ADAPTOGENICS HEALTH CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTERIM MD&A – QUARTERLY HIGHLIGHTS

FOR THE THREE- AND SIX-MONTH PERIOD ENDED SEPTEMBER 30, 2024

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 November 25, 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- and six month periods ended September 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 September 30, 2024, the Company had not yet achieved profitable operations, had an accumulated deficit of $580,191 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.

Pulmonem Inc.

On November 7, 2024, the Company (or the "Issuer") entered into a non-binding letter of intent (the "LOI") to acquire all of the issued and outstanding shares of Pulmonem Inc. (the "Target") resulting in a proposed reverse takeover of the Issuer (the "Transaction"). On closing of the Transaction (the "Closing"), the shareholders of the Company will hold approximately 5.96% of the Issuer, the shareholders of Pulmonem Inc. will hold approximately 81.50% of the Issuer, subscribers to the Concurrent Financing will hold approximately 10.91% of the Issuer and a consultant of the Target for the Transaction will hold approximately 1.63% of the Issuer, on a non-diluted basis. Upon the Closing, the Target will become a wholly-owned subsidiary of the Issuer.

The Company has 16,397,701 issued and outstanding common shares as of the date of this news release. On Closing of the Transaction, it is anticipated that the resulting issuer will have 27,492,870 issued and outstanding common shares.

About Pulmonem Inc.

Pulmonem Inc. is a Phase III ready clinical-stage biotechnology company with a granted IND from the FDA and a CTA approval from Health Canada. The company recently shifted its primary focus from COVID-19 to Acute Respiratory Distress Syndrome ("ARDS") in response to evolving market demands and scientific advancements. This strategic decision is driven by promising research and the substantial unmet medical need in ARDS1, presenting a significant opportunity for Pulmonem to make a meaningful impact. COVID-19 infection is only one of the multiple causes of ARDS, which is a severe condition characterized by the rapid onset of widespread inflammation in the lungs, often leading to respiratory failure. The current treatment options for ARDS are limited and primarily supportive, such as mechanical ventilation and oxygen therapy. This underscores the urgent need for innovative therapeutic interventions.

Proposed Transaction

Pursuant to the terms of the LOI and the upcoming formal agreement (the "Formal Agreement"), the Issuer will acquire all of the Target's common shares (the "Target Shares") outstanding as at the Closing from the shareholders of the Target (the "Vendors"), including all of the Financing Shares (as defined below) upon conversion of the Target Subscription Receipts (as defined herein), in exchange for the issuance to the Vendors of such number of Issuer's common shares (the "Issuer Shares") as is equal to the number of Target Shares then outstanding (each, a "Consideration Share") on a pro rata basis at a deemed price of $1.00 per Consideration Share. The Transaction will be completed pursuant to, and in strict accordance with, available exemptions under applicable securities legislation.

The Transaction will qualify as a Fundamental Change (as such term is defined in the policies of the Canadian Securities Exchange (the "Exchange")) of the Issuer. Prior to the Closing, the Issuer intends to complete a consolidation of its outstanding Issuer Shares on the basis of ten (10) pre-consolidation Issuer Shares for every one (1) postconsolidation Issuer Share (the "Issuer Consolidation") and the Target intends to complete a stock split of its outstanding Target Shares on the basis of one (1) pre-split Target Share for every two (2) post-split Target Shares (the "Target Stock Split"). On Closing, and subject to approval of the Exchange, if necessary, it is anticipated that the Target will pay an advisory fee in connection with the Transaction to an arm's length party in the amount of 448,100 Target Shares. Furthermore prior to Closing, the Target will complete a private placement financing in the minimum amount of $3,000,000 (the "Concurrent Financing") by way of subscription receipts in the Target (the "Target Subscription Receipts") on the basis of $1.00 for each Target Subscription Receipt. Each Target Subscription Receipt will be converted on Closing into Target Shares (each, a "Financing Share") on a one for one (1:1) basis and will be exchanged for Consideration Shares. Finder's fees may be payable in connection with the Concurrent Financing which shall be paid by the Target on Closing. It is anticipated that the Company will not assume any long-term debt of the Target in the proposed Transaction.

Closing Conditions

The completion of the proposed Transaction is subject to various closing conditions, all of which will be included in the Formal Agreement, including, but not limited, to the following:

1) completion of the Issuer Consolidation;
2) completion of the Target Stock Split;
3) completion of the Concurrent Financing;
4) the Issuer receiving conditional approval from the Exchange for the Fundamental Change and re-listing of the Issuer Shares on the Exchange following the Closing;

5) the Target obtaining the approval of such number of Vendors as is necessary to effect the Transaction; and
6) other conditions customary in transactions similar to the Transaction.

The Transaction is anticipated to close on a mutually agreed date between the Issuer and the Target, no later than January 31, 2025.

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

1. The Company posted a loss of $17,135 for the three-month period ended September 30, 2024 compared to a loss of $38,361 for the corresponding three-month ended September 30, 2023.

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

   For the period, the Company recognized management fees of $nil (Q2-FY2024 - $11,500). To preserve the Company's cash, the management of the Company had voluntarily waived or reduced their fees.

   Advertising and promotional costs were $463 and $3,288 for the three-month periods ended September 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 September 30, 2024, the Company incurred filing fees of $6,537 (Q2-FY2023 - $5,625). These fees are generally related to the costs of maintaining a publicly listed company.

   Professional fees were $9,304 (Q2-FY2023 - $10,299) and consisted of $4,380 (FY2024 - $6,000) for audit and accounting fees and $4,924 (FY2024 - $4,299) 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*
September 30, 2024	$nil	$ 116,579	$ 11,084	$ 105,495	$ (17,135)	$ (0.00)
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)

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.

3. As at September 30, 2024 the Company had a cash balance of $112,500 to settle current liabilities of $11,084. 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 September 30, 2024 and the date of this MD&A, the Company had 16,397,701 common shares issued and outstanding.

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

As at September 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:

	Three-months ended September 30,		Six-months ended September 30,	
	2024	2023	2024	2023
Management fees	$ -	$ 11,500	$ 1,000	$ 25,000
Share-based payments	-	-	678	-
Total	$ -	$ 11,500	$ 1,678	$ 25,000

*includes base salaries pursuant to employment or consultancy arrangements and have been

- During the six-month period ended September 30, 2024, the Company paid or accrued management fees totaling $nil (FY2024 -$10,000) to Daryl Ware-Lane, a director and the CEO of the Company.
- During the six-month period ended September 30, 2024, the Company paid or accrued management fees totaling $nil (FY2024 - $6,000) to Blue Ocean Productions Ltd., a company controlled by David Heel, a director and the VP Sales for the Company.
- During the six-month period ended September 30, 2024, the Company paid or accrued management fees totaling $nil (FY2024 - $6,000) to Hani Zabaneh, a director of the Company and COO of the Company.
- During the six-month period ended September 30, 2024, the Company paid or accrued management fees totaling $1,000 (FY2024 - $3,000) to MJJ Corporate Services Inc., a company controlled by Ming Jang, the CFO of the Company.

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