



Management's Discussion and Analysis of Financial Condition and Results of Operations as at November 29th, 2019.

The following is management's discussion and analysis ("MD&A") of AMP German Cannabis Group Inc. (the "Company" or "AMP") financial condition and results of operations for the nine months ended September 30th, 2019 and should be read in conjunction with the unaudited condensed consolidated financial statements and related notes for the same reporting period. The MD&A will also outline the economic operating conditions and how these influence AMP German Cannabis Group's business activities.

All references herein refer to the unaudited condensed consolidated financial statements and related notes for the nine months ended September 30th, 2019, and except where otherwise indicated, all financial information is expressed in Canadian dollars ("\$"). Unless otherwise indicated, reference to the "Company" or "AMP" means AMP German Cannabis Group and its subsidiaries. The financial year is the calendar year. Reference to a "fiscal year" means the Company's year commencing on January 1st of that year and ending on December 31st of that year. For example, fiscal 2019, means the period beginning January 1st, 2019, and ending December 31st, 2019. Reference to "reported quarter" means the nine calendar months commencing on January 1st of that year and ending on September 30th of that year. In addition, reference will be made to "Notes", which refers to the Notes to the Unaudited Condensed Consolidated Financial Statements. References to Statements of "Financial Position", "Income or Loss" and "Cash Flows, refer to Condensed Consolidated Interim Statements of Financial Position, Comprehensive Income (Loss) and Cash Flows, respectively.

Forward-Looking Statements

This document contains forward-looking statements. The Company's representatives may also make forward-looking statements orally from time to time.

Statements in this document that are not historical facts, including statements about the Company's beliefs and expectations, recent business and economic trends constitute forward-looking statements. Forward-looking statements include, without limitation, statements regarding the outlook for future operations, forecasts of future revenue and expenditures, market conditions, specifically the Canadian and German stock markets or other business plans. Forward-looking statements include statements regarding the intent, belief or current expectations of the Company, primarily with respect to the results of operations, financial position or cash flows of the Company.

The statements are based on current plans, estimates, and projections and are subject to change. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, and the Company undertakes no obligation to update publicly any changes in light of new information or future events.

Shareholders and potential investors are cautioned that any such forward-looking statements are not guarantees and involve risks and uncertainties, and that actual results may differ from those in the forward-looking statements as a result of various factors such as general economic and business conditions particularly in North America and Europe, including changes in interest rates, actions by government authorities in Canada, Germany or the European Union, including changes in government regulation, political conditions in Europe and future decisions by the Company's directors or officers in response to changing conditions, the ability to execute prospective business plans and misjudgments in the course of preparing forward-looking statements.

Material factors and assumptions underlying the Company's expectations regarding forward-looking statements include, among others: the ability of the Company to obtain financing on acceptable terms, that the Company will be able to maintain appropriate levels of liquidity in order to make investments when attractive opportunities arise, stability in the global economic environment particularly in Canada and Germany and broadly in regard to North America and the European Union, and Canadian and German interest rates and that interest rates and foreign exchange rates, particularly in regard to the Canadian dollar and Euro ("€"), will not vary materially from current levels.

The status of the equity markets in Canada and Germany, in particular, the Canadian Securities Exchange and the Frankfurt Stock Exchange, may affect the financial performance of the Company. In addition, as the Company's cash and assets are held in €s and to a lesser extent in \$s high annual inflation in Germany, the European Union and Canada may affect the financial performance and condition of the Company. A majority of the Company's assets have an economic interest in Germany. Therefore the fluctuation between the \$ and the € may affect financial performance. The economic health of the economies of Germany and the European Union may also affect the financial performance of the Company.

Shareholders and potential investors are advised that these cautionary remarks expressly qualify in their entirety all forward-looking statements attributable to the Company or persons acting on its behalf contained in this MD&A. This forward-looking statement dated November 29th, 2019 references CSA Staff Notice 51-330 Guidance regarding the Application of Forward-Looking Information Requirements under National Instrument 51-102 Continuous Disclosure Obligations dated November 20th, 2009. The Company will review its forward-looking statement when it files its third-quarter financial results for the nine months ending September 30th, 2019.

Highlights

- Changed name to AMP German Cannabis Group Inc.;
- Opened offices in Erfurt and Berlin;
- Listed on the Canadian Securities Exchange;
- Closed Series A private placement, raising \$1.5-million;
- Entered into partnership with German pharmaceutical consulting firm to provide EU-GMP audit services;
- Received import license to import cannabis products for medical purposes into Germany;
- Entered into supply agreements for approximately 7,000 kg annually from Canadian suppliers, and;
- Entered into pharmaceutical distribution agreement with CC Pharma GmbH.

Corporate Overview

AMP German Cannabis Group Inc.

AMP German Cannabis Group Inc. (“AMP” or “the Company”) is a Canadian investment holding company whose main investment is its wholly-owned Germany subsidiary, AMP Alternative Medical Products GmbH (“AMP Germany”). AMP’s other investment subsidiaries in Switzerland and Malta function to procure supply for AMP Germany.

AMP trades on the Canadian Securities Exchange (CSE: XCX) and Frankfurt Stock Exchange (FSE: C4T) and is a reporting issuer in the Canadian provinces of British Columbia, Alberta, Ontario and Québec.

Corporate filings are available at the System for Electronic Document Analysis and Retrieval (“SEDAR”) at www.sedar.com and at the Company’s website: www.amp-eu.com.

AMP’s business is to import European Union - Good Manufacturing Practices (“EU-GMP”) certified cannabis from Canada and other countries and sell it to pharmaceutical wholesalers, who supply pharmacies permitted to dispense medical cannabis prescribed by German physicians.

EU-GMP certification is an internationally recognized system, which ensures that pharmaceutical goods, including medical cannabis, meet the highest consumer health and safety standards. All medical cannabis imported into or produced in Germany is regulated by EU-GMP and the cultivation facility must be inspected and certified by a German state. Globally, only a handful of companies have received EU-GMP certification for exportation to Germany.

During the year, the Thuringia State Office for Consumer Protection (Thueringer Landesamt fuer Verbraucherschutz) (“TLV”) granted an import license to AMP Germany for cannabis products for medical purposes according to Section 72 of the German Medicine Law (Arzneimittelgesetz - AMG). AMP Germany will apply for a narcotic license with TLV when the first imports begin in the first half of 2020. TLV deals economic consumer protection and policy for the Free State of Thuringia in Germany.

AMP engaged a leading Germany pharmaceutical consulting company to qualify its suppliers to ensure they meet the EU-GMP pharmaceutical quality and consistency standards required to export to Germany by conducting gap analysis and audits. The Company is currently auditing its supply chain to ensure the quality and integrity of the pharmaceutical goods is maintained during transportation, warehousing, handling, testing and distribution from the supplier in Canada to distributor in Germany.

AMP has supply agreements for approximately 7,000 kg of cannabis flower with six late-stage applicants to become Canadian Licensed Producers and is in negotiations with several indoor licensed producers. All of AMP’s Canadian suppliers operate indoor cultivation

facilities near international airports with annual production capacity between 5,000 and 10,000 kg. AMP will enter into a definitive supply agreement once the supplier has passed a EU-GMP audit. Successful, qualified suppliers that are certified by TLV will begin to export to Germany once AMP obtains the necessary import permits.

AMP's primary pharmaceutical distributor is CC Pharma GmbH, the largest distributor of medical cannabis in Germany. CC Pharma and AMP have entered into a 4-year non-exclusive agreement for the purchase of medical cannabis flower commencing in 2020.

Assets Held for Sale

The Company held \$206,487 in assets for sale, representing the remaining investments under the Company's former investment policy.

Result of Operations

Summary of Quarterly Results

The following selected financial data as reported by the Company for the past eight business quarters have been summarized from the Company's unaudited quarterly financial statements and are qualified in their entirety by reference to and should be read in conjunction with such financial statements.

	2019				2018				2017
(In thousands, except per share amounts)									
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	
Revenue	\$ 3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Loss	\$ (1,054)	\$ (796)	\$ (393)	\$ (593)	\$ (71)	\$ (61)	\$ (70)	\$ (141)	
Loss per share, basic and diluted	\$ (0.05)	\$ (0.06)	\$ (0.05)	\$ (0.06)	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.01)	

Summary of Reported Period Results

For the nine months ended September 30th, 2019.

The following analysis of AMP's operating results for the nine months ended September 30th, 2019, includes a comparison to the corresponding comparative period ended September 30th, 2018.

Going forward, revenue will be generated from the importation and sale of EU-GMP medical cannabis in Germany to pharmaceutical distributors. Under the Company's previous investment policy revenue was immaterial.

Developing the Company's importation business resulted in overall expenses increasing to \$2.2-million from \$202,686. General and administrative expenses increased due to the addition of several executive officers and other personnel resulting in higher executive management salaries and employee costs. The Company plans to implement an incentive-based compensation policy linked to achieving business results and creating shareholder value in order to position itself to attract and retain executive management in Germany and, if needed, other areas of Europe. The Company expects it will establish a compensation committee with formal objectives and policies, including performance goals and objectives during 2020. The Company's Statement of Executive Compensation on Form 51-102F6V for the year ended December 31st, 2018, is filed on SEDAR.

As the Company operates in a highly regulated industry, professional and consulting fees were incurred during the year while the opening of the Company's Berlin and Erfurt offices increased rent and office costs. Corporate governance and public company expenses increased moderately as the Company's board size and activity increased.

Non-cash accounting adjustments included share-based compensation of \$477,200, valued using the Black-Scholes valuation model, and a foreign currency translation accounting adjustment of \$164,486. Prior to the Company granting stock options in May 2019, the Company had not granted any stock options since 2013.

The Company reported a loss for the period of \$2.2-million (\$0.16 per share) compared to a loss of \$202,454 (\$0.02 per share) for the corresponding comparative period. The Company reported a comprehensive loss, which includes foreign currency translations and changes in the fair value of assets-for-sale of \$2.4-million compared to a loss of \$248,975 for the corresponding comparative period.

Summary of Reported Period Results

For the three months ended September 30th, 2019

The following analysis of the Company's operating results for the three months ended September 30th, 2019, includes a comparison to the corresponding, comparative three months ended September 30th, 2018.

Revenue was immaterial. Operating costs totaled \$1-million, compared to \$70,876, while the loss for the reported quarter was \$1-million, compared to a loss of \$70,800. Basic and diluted loss per common share was \$0.05 compared to a loss of \$0.01, respectively, for the reported quarters.

Transactions Between Related Parties

During the reported period, the Company paid director and management fees of \$376,888 (2018 - \$15,375) and professional fees of \$37,350 (2018 - \$18,900) to the Chief Financial Officers consulting company for accounting services. Included in accounts payable at September 30th, 2019, is \$6,750 owing to one officer of the Company for accounting fees.

Liquidity and Capital Resources**Working Capital**

The following analysis of the Company's liquidity and capital resources for the nine months ended September 30th, 2019, includes a comparison to the corresponding comparative nine months ended September 30th, 2018.

The Company's principal sources of capital are its available cash, assets held for sale, repayment of investment loan receivable and public financing. The Company also has a \$765,000 bridge loan facility.

As at September 30th, 2019, AMP had assets of \$2.1-million consisting of cash holdings of \$444,013, assets for sale totaling \$206,487 and \$1.4-million in an investment loan receivable. Total liabilities increased to \$654,768 from \$412,147 at year-end due to bridge loan drawdowns and higher trade and other payables from increased business activity. Shareholders' equity decreased to \$2-million compared to \$2.3-million at year-end.

Cash flow

The statement of cash flows shows the structure of and changes in cash for the reported period and is broken down into operating activities, investing activities and financing activities.

The Company generated \$390,655 in cash flow to hold \$444,013 in cash at the end of the reported period. Operating activities used cash of \$1.7-million largely for operating expenses for the development of the Company's importation business, while investing activities generated \$516,775 largely from the repayment of the investment loan receivable. Financing activities generated \$1.6-million in cash from the Series A private placement and \$147,036 from the Company's bridge loan facility.

Share Outstanding Data

As of September 30th, 2019, the Company had 21,037,796 shares, 2,323,799 stock options and 240,228 finder warrants outstanding.

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