

ADAPTOGENICS HEALTH CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
INTERIM MD&A – QUARTERLY HIGHLIGHTS
FOR THE THREE-MONTH PERIOD ENDED
JUNE 30, 2024

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INTRODUCTION

This Management's Discussion and Analysis ("MD&A") of Adaptogenics Health Corp.'s (the "Company") performance, financial condition, and future prospects has been prepared as of August 26, 2024. This MD&A is prepared in accordance with section 2.2.1 of National Instrument 51-102, *Continuous Disclosure Obligations* ("NI 51-102"), which contemplates venture issuers providing quarterly highlights reporting by way of a brief narrative update about the business activities, financial condition, financial performance and cash flow of the Company. This MD&A should be read in conjunction with the Company's unaudited condensed interim financial statements for the three-month period ended June 30, 2024. They should also be read in conjunction with the Company's audited financial statements and the notes thereto for the fiscal year ended March 31, 2024 which have been prepared using International Financial Reporting Standards ("IFRS").

Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars.

DESCRIPTION AND OVERVIEW OF BUSINESS

Adaptogenics Health Corp. was incorporated on April 1, 2021 pursuant to the Business Corporations Act (British Columbia). On December 14, 2022, a Prospectus filed by the Company was given final receipt by the British Columbia Securities Commission and on January 9, 2023, the Company's common shares began trading on the Canadian Securities Exchange ("CSE"). The shares of the Company currently trades under the symbol "ADPT" on the CSE.

The Company is a Canadian-based nutraceutical company focused on the formulation and distribution of functional mushroom products and nutritional supplement alternatives. The Company is in the process of developing product formulations combining functional mushrooms and adaptogenic herbs which are aimed to support holistic health. The Company is committed to growing a presence in North America through a multifaceted distribution strategy to advance the mission of improving and empowering human health and wellness.

As at June 30, 2024, the Company had not yet achieved profitable operations, had an accumulated deficit of \$560,100 since inception, and expects to incur further losses in the development of its business. These events and conditions indicate a material uncertainty that may cast substantial doubt on the Company's ability to continue as a going concern. The Company's continuation as a going concern is primarily dependent upon its ability to raise financing from equity markets or borrowings and successful development and launch of its functional mushroom and nutritional supplement alternatives to the market. While the Company has been successful in securing financing in the past, there is no assurance that it will be able to do so in the future. Accordingly, these financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used, then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these financial statements.

SUMMARY OF FINANCIAL RESULTS OF OPERATIONS – QUARTER ENDED JUNE 30, 2024

1. The Company posted a loss of \$9,792 for the three-month period ended June 30, 2024 compared to a loss of \$26,847 for the corresponding three-month ended June 30, 2023.

The decreased loss can be attributed to the Company's efforts to minimize operational costs to preserve its cash resources.

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For the period, the Company recognized management fees of \$1,000 (FY2023 - \$ \$13,500). To preserve the Company's cash, the management of the Company had voluntarily waived or reduced their fees.

Advertising and promotional costs were \$302 and \$3,252 for the three-month periods ended June 30, 2024 and 2023 respectively. The higher costs in the prior corresponding period can be attributed to the Company actively working on its marketing and product branding initiatives.

For the three-month period ended June 30, 2024, the Company incurred filing fees of \$3,767 (FY2023 - \$5,287). The lower fees during the current period can be attributed to the timing of regulatory fees due during the period.

Professional fees were \$5,814 (FY2023 - \$3,734) and consisted of \$5,000 (FY2023 - \$2,872) for audit and accounting fees and \$814 (FY2023 - \$862) for legal fees.

2. The following is a summary of the Company's results for the eight most recently completed quarters:

	Revenue	Current assets	Current liabilities	Working capital	Loss	Loss per share
June 30, 2024	\$100	\$ 150,153	\$ 27,523	\$ 122,630	\$ (9,792)	\$ (0.00)
March 31, 2024	nil	153,716	21,972	131,744	(50,882)	(0.00)
December 31, 2023	658	201,727	21,443	180,284	(30,863)	(0.00)
September 30, 2023	465	217,161	11,299	205,862	(38,361)	(0.00)
June 30, 2023	nil	268,551	31,827	236,724	(26,843)	(0.00)
March 31, 2023	nil	302,536	38,965	263,571	(74,312)	(0.01)
December 31, 2022	nil	396,953	59,071	337,882	(68,298)	(0.01)
September 30, 2022	\$nil	\$439,959	\$ 33,778	\$ 406,181	\$ (68,261)	\$ (0.00)

The only material variations are:

- (i) the net losses for over the quarters have been consistent and have increased marginally as the Company executes its business objectives. The Company's activity up to June 2023 has been developing its adaptogen product line and seeking a listing on the CSE. Costs incurred after the Company began trading on the CSE are costs normally associated with that of maintaining a listed publicly traded company.
- (ii) the decrease in cash in from quarter-to-quarter has been a direct result of costs needed to maintain a publicly traded company and to further develop the Company's business objectives.
- (iii) During the year ended March 31, 2024, the Company impaired \$38,756 (2023 - \$Nil) of its inventories. As the Company has had minimal product sales to-date and in accordance to IAS 2, the Company's inventories was written down to \$nil.

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3. As at June 30, 2024 the Company had a cash balance of \$149,432 to settle current liabilities of \$27,523. The Company expects to fund future expenditures through the issuance of capital stock.
4. There were no material changes in the Company's financial condition as compared to March 31, 2024. The Company's operations has not generated significant cash flows since the launching of its product line in the summer of 2023. The Company's future financial success is dependent on the continual development and marketing of its adaptogen product line.
5. There are no known trends, risks or demands affecting the Company except that (i) should the Company be unsuccessful in raising additional financing, the Company will likely be unable to carry on an active business. The Company is unable to determine, at this time, whether it will be successful in raising sufficient capital to further develop and market its adaptogen product.
6. The major operating milestones affecting or pertaining to the Company are: (i) raise sufficient capital to settle its outstanding liabilities; and, (ii) the Company successfully launching its adaptogen product line.
7. There are no significant changes from disclosure previously made about how the Company was going to use proceeds from any financing.

SECURITIES OUTSTANDING

As at June 30, 2024 and the date of this MD&A, the Company had 16,397,701 common shares issued and outstanding.

As at June 30, 2024 and the date of this MD&A, the Company had no warrants issued and outstanding.

As at June 30, 2024 the date of this MD&A, the Company had 550,000 stock options issued and outstanding.

RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with the following individuals or entities:

Key management personnel:

Key management personnel include those individuals who have authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Remuneration attributed to key management personnel can be summarized as follows:

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	Three-months ended June 30,	
	2024	2023
Management fees	\$ 1,000	\$ 13,500
Share-based payments	370	-
Total	\$ 1,370	\$ 13,500

*includes base salaries pursuant to employment or consultancy arrangements and have been recorded in management fees.

- During the three-month period ended June 30, 2024, the Company paid or accrued management fees totaling \$nil (Q1-FY2024 -\$6,000) to Daryl Ware-Lane, a director and the CEO of the Company.
- During the three-month period ended June 30, 2024, the Company paid or accrued management fees totaling \$nil (Q1-FY2024 - \$3,000) to Blue Ocean Productions Ltd., a company controlled by David Heel, a director and the VP Sales for the Company.
- During the three-month period ended June 30, 2024, the Company paid or accrued management fees totaling \$nil (Q1-FY2024 - \$3,000) to Hani Zabaneh, a director of the Company and COO of the Company.
- During the three-month period ended June 30, 2024, the Company paid or accrued management fees totaling \$1,000 (Q1-FY2024 - \$1,500) to MJJ Corporate Services Inc., a company controlled by Ming Jang, the CFO of the Company.

As at June 30, 2024, the Company had \$1,000 (Q1-FY2024 - \$4,725) due to related parties. The amounts owing are unsecured, non-interest bearing and have no specific terms of repayment.

DIRECTORS AND OFFICERS

As at the date of this MD&A, the directors and officers of the Company are as follows:

Daryl Ware-Lane	Director, President and CEO
Martin Bajic	Director
David Heel	Director and VP Sales
Pavandeep Mehat	Director
Hani Zabaneh	Director and COO
Ming Jang	CFO and Corporate Secretary