

Management's Discussion and Analysis of Financial Condition and Results of Operations as at May 29th, 2020.

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 three months ended March 31st, 2020 and should be read in conjunction with the unaudited condensed consolidated financial statements and related notes for the same reporting period and the Company's audited financial statements for the year ended December 31, 2019. 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 three months ended March 31st, 2020, and except where otherwise indicated, all financial information is expressed in Canadian dollars ("C\$"). 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 2020, means the period beginning January 1st, 2020, and ending December 31st, 2020. Reference to "reported quarter" means the three calendar months commencing on January 1st of that year and ending on March 31st 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 May 29th, 2020 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 second quarter financial results for the six months ending June 30th, 2020.

Highlights (Q1)

- Closed Series B private placement, raising \$867,500 (3,470,000 shares sold at \$0.25 per share);
- Became fully licenced to import EU-GMP medical cannabis from Europe and elsewhere, and
- Entered into supply agreement to import medical cannabis from the Netherlands commencing in Q2.

Corporate Overview

AMP German Cannabis Group Inc.

AMP German Cannabis Group Inc. (“AMP”) is a Canadian 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.

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. All of AMP Germany’s suppliers are audited by German auditors to ensure they meet the stringent EU- GMP standards.

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.

The Thuringia State Office for Consumer Protection (Thüringer Landesamt fuer Verbraucherschutz) (“TLV”) has granted an import license to AMP Germany for cannabis products for medical purposes according to Section 72 of the German Medicine Law (Arzneimittelgesetz - AMG). TLV deals with 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 completed the audit of 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 entered into a definitive supply agreement for the import of cannabis flower from the Netherlands commencing in Q2 and supply agreements with late-stage applicants to become Canadian Licensed Producers and Licensed Producers. AMP’s Canadian suppliers generally operate indoor cultivation facilities with annual production capacity between 5,000 and 10,000 kg. AMP will enter into a definitive supply agreement once the supplier has passed an EU-GMP audit. Successfully qualified suppliers that are certified by TLV will begin to export to Germany.

AMP entered into a four-year non-exclusive agreement for the purchase of medical cannabis flower commencing in 2020 with one of the largest pharmaceutical wholesalers of medical cannabis in Germany.

AMP is listed on the Frankfurt Stock Exchange under the trading symbol, “C4T” and on the Canadian Securities Exchange under the trading symbol “XCX” and is a reporting issuer in the Canadian provinces of British Columbia, Alberta, Ontario, and Québec.

Covid-19

During the quarter, the World Health Organization declared coronavirus (specifically identified as “COVID-19”) a global pandemic. This contagious disease outbreak resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing have caused material disruption to businesses globally resulting in significant economic uncertainty.

The measures adopted by governments worldwide, but specifically the German government could impact the Company’s business whether through supply chain disruption or delays in receiving licenses and permits due to government office slowdowns. Economic disruption in Germany could affect the value and liquidity of the Company’s non-core German investments.

However, at this time it is not possible for the Company to reliably estimate the duration or magnitude of the adverse results of the outbreak and its impact on the Company’s financial results in future periods.

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.

	2020		2019				2018	
	(In thousands, except per share amounts)							
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loss	\$ 472	\$ 1,737	\$ 1,054	\$ 796	\$ 393	\$ 593	\$ 71	\$ 61
Loss per share, basic and diluted	\$ 0.02	\$ 0.09	\$ 0.05	\$ 0.06	\$ 0.05	\$ 0.06	\$ 0.01	\$ 0.00

For the three months ended March 31st, 2020

The following analysis of AMP’s operating results for the three months ended March 31st, 2020, includes a comparison to the corresponding comparative period ended March 31st, 2019.

Beginning in Q2, revenues will be generated from the importation and sale of EU-GMP medical cannabis to pharmaceutical wholesalers who supply to pharmacists.

Overall operating expenses increased to \$566,001 from \$400,187. General and administrative expenses increased to \$521,339 from \$339,251 due higher management and consulting fees and employee salaries and benefits due to higher business activity and development from a year ago.

Corporate governance and public company expenses decreased as the Company held its annual shareholder meeting approximately one year ago, whereas the Company will be holding its next AGM during Q2.

Non-cash accounting adjustments included a foreign exchange gain of \$95,254 and currency translation accounting adjustment loss of \$175,194. The Company plans to start reporting in Euros instead of Canadian dollars commencing in Q2.

The Company reported a loss for the three months ended March 31, 2020 of \$471,944 (\$0.02 per share) compared to a loss of \$392,608 (\$0.04 per share) for the three months ended March 31, 2019.

Liquidity and Capital Resources

The following analysis of the Company’s liquidity and capital resources for the quarter ended March 31, 2020, includes a comparison to December 31, 2019.

Working Capital

As of March 31, 2020 the Company had total assets of \$1.3-million, which included \$324,624 in cash, \$384,852 in accounts receivable and prepaid expenses and \$94,078 in loans receivable to cannabis suppliers for facility upgrades in order to export to Germany. Accounts receivable and prepaid expenses increased due to pre-cautionary cash management in preparation for potential disruptions related to the Covid-19 pandemic. The Company is in the process of selling its investments and loan receivable totaling \$37,384 and \$421,056, respectively, however the Covid-19 pandemic has affected the price and liquidity of these non-core assets.

Total liabilities increased to \$1.3-million from \$935,186 due to draw-downs on the Company’s unsecured revolving loan facility, which

was amended during the quarter to increase the loan amount and extend the maturity date. Trade and other payables were reduced to \$241,885 at March 31st, 2020 from \$398,857 at the end of last year.

Shareholder equity increased to \$71,513 from a deficit of \$133,349 at the end of last year due to the Series B private placement financing during the quarter.

Cashflow

The Statements of Cash Flows show 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 \$7,992 in cash during the quarter to hold \$324,624 in cash at quarter end. Operating activities used cash of \$968,802 largely for operating expenses related to business development, an increase of accounts receivable and prepaid expenses and a decrease in accounts payable. Investing activities used \$115,696 in cash largely relating to an investment in computer software systems and loans to medical cannabis suppliers for EU-GMP facility upgrades. Financing activities generated \$1.3-million in cash from the Series B private placement and drawdowns on the Company's revolving loan facility.

Transactions Between Related Parties

AMP has a related party relationship with its subsidiaries, with shareholders who hold more than 10% of the Company's shares, executive officers and the Company's directors.

The Company paid or accrued board meeting and service fees of \$Nil (2019 - \$35,796), rent of \$12,600 (2019 - \$12,600) and management and consulting fees of \$118,176 (2019 - \$87,574) to directors and executive officers of the Company.

The Company paid or accrued accounting fees of \$21,450 (2019 - \$7,630) to its Chief Financial Officer's consulting company.

Included in accounts payable at March 31, 2020 is \$94,256 (December 31, 2019 - \$111,852) owing to directors and officers of the Company for consulting and accounting fees, rent and expenses incurred on behalf of the Company.

Share Outstanding Data

The Company has 24,948,024 (2019 - 21,478,024) shares and 2,123,779 (2019 - nil) stock options outstanding.

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