000 out of a maximum of $5,000,000, The net proceeds of the Offering, secured in two separate tranches of 229,300 and 99,500 Debentures, were used for working capital, capital expenditures, and for general corporate purposes.

The Debentures which were redeemable by the Corporation, had a maturity date of October 31, 2028 (the "Maturity Date"), and accrued interest at the rate of 11% per annum (subject to certain adjustments) payable semi-annually on the last day of April and October of each year. At the holders' option, the Debentures could be converted into Shares of the Corporation at any time and from time to time, up to the Maturity Date, at a conversion price of $0.70 per Share. The Debentures were subsequently redeemed by LSL on August 4, 2025. See below - *Early Redemption of all 11% Unsecured Convertible Debentures – August 2025*

Private Placement of Units – March and April 2024

On March 7, 2024, the Corporation announced the launch of a non-brokered private placement of Units (as defined hereinafter) for minimum gross proceeds of $2.5 million and a maximum of $3.5 million (the "Financing"). Concurrently, the Corporation conducted discussions with certain creditors to settle debts in Units for an aggregate amount ranging from a minimum of $2.5 million and a maximum of $4.5 million (the "Units for Debts").

An initial closing of $2.68 million was announced on March 18, 2024, along with the conversion of Units for Debts for $3.75 million. Each Unit issued pursuant to the Financing had a price of $0.40 (the "Units") and consisted of one (1) Share and one (1) Warrant. Each Warrant will entitle the holder, subject to adjustments in certain cases, to purchase one (1) Share at a price of $0.70 for a period of 36 months following the closing of the Financing.

On April 11, 2024 the Corporation upsized the Financing to maximum gross proceeds of $7.5 million (18 750 000 Units) and subsequently closed a second and final tranche of the Financing for $3.8 million, bringing the total gross proceeds from the Financing to $6.5 million when combined with the first closing

Appointment of Mario Paradis and Diane Beaudry – April 2024

The Corporation appointed Diane Beaudry and Mario Paradis to its Board and both joined as members of the Audit Committee, due to their extensive experience on various corporate boards and in the field of finance.

Listing of Debentures on the TSXV – May 2024

The Debentures issued pursuant to the Offering in November and December 2023 were approved for listing on the TSXV under the symbol "LSL.DB" and began trading on May 24, 2024. The Debentures were redeemed by LSL on August 4, 2025 and ceased trading on TSXV. See below - *Early Redemption of all 11% Unsecured Convertible Debentures – August 2025.*

Acquisition of VSI – June 2024

On June 18, 2024, the Corporation completed the acquisition of Virage Santé ("VSI"), a company specializing in the manufacturing and marketing of natural health products ("NHPs"), based in Lévis, Quebec. This acquisition increased LSL Pharma's contract development and manufacturing activities, while creating synergies with its subsidiary LSL Laboratory. The purchase price of $2.5 million was paid in cash for the acquisition of all issued and outstanding VSI shares and is subject to post-closing adjustments. The transaction includes an 8,252 sq ft manufacturing plant. The acquisition of VSI will broaden its client base which will benefit from LSL Pharma's expanded service offering. In operation since 1994, VSI manufactures a range of NHPs in liquid, powder and capsule form, sold under its own brand or under private labels.

Private Placement of Units – June 2024

On June 5, 2024, the Corporation announced a non-brokered private placement of units (the "Private Placement") and closed a first tranche on June 27, 2024 through the issuance of 3,727,000 units (the "Units") at a price of $0.40 per unit for aggregate gross cash proceeds of $1,490,800 out of a maximum of $3.0 million. Each Unit consisted of one Share of and one (1) Warrant. Each Warrant entitled the holder, subject to adjustments in certain cases, to purchase one (1) Share at a price of $0.70 for a period of 24 months following the closing of the Private Placement.

The Corporation closed, on July 12, 2024, the second and last tranche of the Private Placement (the "Financing") by issuing 2,400,000 units (each, a "Unit") at a price of $0.40 per Unit for total gross proceeds of $960,000. The Corporation was thus able to raise with both tranches a total of $2,450,800 in the Financing.

The cash proceeds of the Financing were used to further expand production capacity at each of the LSL Laboratory, Steri-Med, and VSI plants and for general working capital purposes.

Concurrent with the Private Placement, the Corporation also settled $560,083 of its debts (consisting of promissory notes and non-convertible secured debentures) through the issuance of 1,400,206 Units. The Corporation elected to settle such debts through the issuance of Units to preserve cash and strengthen the Corporation's balance sheet.

Annual General Meeting of Shareholders – June 2024

All nominee directors presented in the Management Information Circular were elected, including two new candidates, Mr. Stuart Fowler and Mr. Giuseppe (Joseph) Soccodato.

Change of Auditors – September 2024

Effective September 25, 2024, the Corporation changed auditor from KPMG LLP (the "Predecessor Auditor") to Audacie Inc. (the "Successor Auditor"). The Predecessor Auditor resigned as auditor of the Corporation at the request of the Corporation to facilitate the appointment of Audacie as successor auditor of the Corporation.

Acquisition of Dermolab Pharma Ltd. and Concurrent Debt Financing – December 2024

On December 17, 2024, the Corporation completed the acquisition of Dermolab Pharma Ltd. ("Dermolab"), a contract manufacturing company specializing in the manufacturing of liquid, and semi-solid products, based in Ste-Julie, Quebec. The acquisition is expected to boost LSL Pharma's revenues by approximately 40% for the upcoming fiscal year. The acquisition is also expected to broaden Dermolab's customer base which will benefit from the Corporation's expanded service offering.

The acquisition of Dermolab increases LSL Pharma's contract development and manufacturing activities, while creating synergies with its other subsidiaries, LSL Laboratory, Steri-Med and VSI. Concurrently with the acquisition of Dermolab, the Corporation also closed a $2 million debt financing.

Subsequent Events (after December 31, 2024)

Appointment of Louis Laflamme as Director - March 2025

The Corporation announced the appointment of Louis Laflamme as a new member of the Board, effective as at March 31, 2025. Mr. Laflamme is President and CEO of Antegrade Medical Inc.. Previously, he was President, CEO and director of OpSens Inc. (TSX:OPS) from January 2013 to March 2024, when it was acquired by Haemonetics for $345 million.

Entering into Commercial Agreements – April and July 2025

The Corporation entered into two agreements to market up to ten (16) sterile eye drops for the prescription market in Canada. Commercialization of some of these new products is expected to begin during the first quarter of 2026. Together, these products represent an annual market of over $160 million in Canada, according to IQVIA data.

$17.5M Financing from Desjardins and BDC – July 2025

The Corporation secured a new $7.5 million operating line of credit (the "New Line of Credit") from Desjardins as well as new $10 million pari-passu term loan from BDC and Desjardins (the "Term Loan"). A first tranche of the Term Loan will serve to reimburse existing loans totaling $3.2 million plus accrued interest, as well as all outstanding Debentures listed on TSXV, representing a principal amount of $3.288 million plus accrued interest. The early redemption of the Convertible Debentures will occur on August 4, 2025. The second and third tranches will be used to fund capital expenditures and to reimburse other debts and loans. Disbursement of the second and third tranches is subject to certain conditions and is expected to be made available before the end of the 2025 fiscal year. The various portions of the Term Loan will be amortized over 8 to 20 years, have a capital repayment moratorium for the first year on the BDC portion and will be subject to nominal financial covenants.

Early Redemption of all 11% Unsecured Convertible Debentures – August 2025

Debenture holders were paid an aggregate amount of $3,505,098.08, representing (i) $3,288,000 as the principal amount of the Debentures, (ii) the early repayment premium pursuant to the trust indenture dated November 1, 2023 between the Corporation and the Trustee , TSX Trust Company and (iii) all accrued and unpaid interest up to but excluding the Redemption Date. As a result of the early redemption, all Debentures, previously listed on the TSXV under the symbol LSL.DB, were delisted and have ceased trading on August 1, 2025, in accordance with TSXV policies.

$2.275M Non-Brokered Private Placement – August 2025

The Corporation closed a non-brokered private placement for gross proceeds of $2,275,000 (the "Financing"). Pursuant to the Financing, the Corporation issued 5,687,500 units (the "Units") at a price of $0.40 per Unit. Each Unit consisted of one class A share of the Corporation (a "Common Share") and one Common Share purchase warrant (a "Warrant"). Each Warrant entitled the holder, subject to adjustments in certain cases, to purchase one (1) Common Share (a "Warrant Share") at a price of $0.70 for a period of 24 months following the closing of the Financing. The proceeds of the Financing were used (i) to accelerate the development of the Eye-care product portfolio for the Canadian and Int'l markets, (ii) to complete the installation and validation of the 2nd ointment production line at Steri-Med, (ii) to acquire additional manufacturing equipment for the CMO division to support increased demand, (iv) for potential M&A opportunities and (v) for general working capital purposes.

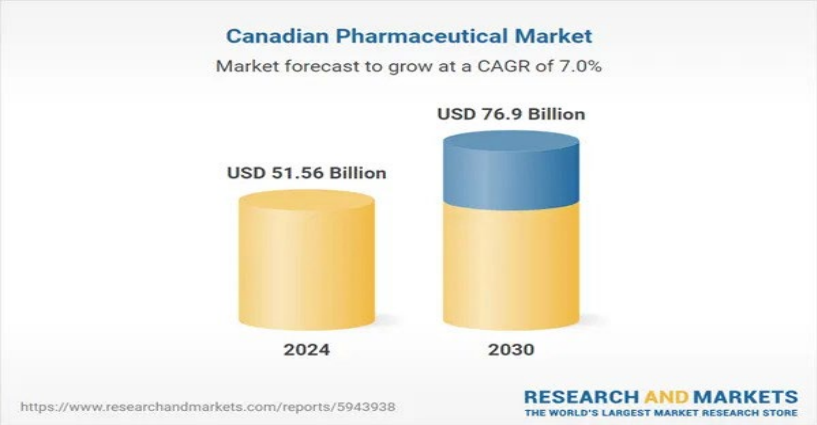
Appointments to the Corporation's Board – October 2025

The Corporation announced the appointment of Mr. Louis Laflamme as independent chairman of the Board and the appointment of Mr. Noureddine Mokaddem as a new independent member of the Board.

DESCRIPTION OF THE BUSINESS

Overview of the Canadian Pharmaceutical market

The Canadian Pharmaceutical Market was valued at US$51.56 billion in 2024, and is projected to reach US$ 76.9 billion by 2030, rising at a CAGR of 7%. Several driving factors influence this significant and highly regulated industry. One of the primary drivers is Canada's aging population.



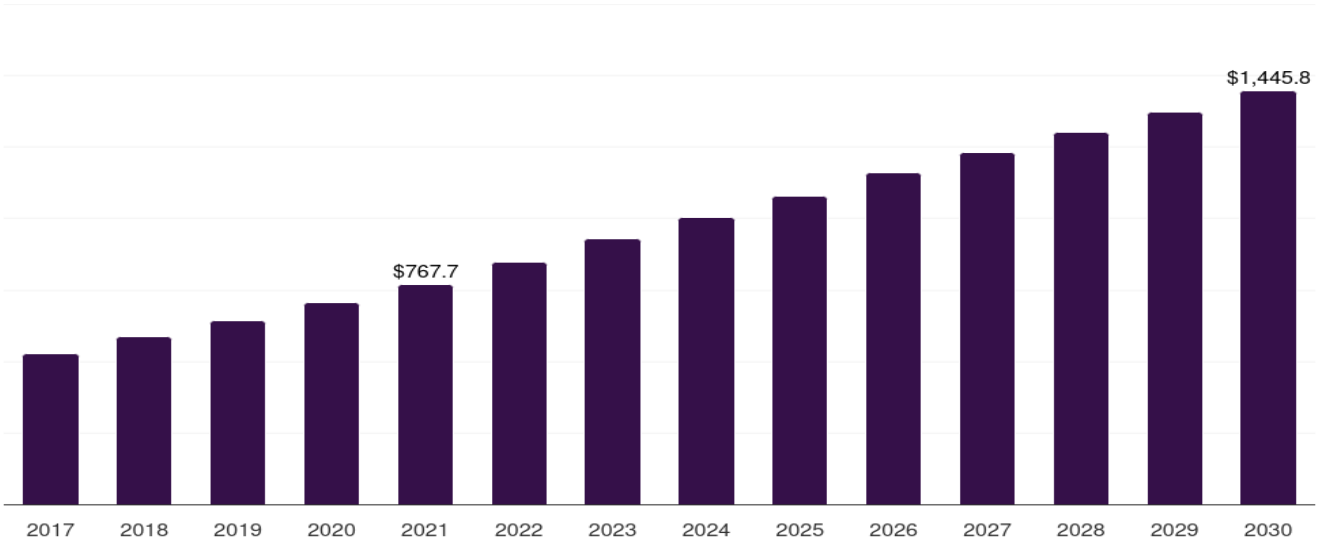
Generic Medicines

The nature of the pharmaceutical industry sees constant genericization of products losing patent life. Generic drugs are generally significantly less expensive than branded versions and, where available, may be required in preference to the branded version under third-party reimbursement programs, or substituted by pharmacies. Manufacturers of Generic Drugs typically invest far less in research and development than research-based pharmaceutical companies and therefore can price their products significantly lower than branded products. The ongoing sustainability of our health-care system and drug benefit plans is highly dependent on the increased use of generic prescription medicines. Generic prescription medicines are dispensed to fill nearly three quarters of all prescriptions in Canada but account for only less than 21% of the amount Canadians spend annually on prescription drugs. *Source: Canadian Generic Pharmaceutical Association, Data: 12 Months Ending December 2022.*

Pharmaceutical CMO Market

The biopharmaceutical CMO market in Canada is expected to reach a projected revenue of US$ 1,445.9 million by 2030. A compound annual growth rate of 7.3% is expected of Canada biopharmaceutical CMO market from 2022 to 2030. *Source: Horizon, Grand View Research, 2025 (https://www.grandviewresearch.com/horizon)*

Canada biopharmaceutical CMO market, 2017-2030 (US$M)



LSL Pharma Group - Corporate and Commercial Structure

LSL Pharma is an integrated Canadian pharmaceutical company. The Company has two reportable segments. This reflects our management structure and the way key strategic, operating and commercial decisions are made.

1. ***Business segment #1 - CMO activities***

LSL Pharma's first reportable segment represents its CMO activities and currently includes three operating companies, namely:

a. LSL Laboratory, manufacturer of natural health products in solid dosage forms, mainly for third-party pharmaceutical clients, as well as a wide list of private label products;

b. Dermolab, which manufactures liquid and semi-solid pharmaceutical, natural health and cosmetic products for third-party clients; and

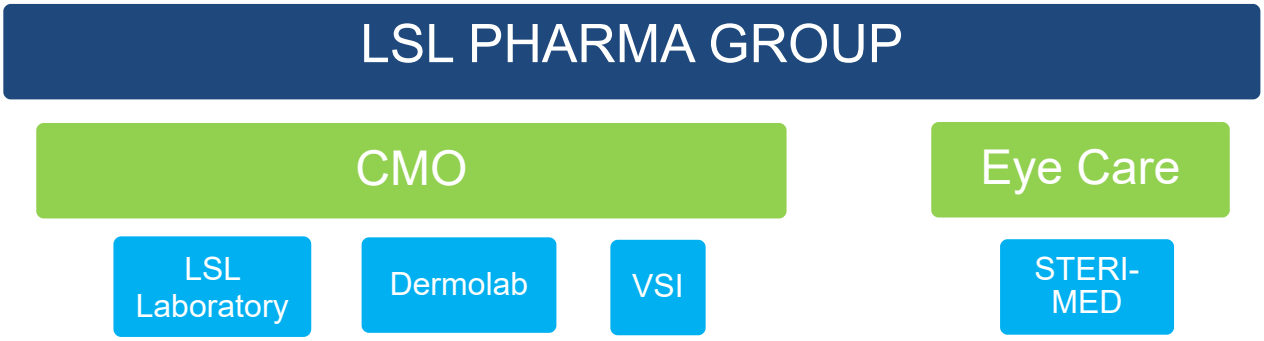
c. VSI, which manufactures a range of natural products in liquid, powder, as well as in capsule forms, some of which are sold under its own brands or as private labels.

2. ***Business segment #2 – Eye-Care***

The Corporation's second business segment includes Steri-Med, our sterile Eye-Care manufacturing operation. Steri-Med specializes in the in-licensing or development/manufacturing and commercialization of high-quality sterile ophthalmic pharmaceuticals, prescription as well as OTC, for the Canadian, US and foreign markets.

Corporate Structure

The Corporation's structure by business segment is presented below:



The home office ("**HO**") functions at LSL Pharma support our two business segments' operating entities, by providing services such as finance, accounting, cash management, legal, HR, supply chain management, IT, regulatory, quality assurance oversight, pharmaco-vigilance etc. HO also handles other corporate activities such as investor relations, communication, marketing, banner and wholesaler management. Going forward, the Corporation intends to scale up its CMO activities and generate economies of scale by leveraging its HO services and by incorporating other operating/manufacturing sites.

Corporate strategy and future development

LSL Pharma's management intends to pursue a two-pronged growth strategy:

- **FIRST** by expanding its CMO activities by adding products and complementary services to better support its expanding customer base, either organically or through acquisitions; and
- **SECOND** by investing in its Steri-Med operations to take advantage of its unique capabilities for developing and manufacturing sterile ophthalmic products. One of Steri-Med's biggest opportunity is to establish itself as a leader in the development, manufacturing and commercialization of "*first-to-market*" ophthalmic generic products for the Canadian, US and foreign markets.

CMO activities

LSL Laboratory

Established in La Pocatière, Quebec in 1997, LSL Laboratory relocated its activities into a 22,000 sq. ft. plant

during FY-23. Growth over the coming years will be achieved by taking advantage of the additional capacity (3 times larger than the prior site), increased capabilities, by expanding its private label activities and by leveraging relationships with existing/new customers.

VSI

VSI operates a 8,250 sq.ft. plant in Levis, Quebec and manufactures a range of natural products in liquid, powder, sachets, as well as in capsule forms for its clients or sold under its own brand or private labels. LSL Pharma acquired VSI for $2.5 million subject to post-closing adjustments of $131,000 thus reducing the net purchase price to $2,369,000 Revenues from VSI have been consolidated into our results starting June 1, 2024.

During the month of September 2024, the Corporation secured a 15-year $1.4 million term loan using the Virage Santé plant as collateral. We expect to generate synergies by leveraging HO operations. At the end of Q4-24, VSI was fully integrated into LSL Pharma's CMO operations.

Dermolab

Based in Ste-Julie, Quebec, Dermolab is a leading CMO of liquid and semi-solid products for the pharmaceutical, Natural Health and cosmetic markets. Dermolab's plant includes 50,878 sq.ft. of office, manufacturing, packaging and storage space.

M&A Criteria for expanding the CMO activities

LSL Pharma group is looking to expand its CMO activities and also its pharmaceutical commercial activities with the addition of companies whose profile matches its vision and growth strategy.

Some of the criteria to be used for evaluating business opportunities are:

1) *Financially accretive* – The Corporation is looking to add operations that can immediately contribute to its profitability.
2) *Provide scale and synergies* – Acquisition must add scale and offer the opportunity to leverage HO operations.
3) *Expansion/strengthening of client relationships* - By adding scale and product offering, LSL Pharma intends to consolidate its relationships with clients, as well as expand its customer base.
4) *Geographic expansion* – Due to logistic/supply preferences, the Corporation's current CMO footprint mainly serves clients located in the province of Québec. Expanding our footprint outside of Quebec would offer opportunities to broaden our client base.

Eye-Care Segment – Steri-Med Pharma

Steri-Med intends to position itself as a leader in the development and commercialization of ophthalmic products. It intends to accomplish this goal by leveraging its unique sterile manufacturing capabilities. The Corporation is focusing on expanding and leveraging its capacity for the development and manufacturing of ophthalmic ointment products. Over time, it plans to invest into eye-drops manufacturing capabilities. Until "eye-drop" manufacturing is available at the Steri-Med plant, the Corporation intends to in-license eye-drop products for commercialization in Canada.

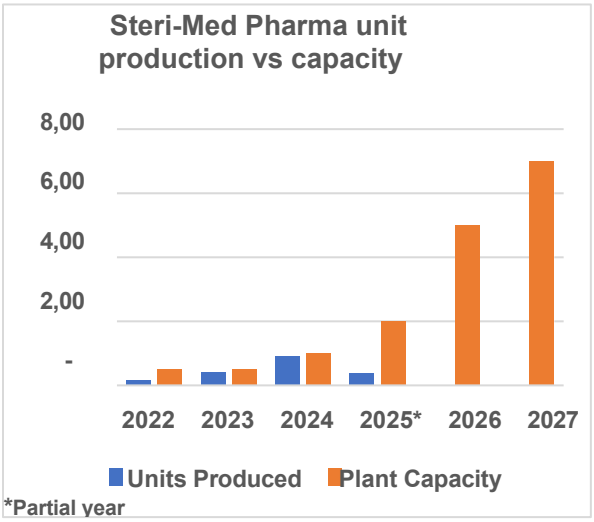
Sterile Eye-care ointment Manufacturing Operations - Steri-Med Pharma

Our growth strategy at Steri-Med would be achieved by optimizing and increasing production capacity. The incremental capacity will serve to meet expanding demand for the Corporation's existing products in Canada and international as well as support the production of new products under development.

Canada is a participant to Mutual Recognition Agreements (MRAs), covering drug/medicinal products Good Manufacturing Practices (GMP) Compliance Programs. Consequently, products such as those manufactured by Steri-Med can be sold to several foreign territories accepting "Health Canada labelled products". Due to the scarcity of high quality sterile ophthalmic ointment manufacturers worldwide, international demand for our products has been increasing.

Historically, our production capacity has restricted our ability to sell our products outside Canada. Ster-Med has implemented a series of initiatives aimed at increasing capacity significantly. After nearly doubling capacity in 2024, Steri-Med acquired a new US$1.7 million sterile ointment manufacturing line in April 2025 which is expected to be operational in H2-26. Once fully operational, production capacity will increase five-fold thus providing more flexibility to accelerate the development and manufacture of new products for local and international markets.

The graph below presents the historical (up to 2024) and projected production capacity (in standard units).



Product Pipeline

As mentioned above, one of the growth drivers for the Corporation is the ability to leverage the unique manufacturing capabilities of Steri-Med to develop a pipeline of eye-care products for sale in Canada, the U.S. and abroad. Steri-Med will focus initially on jurisdictions accepting the Canadian label of its products, but overtime, intends to apply for marketing rights for its current and new products in the U.S. and abroad, directly or with commercial partners.

Current marketed products are described below:

Sterisporin *(Polymyxin B sulfate - bacitracin zinc*), a combination of antibiotics used to treat certain types of infections caused by bacteria. The eye ointment is used to treat some types of eye infections such as conjunctivitis.

Format Type	3.5-gram eye ointment (*Generic*)
Commercial / Distribution	Retail distribution across all provinces in Canada. Product is offered by all major retail banners
Reimbursement	Not listed for public reimbursement. No private coverage.
Market environment	100% market share in Canada, innovator exited the market in 2017
Market Size	$5 million[1]

[1] IQVIA Data - 2024

Erythromycin. Treats bacterial infections of the eyes, including treatment to the newborns.

Format Type	1 gram, and 3.5-gram eye ointment (*Generic*)
Commercial / Distribution	Hospital/ retail distribution across all provinces in Canada. Product is offered by all major retail banners
Reimbursement	Listed for public reimbursement in Quebec, Manitoba, British Columbia, and New Brunswick. Covered by most insurance companies.
Market environment	3 players in Canada – the Corporation enjoys a 35-45% market share
Market Size	Canada - $8.6 Million[1]
US Market and other countries	Canadian products are accepted in other jurisdictions, including U.S. when local shortages occur. During the second half of FY-23, and early 2024, Steri-Med supplied in excess of 500,000 units of Erythromycin 1 gram to the U.S. market who was experiencing a product shortage. The Corporation is also suppling products to foreign clients which are representing a growing % of its revenues.

[1] IQVIA Data – 2024

US Commercialization / FDA accreditation

Steri-Med is pursuing its efforts to obtain its FDA accreditation. Approval by the FDA to manufacture products for the U.S. market will enable Steri-Med to take advantage of the lucrative U.S. market for ophthalmic products. Increased production will serve to support new Steri-Med products (to be developed and commercialized by Steri-Med directly or with partners), as well as the production under contract of our clients/partners' drugs.

Avaclyr (acyclovir ophthalmic ointment)

During 2024, Fera Pharmaceuticals filed a submission with the FDA to obtain marketing approval for Avaclyr. Avaclyr is indicated for the treatment of acute herpetic keratitis (dendritic ulcers) with Steri-Med as its GMP manufacturing site. Once approved, Steri-Med will manufacture Avaclyr under contract. The U.S. approval for Avaclyr would also designate Steri-Med as a compliant site for manufacturing other products for U.S. commercialization. Subsequent to the end of the second quarter 2025, Steri-Med filed supplemental information to the FDA to qualify Steri-Med for manufacturing ointments products for the U.S. Approval is expected before year-end 2025.

Steri-Med anticipates securing the FDA approval to manufacture products for the US market before the end of the current fiscal year.

Discussions are taking place with other potential partners regarding the co-development/commercialization of other products currently under development for the U.S. market.

Development pipeline

In order to leverage its expanding capacity as well as the anticipated U.S. approval of its manufacturing site, Steri-Med is accelerating the development of *first-to-market* generic ophthalmic products. The rationale for developing a pipeline of generic ophthalmic products is described below:

- >60 off-patent ointments/eye drops products currently face NO/limited generic competition in Canada, U.S. and other major markets;
- Innovators enjoy maximum pricing, and lack of competition due to challenges related to the Development / Manufacturing of these products;
- Steri-Med has the expertise and capabilities to develop a pipeline of drugs for these lucrative markets by leveraging its partnership with Fera Pharmaceuticals or other foreign partners.
- Global manufacturing capabilities for sterile eye-care products (ointments / drops) is very limited.
- First-to market ophthalmic generic products enjoy the benefit of:
  - lower development costs and regulatory risk ($0.3-0.6 million);
  - shorter development timelines vs innovative drugs (less than 5 years to peak sales);
  - limited price erosion vs innovator at launch;
  - rapid market share gains at launch due to price advantage and established market;
  - limited commercial/marketing expenses and shorter time to peak sales.

The development pipeline is presented below with the next development milestones and timelines for completion.

R&D Pipeline

			Status / Timelines for Completion			
Products / Projects	Type	Market	Development / R&D	Regulatory Filing	Approval	Market
Avaclyr - FERA Pharma	(CMO) Ointment - Rx	USA			H1-2026	
SMM-810	Ointment - OTC	Canada / USA				H2-2026
SMS-0200	Ointment - OTC	Canada		H2-2025		
SMA-0300	Medical device	Canada		H1-2026		
SMT-0400	Ointment - Rx	Canada / USA		H2-2026		
SMT-0450	Ointment - Rx	Canada / USA		H2-2026		

Aggregate market size for the products under development are estimated in excess of $200 Million (IQVIA Data - 2024). Assuming the successful development and regulatory approval of its product pipeline, revenues from the sales of these products will have a material impact on the Corporation's revenues going forward.

In-Licensing and commercialisation of Eye-drop products.

In April 2025, the Corporation announced the signing of two new agreements to market up to ten (10) sterile eye drops for the prescription market in Canada. Since April, the agreements have been amended to include the commercial rights of six (6) additional eye drops prescription products. These products will significantly enhance the Eye-care portfolio of Steri-Med. The commercialization of these new products remains subject to satisfactory due diligence by the Company and to regulatory approvals, but these initiatives fit with Steri-Med's overall strategy to establish itself as a Canadian leader in the manufacturing and commercialization of sterile ophthalmic products.

To date, we have submitted seven (7) products for approval with Health Canada. For these products, regulatory approval is imminent. Other filings are planned for the balance of the fiscal year and next year.

In-Licensing Pipeline

			Status / Timelines for Completion				
Products	Type	Market	Agreement signed	Due diligence	Filling	Approval	Market
MPL - A105	Eye drop - Rx	Canada				H2-2025	H1-2026
MPLT - A110	Eye drop - Rx	Canada				H2-2025	H1-2026
MPD - A205	Eye drop - Rx	Canada				H2-2025	H1-2026
MPDT - A210	Eye drop - Rx	Canada				H2-2025	H1-2026
MPB - A305	Eye drop - Rx	Canada				H2-2025	H1-2026
MPB - A310	Eye drop - Rx	Canada				H2-2025	H1-2026
MPO - A400	Eye drop - Rx	Canada				H2-2025	H1-2026
SHS - B505	Eye drop - Rx	Canada		H2-2025			H1-2027
SHS - B510	Eye drop - Rx	Canada		H2-2025			H1-2027
SHS - B515	Gel - Rx	Canada		H2-2025			H1-2027
SHI - B600	Eye drop - Rx	Canada			H2-2025		H2-2026
SHO - B701	Eye drop - Rx	Canada			H2-2025		H2-2026
SHO - B702	Eye drop - Rx	Canada			H2-2025		H2-2026
SHO - B800	Ear drop - Rx	Canada		H2-2025			H1-2027
SHL - 905	Eye drop - Rx	Canada		H2-2025			H1-2027
SHLT - 910	Eye drop - Rx	Canada		H2-2025			H1-2027

Together, these products represent aggregate market size of more than $160 million in Canada, according to IQVIA Canada. Four (4) of the new products would be exclusive to LSL Pharma for the Canadian market and currently have no generic equivalent on the market. The commercialization of new products remains subject to satisfactory due diligence by the Company and to regulatory approvals.

Customers

LSL Pharma has a limited number of customers, each with contractual arrangements. The large majority of product sales are to large national wholesalers and institutions.

Manufacturing and Distribution

LSL Pharma ensures that its products are manufactured in accordance with the current GMP, consistent with regulatory requirements. In addition, under certain of the Corporation's product license agreements, the licensor retains the rights and obligation to manufacture the licensed product.

LSL Pharma depends on third parties for the supply of the raw materials necessary to develop and manufacture products, including the active and inactive pharmaceutical ingredients used in its products. LSL Pharma is required to identify the supplier of all the raw materials for its products in the drug applications that it files with Health Canada and the FDA. If raw materials for a particular product become unavailable from an approved supplier specified in a drug application, LSL Pharma would be required to qualify a substitute supplier with Health Canada or the FDA, which might interrupt manufacturing of the affected product. To the extent practicable, LSL Pharma attempts to identify more than one supplier in each drug application. However, some raw materials are available only from a single source and, in some of its drug applications, only one supplier of raw materials has been identified even in instances where multiple sources exist.

Under some of its agreements, LSL Pharma may be required to purchase a minimum amount of raw materials and/or order a minimum quantity of manufactured products. LSL Pharma, in some circumstances, might pay a shortfall penalty if it does not meet its minimum requirements. The inability to supply can have a material adverse effect on the Corporation's financial condition and results of operations and cash flows. Considering the agreements in place, the partners have the appropriate contractual obligations to ensure proper supply of the products to the Canadian Market to ensure that LSL Pharma can adequately meet its commercial objectives.

Outsourcing of Select Functions

In an effort to control overhead and expenses while maintaining flexibility, the Corporation also contracts with third parties for a number of business activities if and when required, including but not limited to laboratory testing, product formulation, clinical data analysis and selective regulatory support and services.

By contracting with third parties to perform certain development activities needed to bring its products to market, we reduce expenses and associated risks.

Competition

The development and commercialization of pharmaceuticals is highly competitive. Many of our competitors are large, well-known global pharmaceutical companies which have considerably greater financial, sales, marketing and technical resources than those of the Corporation. In addition, many of the Corporation's present and potential competitors have research and development capabilities that may allow such competitors to develop new or improved products that may compete with our product lines.

With respect to LSL Pharma's product acquisition strategy, LSL Pharma's management expects to compete principally with other companies that seek to license Canadian rights from international pharmaceutical companies as part of their growth strategy.

Within Canada, LSL Pharma primarily competes with Generic Drug manufacturers. Within each of LSL Pharma's therapeutic fields, other drug companies offer competitive products. The Corporation competes with pharmaceutical companies such as Apotex Inc., Bausch Health Companies Inc., Pharmascience, Sandoz, Abbvie and Sun Pharma. These companies seek to develop distinct specialty niches and from time to time may compete with the Corporation in negotiating Canadian and international sales and marketing rights to certain products.

In the CMO market, the Corporation competes with companies such as Dalton Pharma Services, Laboratoires Confab Inc., Pillar5 Pharma Inc., Novocol Pharma, Contract Pharmaceuticals Limited Canada.

Intellectual Property

LSL Pharma's success depends, in part, on its and its licensors' ability to obtain patents, protect trade secrets and know-how, as well as to operate without infringing on the proprietary rights of others. LSL Pharma will work with its partners to ensure adequate protection in Canada.

Facilities

LSL Pharma and its subsidiaries own or lease approximately 130,000 sq.ft.(12,077m^2) of manufacturing and warehousing facilities and office space in various locations across the province of Quebec. LSL Pharma also possesses the in-house expertise to handle all activities associated with regulatory, quality control, supply chain, commercial and medical, and pharmacovigilance. The ability to handle such a broad range of activities has been a key factor in our success.

The table below summarizes the facilities of LSL Pharma and its subsidiaries:

Company	Location	Owned/Leased	Area
LSL Pharma	Boucherville, QC	Leased	5,300 sq.ft. (492 ^{2})
LSL Laboratory	La Pocatière, QC	Owned	22,000 sq.ft.(2,044 m ^{2})
Steri-Med	Upton, QC	Owned	43,518 sq.ft.(4,043 m ^{2})
Dermolab	Ste-Julie, QC	Leased	50,878 sq.ft.(4,727 m ^{2})
VSI	Lévis, QC	Owned	8,250 sq.ft (766 m ^{2})

Personnel and Employees

As of the date of this AIF, the Corporation and its subsidiaries had a total of 193 full-time employees, distributed as follows:

Company	Number of Employees
LSL Pharma	18
LSL Laboratory	42
Steri-Med	45
Dermolab	74
VSI	14

Environment

Further to consultations with its legal counsel, the Corporation is of the view that no certificate of authorization or environment certificate or permit is required for its operations.

RISK FACTORS

An investment in Shares of the Corporation involves a number of risks. Readers should carefully consider the risks and uncertainties described below, together with all of the other information included in this AIF. If any of the following risks occur, the Corporation's business, financial position or results of operations could be materially adversely affected. In such an event, the value of the Shares could decline. Additional risks and uncertainties that we do not presently know about or that we currently believe to be immaterial may also adversely impact our business, financial condition, results of operation or the value of your Shares. Reference to the "Corporation" or to "LSL Pharma" in this section also includes its subsidiaries.

Risks Related to LSL Pharma and its Business Operations

Our success depends, in large measure, on our ability to enter into supply, distribution. in-licensing and acquisitions agreements with other pharmaceutical companies as the primary source for new products and keep such agreements in effect.

Factors that may affect the success of our business include, but are not limited to, the following:

- the ability to locate new products that are attractive and that complement LSL Pharma's business;
- the price to acquire or obtain the license for these products may be too costly to justify the acquisition;
- LSL Pharma faces ongoing competition from other pharmaceutical companies in acquiring rights to products, which makes it difficult for LSL Pharma to find attractive products on acceptable terms;
- our partners may terminate their collaborations with the Corporation, which could make it difficult for us to attract new partners or adversely affect how LSL Pharma is perceived in the business and financial communities.

While the Corporation attempts to minimize risk by maintaining strong relationships with its partners, the marketing and commercialization of pharmaceutical products are processes that require large investments and can take years to complete. Projects can be abandoned along the way or Regulatory Authorities can refuse to approve new products.

At present, we are actively pursuing products that may require substantial capital resources. There are no present agreements or commitments with respect to any such relationships. There can be no assurance that any of those product acquisitions will be completed by LSL Pharma.

Our current revenues are highly dependent on a limited number of products.

The Corporation currently generates revenues from a limited number of products that we commercialize or manufacture for third parties. The loss of a single source of revenue for any reason could have a material adverse effect on our business, financial condition and results of operations.

In addition, each of these products faces competition and the ability to grow the market and our market share may be limited.

We will require additional capital to fund future operations.

We will have a need for capital resources to fund possible future operational requirements, regulatory and commercial expenditures as well as future strategic initiatives. These expenditures may cause us to incur operating losses and cash flow deficiencies for the near future and until such time as our product sales generate sufficient additional revenues.

Additional funding will be required for regulatory and commercial launch activities related to new product developments, in-licensed products from our partners and/or for additional product acquisitions. Although we believe that the Corporation could obtain additional capital through future equity or debt financing, there can be no assurance that it will be able to do so on terms acceptable to us or at all. Should LSL Pharma be unable to obtain sufficient additional capital, the regulatory development and commercial launch of our existing and/or new products could be disrupted, which could have a material adverse effect on our business, financial condition and operating results.

The regulatory approval process for products is highly unpredictable and may take longer than expected.

The sale of pharmaceutical products in Canada, the U.S. and other jurisdictions is highly regulated, which significantly increases the difficulty and costs involved in obtaining and maintaining regulatory approval for marketing new and existing products.

The regulatory approval process procedure can be long and may involve significant delays despite LSL Pharma's best efforts. Moreover, Health Canada and FDA regulations are rigorous, time consuming and costly, and LSL Pharma cannot predict the extent to which it may be affected by changes in regulatory developments and its ability to meet such regulations. There is also a risk that LSL Pharma's current or future products may be withdrawn from the market and the required approvals suspended because of non-compliance with regulatory requirements.

We rely on third parties to supply API and other raw materials for our products. The commercialization of our products could be stopped or delayed if any such third parties fails to provide us with sufficient quantities of API or raw materials or fails to do so at acceptable quality levels or prices or fails to maintain or achieve satisfactory regulatory compliance.

Third parties supply the API and raw materials for LSL Pharma's product. Except for any contractual rights and remedies which LSL Pharma may have with its API and raw materials suppliers, LSL Pharma has no control over the availability of API and raw materials, its quality or cost. If for any reason, LSL Pharma is unable to obtain or retain third-party suppliers on commercially acceptable terms, it may not be able to manufacture and distribute its products as planned. LSL Pharma may have to seek alternative sources of supply or abandon or sell product lines on unsatisfactory terms. LSL Pharma may not be able to enter into alternative supply arrangements on commercially acceptable rates, if at all. There can be no assurance that the manufacturers that LSL Pharma will have engaged will be able to provide sufficient quantities of these APIs and raw materials or that the APIs and raw materials supplied will meet with LSL Pharma's specifications. In addition, production of LSL Pharma's future products may require API and raw materials for which the sources and quantities are limited. Our inability to obtain adequate supplies of API and raw materials could significantly delay the development, regulatory approval and marketing of LSL Pharma's existing and future products.

Almost all APIs used to manufacture generic medicines in Canada are imported from 45 countries around the world, with more than 60% of APIs coming from India and China. (*Source: Canadian Generic Pharmaceutical Association (CGPA) – 2022*) Global supply chains have become increasingly complex, introducing risks, disruptions and shortages of prescription medicines. The generics market in Canada faces downward pressure on pricing with increasing costs of labour, land, transportation, fuel and a complex regulatory regime. Combined, these elements are increasing the fragility of the domestic industry.

We may be subject to product liability claims, which can be expensive, difficult to defend and may result in large judgments or settlements.

LSL Pharma may face an inherent business risk of exposure to product liability claims in the event that the use of its products is alleged to have resulted in adverse effects. Side effects, or marketing or manufacturing problems pertaining to any of LSL Pharma's current or future products could result in product liability claims or adverse publicity. Unexpected safety or efficacy concerns can also arise with respect to marketed products, whether or not scientifically justified, leading to product recalls, withdrawals or declining sales, as well as product liability, consumer fraud and/or other claims.

Although LSL Pharma intends to take what it believes to be appropriate precautions, including obtaining and maintaining product liability coverage (subject to certain deductibles and maximum payouts) and obtaining indemnification from its partners (subject to the terms of each specific agreement), LSL Pharma may not be able to avoid significant product liability exposure. In addition, not all risks are covered by insurance and no

assurance can be given that the insurance coverage obtained and maintained by LSL Pharma will be sufficient to cover losses or claims that may occur involving LSL Pharma's business.

The pharmaceutical industry is highly competitive and may be impacted by rapid technological change.

The Corporation competes to obtain licenses for products and competes to secure distribution channels. Moreover, our products compete with other products.

The pharmaceutical industry is subject to rapid and substantial technological change. Our products will face intense competition from products which are similar to those developed or in-licensed by the Corporation. We will compete with companies in North America and abroad, including major pharmaceutical and chemical companies, research and development firms, universities and other research institutions.

Many of the Corporation's competitors have greater financial resources and market capabilities and have greater experience obtaining regulatory approvals. The Corporation's competitors may succeed in developing technologies and products that are more effective or cheaper to use than any products that LSL Pharma may develop or license. These developments could render the Corporation's technologies and products obsolete or uncompetitive, which could have a material adverse effect on our business, financial condition and results of operations. These competitors could also be viewed as more favourable partners to licensors and/or distributors.

The imposition of new U.S. tariffs on imports from Canada may have an impact on the Corporation's financial position.

In early 2025, the U.S. administration issued executive orders imposing new tariffs on imports from certain countries, including Canada. Such announcements and potential retaliatory tariffs created uncertainty, which has permeated the economic and investment outlook, impacting current economic conditions, including such issues as the inflation rate and the global supply chain. Aside from the impact on the global economy, the tariff conflict may continue to have repercussions on the Corporation, its clients, its suppliers and partners. In light of these recent developments, the Corporation is closely monitoring the impacts and potential consequences on its financial position and that of its clients. The extent to which entities will be affected depends largely on the nature and duration of uncertain and unpredictable events, such as the duration or escalation of the tariffs, the evolution of retaliatory measures, possible fiscal or monetary policy responses, and reactions to ongoing changes by global financial markets. Given the continued uncertainty, it is not possible to anticipate the extent to which any such tariffs may have an impact on the Corporation's financial position."

We depend on key managerial personnel and external collaborators for our continued success.

The success of LSL Pharma is dependent, to a great extent, on the ability to attract and retain highly qualified staff. The competition in the industry in which the Corporation operates is intense. LSL Pharma's success will be highly dependent upon our Chief Executive Officer and the Corporation's team of senior officers and managers, as well as our consultants and collaborators. The loss of key employees or collaborators, if any, could compromise the pace and success of our product development.

Although we obtained regulatory approval in Canada for our commercialized products, there is no assurance that the Corporation will receive regulatory approvals in Canada for future products.

The cost of obtaining and complying with government regulation can be substantial. Regulatory Authorities in Canada regulate the research and development, manufacture, testing and safety of pharmaceutical products as well as the approval and commercialization of such products. The regulations applicable to our existing and future products may change. There can be long delays in obtaining required clearances from Regulatory Authorities. Any failure or delay in obtaining regulatory approvals could adversely affect the market for any products LSL Pharma develops and commercialize and therefore our business, financial condition and results of operations.

We expect the healthcare industry to face increased limitations on reimbursement, rebates and other payments as a result of healthcare reform, which could adversely affect third-party coverage of our products and how much, or under what circumstances, healthcare providers will prescribe or administer our products, if approved.

Sales of our products, if approved for marketing, will depend in part upon the availability of reimbursement from public Formularies (federal, provincial and territories government authorities) and other third-party private payors, which include managed care organizations and other private health insurers. Third-party payors are increasingly challenging the price and examining the cost effectiveness of medical products and services.

Rising insurance costs could negatively impact our profitability.

The cost of insurance, including director and officer, product liability and general liability insurance, has risen significantly in recent years and is expected to continue to increase. In response, LSL Pharma could increase

deductibles and/or decrease certain coverage to mitigate these costs. These increases, and our increased risk due to increased deductibles and reduced coverage, could have a material adverse effect on our business, financial condition and results of operations.

Under applicable employment laws, we may not be able to enforce covenants not to compete.

LSL Pharma generally enters into non-competition agreements as part of employment agreements with employees. These agreements generally prohibit LSL Pharma's employees, if they cease working for the Corporation, from competing directly with us or working for our competitors or clients for a limited period. We may be unable to enforce these agreements under the laws of the jurisdictions in which employees work and it may be difficult to restrict our competitors from benefitting from the expertise our former employees or consultants developed while working for us.

We are subject to risks associated with the industry in which we operate.

Currently, the Corporation operates in the Canadian healthcare industry. Accordingly, the Corporation is subject to risks associated with operating in a single industry in a concentrated geographic location. Any event affecting this industry could have a material adverse effect on the Corporation's business, financial condition and results of operations. Moreover, our projected revenues and operating results are based on assumptions concerning certain levels of product purchases in this market. Any failure to attain the Corporation's projected revenues and operating results as a result of adverse economic or market conditions could have a material adverse effect on the Corporation's business and financial condition.

Our policies regarding returns, allowances and chargebacks may reduce revenues in future fiscal periods.

We cannot ensure that our estimated reserves are adequate or that actual product returns, allowances and chargebacks will not exceed the estimates, which could have a material adverse effect on our results of operations, financial condition, and cash flows.

We may be subject to certain regulations that could restrict our activities and abilities to generate revenues as planned.

From time-to-time, governments, government agencies and industry self-regulatory bodies in Canada, have adopted statutes, regulations and rulings that directly or indirectly affect the activities of LSL Pharma and our future clients. These regulations could adversely impact on our ability to execute our business strategy and generate revenues as planned.

We are subject to risks related to additional regulatory burden and controls over financial reporting.

The Corporation is subject to the continuous and timely disclosure requirements of Canadian securities laws and the rules, regulations and policies of the TSXV. These rules, regulations and policies relate to, among other things, corporate governance, corporate controls, internal controls, disclosure controls and procedures and financial reporting and accounting systems. The Corporation has made, and will continue to make, changes in these and other areas, including the Corporation's internal controls over financial reporting. However, there is no assurance that these and other measures that it may take will be sufficient to allow the Corporation to satisfy its obligations as a public company on a timely basis. In addition, compliance with reporting and other requirements applicable to public companies create additional costs for the Corporation and require the time and attention of management of the Corporation. The Corporation cannot predict the amount of the additional costs that the Corporation may incur, the timing of such costs or the impact that management's attention to these matters will have on the Corporation's business.

In addition, the Corporation's inability to maintain effective internal controls over financial reporting could increase the risk of an error in its financial statements. LSL Pharma's management, with the participation of the Corporation's CEO and CFO, is responsible for establishing and maintaining adequate internal control over financial reporting. The Corporation's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives due to its inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance and is therefore subject to error, improper override or improper application of the internal controls. Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis, and although it is possible to incorporate into the financial reporting process safeguards to reduce this risk, they cannot be guaranteed to entirely eliminate it. If the Corporation fails to maintain effective internal control over financial reporting, then there is an increased risk of an error in the Corporation's financial statements that could result in the Corporation being required to restate previously issued financial statements at a later date.

We are subject to risks related to general commercial litigation, class actions, employment claims and other litigation claims, as well as potential administrative and regulatory actions, as part of our operations.

In the course of its business, the Corporation could receive general commercial claims related to the conduct of its business and the performance of its products and services, employment claims and other litigation claims and the Corporation also could become subject to class actions. Litigation resulting from these claims could be costly and time- consuming and could divert the attention of management and other key personnel from the Corporation's business and operations. The complexity of any such claims and the inherent uncertainty of commercial, class action, employment and other litigation increases these risks. In recognition of these considerations, the Corporation could suffer significant litigation expenses in defending any of these claims and may enter into settlement agreements. If the Corporation is unsuccessful in its defense of material litigation claims or is unable to settle the claims, the Corporation may be faced with significant monetary damage awards or other remedies against it including injunctive relief that could have a material adverse effect on the Corporation's business, financial condition and results of operations. Administrative or regulatory actions against the Corporation or its employees could also have a material adverse effect on the Corporation's business, financial condition and results of operations.

If we infringe or are alleged to infringe or otherwise violate intellectual property rights of third parties, our business could be harmed.

Our commercialization activities may infringe, or otherwise violate or be claimed to infringe or otherwise violate, patents or patent applications owned or controlled by other parties. Competitors in LSL Pharma's focused therapeutic areas may have developed large portfolios of patents and patent applications relating to our business. There may be granted patents that could be asserted against us in relation to such product candidates. There may also be granted patents held by third parties that may be infringed or otherwise violated by our other product candidates and activities, and LSL Pharma does not know whether or to what extent the Corporation is infringing or otherwise violating third party patents. There may also be third party patent applications that, if approved and granted as patents, may be asserted against us in relation to our products or any of our product candidates or activities. These third parties could bring claims against LSL Pharma that would cause us to incur substantial expenses and, if successful against us, could cause us to pay substantial damages and legal fees. Further, if a patent infringement suit were brought against us, we could be temporarily or permanently enjoined or otherwise forced to stop or delay research, development, manufacturing, marketing or sales of the product candidate or method that is the subject of the suit.

As a result of patent infringement claims, or to avoid potential claims, LSL Pharma may choose or be required to seek licenses from third parties. These licenses may not be available on acceptable terms, or at all. Even if LSL Pharma is able to obtain a license, the license would likely obligate the Corporation to pay license fees or royalties or both, and the rights granted to the Corporation might be nonexclusive, which could result in competitors gaining access to the same intellectual property, or such rights might be restrictive and limit our present and future activities. Ultimately, LSL Pharma or a licensee could be prevented from commercializing a product, or be forced to cease some aspect of business operations if, as a result of actual or threatened patent infringement claims, the Corporation is unable to enter into or maintain licenses on acceptable terms.

Risks Related to Our Shares

Our operating results may fluctuate significantly and any failure to meet financial expectations may disappoint securities analysts or investors and result in a decline in the price of our Shares.

Our operating results have fluctuated in the past and are likely to do so in the future. These fluctuations could cause the price of the Shares to decline. Some of the factors that could cause operating results to fluctuate include the following:

- the inability to enter into acquisitions, distribution and/or in-licensing agreements in a timely manner that results in a failure or delay in receiving the required regulatory approvals to commercialize products;
- the timing of regulatory submissions and approvals;
- the timing and willingness of any current or future collaborators to invest the resources necessary to commercialize our product candidates, and the timing of payments LSL Pharma may make or receive under these arrangements;
- any intellectual property infringement or other lawsuits in which LSL Pharma may become involved;
- the timing of achievement and the receipt of milestone payments from current or future third parties;
- failure to enter into new or the expiration or termination of current agreements with third parties;
- failure to introduce the products to the market in a manner that generates anticipated revenues;
- changes in costs and/or reimbursement for the Corporation's products;

- costs related to business development transactions;
- changes in the amount the Corporation spends to market its products;
- delays between the Corporation's expenditures to acquire new products, technologies or businesses and the generation of revenues from those acquired products, technologies or businesses;
- changes in treatment practices of physicians that currently prescribe certain of the Corporation's products;
- increases in the cost of raw materials used to manufacture the Corporation's products;
- manufacturing and supply interruptions;
- the Corporation's responses to price competition; and
- general economic and industry conditions, including potential fluctuations in interest rates.

As a result, the Corporation believes that quarter-to-quarter comparisons of results from operations, or any other similar period-to-period comparisons, should not be construed as reliable indicators of the Corporation's future performance. The above factors may cause the Corporation's operating results to fluctuate and could have a material adverse effect on the Corporation's business, financial condition and results of operations. In any period, the Corporation's results may be below the expectations of market analysts and investors, which could cause the trading price of the Shares to decline.

Shareholders of the Corporation may be further diluted.

The Corporation has financed its operations in certain occasions through the sale of securities. We may need to continue to rely on the sale of such securities for future financing, resulting in dilution to our existing shareholders. Our long-term capital requirements will depend on many factors. In order to meet such capital requirements, LSL Pharma will consider additional financing (including the issuance of additional equity securities) to fund all or part of our particular programs.

Our business, financial condition and results of operations may depend on our ability to obtain additional financing, which may not be available under favourable terms, if at all. Our ability to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as our business performance. If our capital resources are exhausted and adequate funds are not available, LSL Pharma may have to reduce substantially, or eliminate, expenditures for marketing of our products.

Our Share price could be volatile and an investment in our Shares could suffer a decline in value.

Market prices for the securities of pharmaceutical and biotechnology companies have historically been highly volatile and the market has, from time to time, experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. In addition to the risk factors described herein, factors such as fluctuations in our operating results, the aftermath of any public announcements made by us, concern as to the safety of any drugs distributed by us, and general market conditions can, and have had an adverse effect on the market price of the Shares. In the past, when the market price of a stock has been volatile, shareholders have often instituted securities class action litigation against that company. If any of our shareholders brought a lawsuit against us, the Corporation could incur substantial costs defending the lawsuit. The lawsuit could also divert the time and attention of our management.

We have a significant shareholder.

Mr. François Roberge, owns, directly or indirectly, 22,949,500 Shares representing 18.9% of the total outstanding Shares as of the date of this AIF. If Mr. Roberge were to sell a significant portion interest in the Corporation into the public market, or even if the market was to perceive that such a sale may occur, such event might lower the market price of the Shares. Mr. Roberge's interests as a shareholder may not be aligned at all times with the interests of all of the other shareholders of the Corporation.

We do not currently intend to pay dividends on our Shares.

We do not currently intend to declare or pay any cash dividend on our Shares for the foreseeable future. We currently anticipate that LSL Pharma will retain future earnings for the development, operation and expansion of our business and do not anticipate declaring or paying any cash dividends for the foreseeable future. Therefore, the success of an investment in our Shares will depend upon any future appreciation in their value. There is no guarantee that our Shares will appreciate in value or even maintain the price at which our shareholders have purchased their shares. See "Dividends or Distributions".

We are exposed to risks of foreign exchange rate fluctuation.

The Corporation is exposed to fluctuations of the Canadian dollar against certain other currencies because it publishes its financial statements in Canadian dollars, while a portion of its liabilities, revenues and costs could be denominated in other currencies. Exchange rates for currencies of the countries in which the Corporation operates may fluctuate in relation to the Canadian dollar, and such fluctuations may have a material adverse

effect on our future earnings or assets when translating foreign currency into Canadian dollars. In general, the Corporation does not execute hedging transactions to reduce its exposure to foreign currency exchange rate risks. Accordingly, the Corporation may experience economic loss and a negative impact on earnings solely as a result of foreign exchange rate fluctuations, which include foreign currency devaluations against the Canadian dollar. The Corporation does not typically carry currency convertibility risk insurance.

DIVIDENDS OR DISTRIBUTIONS

The Corporation's current intention is to re-invest future earnings to finance the growth of its business. Consequently, it does not intend to pay dividends in the foreseeable future. Any decision to pay cash dividends is left to the judgment of the Board and will depend on financial position, results of operations, capital requirements and such other factors as the Board shall deem relevant.

DESCRIPTION OF SHARE CAPITAL

The Corporation's authorized share capital consists in an unlimited number of Shares without par value, of which 121,220,176 Shares are issued and outstanding as fully paid and non-assessable as of the date hereof. The holders of the Shares shall be entitled (i) to receive notice to all meetings of the shareholders of the Corporation; (ii) to one (1) vote for each Share held by them at all meetings of the holders of the Shares, (iii) to receive at all times, and from time to time, in the sole, absolute and unfettered discretion of the Board, to an unfixed non-cumulative dividend in any amount; and (iv) to participate in the distribution of the Corporation's property or assets upon liquidation, dissolution or wind-up.

CONSOLIDATED CAPITALIZATION

The following table sets forth the capitalization of the Corporation (i) as at December 31, 2024, based on the financial statements of the Corporation for the fiscal year ended December 31, 2024, and (ii) as of the date of this AIF.

Designation of Security	Authorized Amount	Outstanding as at December 31, 2024	Outstanding as at the date of this AIF [info needs to be updated as of date of AIF]
Class "A" Shares	Unlimited	115,532,676	121 220 176
Share Options	10% of issued and outstanding Shares	7,645,270	8,855,270
Share Purchase Warrants, including Brokers' Compensation Warrants	Unlimited	36,123,659	41,870,534
Convertible Debentures[2]	Unlimited	4,697,143[1]	nil[2]

(1) Calculated based on an aggregate $3,288,000 principal amount, with a conversion price of $0.70 per Share
(2) Redeemed on August 4, 2025

PRINCIPAL SECURITYHOLDERS

As of the date hereof, other than as specifically disclosed in the table below, to the knowledge of the directors and executive officers of the Corporation and based on existing information, no person owns, directly or indirectly, as beneficial owner or as holder of record, more than 10% of the issued and outstanding Shares:

Name of Shareholder	Number of Shares	Total Percentage of Shares and Voting Rights
François Roberge	22,949,500[1]	18.9%

(1) Mr. Roberge holds directly 4,935,500 Shares and indirectly 5,514,000 Shares through 12060396 Canada Inc., 8,500,000 Shares through Fiducie Familiale CAFF and 4,000,000 Shares through Gestion FR & AMC Inc.

As at the date hereof, the current directors and officers were, as a group, directly or indirectly, the beneficial owners of 25,617,357 Shares representing 21.1% of the currently issued and outstanding Shares.

OPTIONS TO PURCHASE SECURITIES

As of the date of this AIF, the following table provides information about options to purchase Shares of the Corporation that are held by employees, officers and directors as a group, indicating the aggregate number of employees, officers and directors to whom the information applies:

Name	Designation and Number of Securities under option at the date hereof	Exercise Price ($)	Expiry Date
Directors of the Corporation, as a group	3,000,000 Shares 300,000 Shares 240,000 Shares 500,000 Shares	$0.70 $0.40 $0.45 $0.37	February 22, 2033 April 29, 2034 September 25, 2034 April 1, 2035
Officers of the Corporation, as a group	550,000 Shares 1,255,000 Shares 75,270 Shares 550,000 Shares	$0.70 $0.40 $0.45 $0.37	February 22, 2033 April 29, 2034 September 25, 2034 January 17, 2035
Employees, consultants and former Directors, as a group	1,800,000 Shares 275,000 Shares 150,000 Shares 160,000 Shares	$0.70 $0.48 $0.45 $0.37	February 22, 2033 June 17, 2034 September 25, 2034 March 21, 2035
Total	8,855,270 Shares	-	-

MARKET FOR SECURITIES

Price Range and Volume of Trading of Shares

The Shares are listed and posted for trading on the TSX under the symbol “LSL”. The following table shows the monthly range of high and low prices per Share and total monthly volumes traded on the TSXV for the 12-month period prior to the date of this AIF.

Class “A” Shares
TSXV: LSL

Month	Price per Share($) Monthly High	Monthly Low	Total Monthly Volume
2024			
September	0.50	0.41	658,367
October	0.50	0.37	1,149,078
November	0.49	0.385	968,473
December	0.42	0.31	846,374
2025			
January	0.415	0.335	954,856
February	0.39	0.335	1,032,430
March	0.37	0.29	975,926
April	0.36	0.295	862,308
May	0.41	0.35	849,103
June	0.40	0.365	671,297
July	0.43	0.39	693,967
August	0.53	0.39	969,530
September	0.395	0.34	933,550
October 1st to October 16th	0.385	0.34	729,305

Prior Sales

The following table summarizes the issuance of securities by the Corporation during the most recently completed fiscal year.

Date of Issue	Type of Security and Conversion Price
March 18, 2024	16,086,893 Units with a price of $0.40, consisting of Shares and Warrants with an exercise price of $0.70, issued as part of a non-brokered private placement to accredited investors and other exempt purchasers
April 23, 2024	9,485,000 Units with a price of $0.40, consisting of Shares and Warrants with an exercise price of $0.70, issued as part of a non-brokered private placement to accredited investors and other exempt purchasers
April 29, 2024	1,555,000 Options with an exercise price of $0.40
June 17, 2024	275,000 Options with an exercise price of $0.48
June 26, 2024	3,727,000 Units with a price of $0.40, consisting of Shares and Warrants with an exercise price of $0.70, issued as part of a non-brokered private placement to accredited investors and other exempt purchasers
September 25, 2024	465,270 Options with an exercise price of $0.45
August 29, 2025	5,687,500 Units with a price of $0.40, consisting of Shares and Warrants with an exercise price of $0.70, issued as part of a non-brokered private placement to accredited investors and other exempt purchasers

Escrowed Securities

The following table summarizes the securities that are held in escrow, to our knowledge, as of the date of this AIF and the percentage of the Corporation's outstanding securities in each class represented by such escrowed securities.

Designation of class	Number of securities held in escrow	Percentage of class
Shares	19,348,450	17%
Warrants	278,850	0.77%

Since their listing on the TSXV, the Shares and Warrants described above (the "Escrowed Securities") are held in escrow pursuant to an escrow agreement among the Corporation, TSX Trust Company and each of the principals of the Corporation. The Escrowed Securities are released according to the following schedule:

Release Date	Portion of Escrowed Securities Released
At the time of Listing	5% of the Escrowed Securities
6 months after Listing	5% of the Escrowed Securities
12 months after Listing	10% of the Escrowed Securities
18 months after Listing	10% of the Escrowed Securities
24 months after Listing	15% of the Escrowed Securities
30 months after Listing	15% of the Escrowed Securities
36 months after Listing	40%, being the remaining Escrowed Securities

DIRECTORS AND EXECUTIVE OFFICERS

Current Directors

The following table sets forth the name, province or state, and country of residence of each of the directors of the Corporation as of the date of this AIF, as well as their position with the Corporation, as applicable, or their principal occupation, as well as the year in which they became directors of the Corporation. Each director's term of office extends until the next annual general meeting of the Corporation.

Name, city, province, country of residence	Director since	Principal occupation during the past five years	Number and percentage of Shares held or controlled[1]
François Roberge[B] Boucherville, Quebec	February, 2023	President and Chief Executive Officer of the Corporation	22,949,500[4] (18.9%)[3]
Frank J. Dellafera[A] New York, New York, USA	February, 2023	Chief Executive Officer of Fera Pharmaceuticals	1,292,857[2] (1.1%)[3]
Louis Laflamme, Chair [A] Quebec City, Quebec	March, 2025	President and CEO of Antegrade Medical Inc. Former President and CEO of Opsens Inc.	125,000 (0.1%)[3]
Mario Paradis[A][C] Trois-Rivières, Quebec	April, 2024	Corporate Director Former CFO of EXFO Inc.	375,000 (0.3%)[3]
Noureddine Mokaddem[B][D] Casblanca, Morocco	October, 2025	Member of the Board of Directors of Abcourt Mines Inc. Former President and CEO of Aya Gold & Silver Inc.	6,250,000 (5.1%)[3]

[A] Member of the Audit Committee.
[B] Member of the Governance and Compensation Committee.
[C] Chair and member of the Audit Committee.
[D] Chair and member of the Governance and Compensation Committee.
[1] The directors have personally confirmed the information regarding the Shares they hold, directly or indirectly, or on which they exercise control.
[2] Mr. Dellafera holds these shares entirely through Alfera Pharmaceuticals, LLC.
[3] Percentage based on the number of Shares outstanding as of the date of the AIF.
[4] Mr. Roberge holds directly 4,935,500 Shares and indirectly 5,514,000 Shares through 12060396 Canada Inc., 8,500,000 Shares through Fiducie Familiale CAFF and 4,000,000 Shares through Gestion FR & AMC Inc.

Current Officers

The following table sets forth the name, province and country of residence and position within the Corporation of each person who is an executive officer as of the date hereof. The term of office of the officers expires at the discretion of the Corporation's directors.

Name, Province and Country of Residence	Position with the Corporation	Officer since	Other Principal Occupation During the Past Five Years	Number and Percentage of Shares[1]
François Roberge Quebec, Canada	CEO	February 22, 2023	President & CEO of LSL Pharma President & CEO at LSL Laboratory	22,949,500 (18.9%)
Luc Mainville Quebec, Canada	Executive Vice-President and CFO	December 4, 2023	EVP and CFO at LSL Pharma SVP and CFO at Valeo Pharma Inc. SVP and CFO at ChitogenX Inc.	875,000 (0.7%)
Francis Chenard Quebec, Canada	Senior Vice President, Chief Operating Officer	February 22, 2023	Senior Vice President, Chief Operating Officer at LSL Pharma Senior Vice President, Chief Operating Officer at LSL Laboratory Vice-President R&D and Business Development at Pharmalab Inc.	-
Golnaz Kalantar Quebec, Canada	Vice-President, PMO and New Product Development	January 6, 2025	Vice- President, PMO and New Product Development at LSL Pharma Director, Project Management and New Products Development at JAMP Pharma Group	-

Name, Province and Country of Residence	Position with the Corporation	Officer since	Other Principal Occupation During the Past Five Years	Number and Percentage of Shares[1]
Sylvie Laplante Quebec, Canada	Vice-President, Quality & Compliance	February 22, 2023	Vice-President, Quality & Compliance at LSL Pharma Director, Quality & Compliance at LSL Pharma	-
Guy Paul Allard Quebec, Canada	Vice-President, Legal Affairs and Corporate Secretary	November 4, 2024	VP Legal Affairs and Corporate Secretary at Valeo Pharma Inc. VP Legal Affairs and Corporate Secretary at ChitogenX Inc. VP Legal Affairs and Corporate Secretary at Manitex Capital Inc.	-

(1) Shares beneficially owned, or controlled, directly or indirectly

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as disclosed below, no director or executive officer or promoter of the Corporation is, at the date of this AIF, or has been, within the 10 years prior to the date this AIF, a director, chief executive officer or chief financial officer of any issuer (including the Corporation) that:

(a) was subject to an Order (as defined below) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to an Order that was issued after the director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

"**Order**" means a cease trade order or similar order or an order that denied an issuer access to any statutory exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

In addition, except as disclosed below, no director or executive officer or promoter of the Corporation or shareholder holding sufficient number of securities of the Corporation to affect materially the control of the Corporation:

(a) is, at the date this AIF, or has been within the 10 years before the date hereof, a director or executive officer of any issuer (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangements or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;

(b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person; or

(c) has been subject to:

  (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

  (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Mr. François Roberge made a proposal to its creditors in 2017, from which he is now released.

Conflicts of Interest

The directors of the Corporation are required by law to act honestly and in good faith with a view to the best interest of the Corporation and to disclose any interests which they may have in any project or opportunity of the Corporation. If a conflict of interest arises at a meeting of the Board, any director in a conflict is required to disclose his interest and abstain from voting on such matter.

To the best of the Corporation's knowledge, there are no known existing or potential conflicts of interest among the Corporation, its promoters, directors, officers or other members of management of the Corporation as a result of their outside business interests.

The directors and officers of the Corporation are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest and the Corporation will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers. Such directors or officers, in accordance with the *Canada Business Corporations Act* are required to disclose all such conflicts and are expected to govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

AUDIT COMMITTEE

(a) Audit Committee Charter

The Corporation's Board and Audit Committee have adopted an audit committee charter in accordance with National Instrument 52-110- *Audit Committees* ("**NI 52-110**"). The Corporation's audit committee charter is attached to this AIF as Schedule A.

(b) Composition of the Audit Committee

The members of the audit committee currently are Mr. Mario Paradis, Mr. Louis Laflamme and Mr. Frank Dellafera. The members of the audit committee are considered to be "independent" within the meaning of NI 52-110. Each member of the committee is financially literate within the meaning of NI 52-110 - *Audit Committees*. They are able to assess the general application of the accounting principles in connection with the preparation of financial statements and the accounting for estimates, accruals and reserves as well as having an understanding of internal controls and procedures for financial reporting.

Mr. Paradis, the Chair of the audit committee, is a member of the Canadian Chartered Professional Accountants (CPA) who has held during his career various senior executive positions, namely as Chief Financial Officer of public and private companies.

Mr. Laflamme is a member of the Canadian Chartered Professional Accountant (CPA) and holds a Bachelor's degree in Business Administration from Laval University. He has extensive experience in analyzing financial statements as director and officer of publicly-listed companies, namely as President, CEO and director of OpSens Inc. (TSX:OPS).

Mr. Dellafera has extensive experience in analyzing financial statements as director and officer of major pharmaceutical companies. He is President and Chief Executive Officer of Fera Pharmaceuticals, a US-based specialty pharmaceutical company focused on eye care, and previously was Chief Executive Officer and President of Sandoz US, one of the largest and most successful generic pharmaceutical companies in the world

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial period was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Pre-Approval Policies and Procedures

The Audit Committee has not yet adopted specific policies and procedures for the engagement of non-audit services. However, the Charter of the Audit Committee provides that the provision of any non-audit services must first be considered by the Audit Committee.

Fees paid to External Auditor

The table below sets out the fees incurred by the Corporation for the fiscal year ending on December 31, 2024, and 2023.

Professional Fees	Fiscal Year Ended	
	December 31, 2024 ($)	December 31, 2023 ($)
Audit Fees(1)	314,738	224,700
Audit-Related Fees(2)	-	-
Tax Fees(3)	-	-
All other Fees(4)	-	40,841
TOTAL	**314,738**	**265,541**

(1) Refers to the aggregate professional fees invoiced by the Corporation's external auditor for audit services.

(2) Refers to the aggregate professional fees invoiced for assurance and related services by the Corporation's external auditor that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not reported under note above, including professional services rendered by the Corporation's external auditor for accounting consultations on proposed transactions and consultations related accounting and reporting standards.

(3) Refers to the aggregate professional fees invoiced for professional services rendered by the Corporation's external auditor for tax compliance, tax advice and tax planning. These fees refer to various consultations with the external auditors relating to general taxation.

(4) Refers to the aggregate professional fees invoiced for products and services provided by the Corporation's external auditor, other than the services reported under notes (1), (2) and (3) above.

APPOINTMENT OF AUDITORS AND AUDITORS' REMUNERATION

The Audit Committee is directly responsible for the appointment (subject to shareholder ratification), compensation and oversight of the independent auditor of the Corporation, who reports directly to the Audit Committee. Audacie Inc. became the Corporation's auditor on September 25, 2024.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Corporation currently has no material legal proceedings and regulatory actions pending.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of the Board, as of the date of this AIF, except as described under the section entitled "Description of Share Capital", no person or Corporation beneficially owns, controls or directs, directly or indirectly, Shares carrying more than 10% of the voting rights attached to the Shares.

To the knowledge of the Board, as of the date of this AIF except for the agreements described under the section entitled "Material Contracts" and for the other relationships described in this AIF, no director nor officer and no person or company beneficially owning, controlling or directing, directly or indirectly, Shares carrying more than 10% of the voting rights attached to Shares, nor any associates or affiliates of the foregoing, has any material interest in any transactions involving the Corporation.

TRANSFER AGENT AND REGISTRAR

The registrar and transfer agent of the Corporation is TSX Trust Company, at its office in Montréal, Quebec, Canada.

MATERIAL CONTRACTS

Except for contracts entered into the ordinary course of business, the only contracts entered into by LSL Pharma since the last financial year, or before the beginning of the last financial year that are still in effect, which may be regarded as material, are as follows:

- Escrow Agreement entered into on February 22, 2023 between the Corporation, TSX Trust Company and certain designated holders of the Corporation's securities.
- Debenture Indenture entered into on November 1, 2023 between the Corporation and TSX Trust Company.
- Transfer Agent Agreement entered into on January 24, 2011 between the Corporation and TSX Trust Company (formerly, CIBC Mellon Trust Company).

INTERESTS OF EXPERTS

Audacie Inc., the external auditor of the Corporation, advised the Corporation that it is independent of the Corporation in accordance with the Rules of Professional Conduct of the *Ordre des CPA du Québec*.

ADDITIONAL INFORMATION

The Corporation's management information circulars contain more information, namely regarding directors' and executive officers' compensation, principal holders of the Corporation's securities and securities authorised for issuance under our Option Plan. The most recent circular is dated May 2, 2025, in connection with the Corporation's Annual General and Special Meeting of Shareholders held on June 27, 2025. The Corporation expects its next proxy circular to be approved in May 2026, in connection with the Corporation's Annual Meeting of Shareholders to be held in June 2026.

Additional information relating to LSL Pharma may be found under the Corporation's profile on SEDAR+ at www.sedarplus.ca and the Corporation's website www.groupelslpharma.com. . Additional financial information is provided in our Financial Statements and MD&A for the most recent completed financial year.

SCHEDULE A

AUDIT COMMITTEE CHARTER

1. General Objectives

In accordance with its functions, the audit committee (hereinafter referred to as the "**Audit Committee**"), must encourage the continuous improvement and to see compliance with guidelines, procedures and financial practices of the Corporation and its subsidiaries. The primary and principal roles of the Audit Committee include acting as an independent and objective party so as to:

(i) ensure an adequate financial reporting process of the Corporation as well as its internal control procedures;

(ii) ensure an adequate reporting process of the Corporation's external auditors;

(iii) provide better communication between the Corporation's external auditors and executive management (hereinafter referred to as "**Management**") and the board of directors (hereinafter referred to as the "**Board**"); and

(iv) ensure that the Corporation adopts appropriate disclosure and financial management policies.

The Audit Committee will act as to accomplish its responsibilities by executing the tasks enumerated in section 4.

2. Composition

The Audit Committee shall be composed of a minimum of three (3) directors of the Corporation of which a majority of members will be independent pursuant to Regulation 52-110.

Even if it is an asset for an efficient and balanced Audit Committee to have diversification in competence and experience among its members, all members shall have basic knowledge of financial matters and at least one member of the Audit Committee shall have specialized knowledge in accounting or financial management.

The expression "basic knowledge of financial matters" shall mean the ability to read and understand basic financial statements, notably a balance sheet, a statement of earnings and a cash flow statement, as well as the ability to raise questions about the Corporation's accounting and financial risks.

A member will be deemed to have "specialized knowledge" if he has professional experience in finance or accounting, a professional accreditation in that field or another experience or background that made him develop specialized knowledge in financial matters.

Members of the Committee will be appointed by the Board and will hold their function until the next meeting of the Board following the general meeting of shareholders or until their successors are duly appointed. Unless the President of the Audit Committee is appointed by all the members of the Board, members of the Committee will be entitled to appoint a President by way of a majority vote in the presence of all the members of the Audit Committee.

3. Organization

Except as specifically provided herein, or adopted from time to time, the by-laws of the Corporation shall govern the meetings of the Audit Committee. In particular, it is agreed that the Audit Committee shall meet at least four (4) times per year or more if justified by the circumstances. In order to foster open and straightforward communications between key players, the Audit Committee shall meet, at least annually, with Management and the external auditors of the Corporation. These meetings shall be held distinctively and privately in order to discuss any matter that the Audit Committee or each of these groups will consider important or useful.

4. Responsibilities and Duties

In order to satisfy its duties and roles, the Audit Committee shall namely:

External Auditors

4.1. Recommend the appointment of the external auditors to the Board, who will assess their independence and performance and approve their remuneration, and other compensation to be paid;

4.2. Review and discuss periodically with the external auditors the relationship between the Corporation and the external auditors in order to analyze the independence and objectivity of the external auditors;

4.3. Consult at least annually the external auditors, without the attendance of the Management, in order to discuss the internal audit control process;

4.4. Require from the external auditors a declaration of independence while filing the annual report and preceding each mandate granted;

4.5. Evaluate the performance of the external auditors and recommend their replacement if the Audit Committee believes it advisable;

4.6. For the duration of the annual financial statements review process and before their filing, review independently with the Management and the external auditors any important difficulties incurred during the review process, including any restrictions on the work load completed or the access to required information;

4.7. Resolve any important disagreements between the Management and the external auditors regarding financial statements; and

4.8. Review and approve the hiring policies regarding partners, employees and former partners and employees of the present and former external auditor its predecessor.

Risk monitoring

4.9. Ensure that measures are in place to address the risks associated with the establishment, maintenance and operation of disclosure controls and procedures and internal controls over financial reporting for the Corporation in accordance with applicable laws;

4.10. Ensure that measures are in place to address cybersecurity risks that could reasonably be expected to have a material impact on the Corporation's business, operations and/or reputation;

Financial Reporting and Disclosure of Documents

4.11. Review the integrity of the financial disclosure process in consultation with the external auditors and the Management of the Corporation;

4.12. Discuss the quality of the accounting principles with the external auditors of the Corporation, including accuracy of the financial information disclosure, highly judgmental areas such as reserves or estimates and the application of accounting principles by Management;

4.13. In case of changes to accounting principles adopted by the Corporation as suggested by Management and endorsed by the external auditors, review and submit these changes for approval to the Board;

4.14. Review the annual and the quarterly financial statements and the related report or any other financial information to be disclosed in compliance with the disclosure rules enacted by the competent authorities or the disclosure policy of the Corporation;

4.15. Ensure that adequate procedures are in place for the review of the public disclosure of financial information extracted or derived from the financial statements and periodically review those procedures;

4.16. Review any certificate, report, opinion, letter or correspondence sent by the external auditors of the Corporation and, if applicable, any answers from the Management to the said correspondence;

4.17. Review annually the mandates of the Audit Committee and recommend modifications to the Board if thought necessary;

4.18. Prepare and recommend annually to the Board a “Summary of the Audit Committee Practices” to be included in the annual report or in the management proxy circular; and

4.19. Review and update, if applicable, this Charter periodically, at least annually.

Disclosure Policy and other

4.20. See to the establishment and respect by the Corporation’s Management of the disclosure policy regarding; i) financial information; ii) operations, activities, facts or events having a material effect on the Corporation’s financial condition;

4.21. Ensure that the Management acts in compliance with the Corporation’s disclosure policy; and

4.22. Establish procedures that ensure confidential receipt, filing and treatment of complaints received

regarding accounting, internal accounting controls, or auditing matters. To maintain a process permitting the confidential, anonymous submission of information by employees regarding questionable accounting or auditing practices.