EXPERION HOLDINGS LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED NOVEMBER 30, 2020

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(Expressed in Thousands of Canadian Dollars Except Share Amounts)

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Experion Holdings Ltd. ("Experion" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended November 30, 2020. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited consolidated financial statements of the Company for the year ended November 30, 2020 and 2019 and related notes thereto. The results for the year ended November 30, 2020 are not necessarily indicative of the results that may be expected for any future period.

All financial information contained in this MD&A is current as of March 29, 2021 unless otherwise stated.

All financial information in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS") and all dollar amounts are expressed in Canadian dollars, unless otherwise specified.

Additional information regarding the Company is available on SEDAR at www.sedar.com, and the Company's website www.experionwellness.com. The date of this MD&A is March 29, 2021.

FORWARD-LOOKING STATEMENTS

Forward-looking statements inherently involve known and unknown risks, which factors may include, but are not limited to: unavailability of financing, changes in government regulation, general economic conditions, general business conditions, limited time being devoted to business by directors, escalating professional fees and transaction costs, competition, stock market volatility, and unanticipated operating events and liabilities inherent in industry.

Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, the following assumptions: that there is no material deterioration in the current general business and economic conditions; that there is no unanticipated fluctuation of interest rates; that the supply and demand for, deliveries of, and the level and volatility of commodity prices develop as expected; that the Company receives regulatory and governmental approvals as are necessary on a timely basis; that the Company is able to obtain financing as necessary on reasonable terms; that there is no unforeseen deterioration in the Company's activity costs; that the Company is able to procure equipment and supplies, as necessary, in sufficient quantities and on a timely basis; that costs of closure of various operations are accurately estimated; that there are no unanticipated changes to market competition; that no environmental and other proceedings or disputes arise; and that the Company maintains its ongoing relations with its employees, consultants and advisors.

Readers are cautioned that the foregoing list of important factors and assumptions is not exhaustive.

The global pandemic related to an outbreak of the novel coronavirus disease ("COVID-19") has cast uncertainty on each of these assumptions. There can be no assurance that they continue to be valid. Given the rapid pace of change, it is premature to make further assumptions about these matters. The situation is dynamic and the ultimate duration and magnitude of the impact of COVID-19 on the economy and the financial effect on our business is not known at this time. These impacts could include, amongst others, an impact on our ability to obtain debt or equity financing, increased credit risk on receivables, impairment of investments, impairments in the value of our long-lived assets, or potential future decreases in revenue or profitability of our ongoing operations. See “Risk Factors”.

Forward-looking statements are not guarantees of future performance. Events or circumstances could cause the Company’s actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise, except as may be required under applicable laws.

The forward-looking statements contained herein are based on information available as of March 29, 2021.

CORPORATE HIGHLIGHTS

Strategic Focus

Experion’s strategic focus continues to be distributing and selling premium craft flower and cannabis products under our consumer brand, Citizen Stash, nationally across Canada. Citizen Stash has developed a reputation in the marketplace for delivering premium cannabis products which consistently offers consumer value and a superior experience.

Experion continues to offer and distribute an increasing number of premium cannabis products to drive both revenue and profitability. Specifically, Experion began to focus on an ‘aggregation & distribution’ business model early in fiscal 2020 which has proven extremely successful with consistent and strong revenue growth each quarter. This model utilizes several strategic partners, including contract purchase arrangements with licensed growers (who grow Experion’s strains and genetics), and other suppliers of value-added derivative products. This model enables a capital-efficient way to expand premium flower capacity, cannabis products and to support the expanding supply chain. Experion’s unique ‘aggregation & distribution’ model consists of a diverse genetic bank, cultivation experience and strain development, premium brand demand and access to retail distribution nationally and is unique within the cannabis industry. This combination of expertise and abilities is attractive to a growing number of cannabis companies who wish to remain focused on a business to business (“B2B”) sales model or may not have the capabilities to reach consumers directly. Partnering with select B2B cultivators allows Experion and Citizen Stash to quickly enter the market with diversified products, gain market share and drive revenue to profits. Experion can execute this business strategy with significantly less capital costs versus a traditional licensed producer, ultimately driving an enhanced return on invested capital.

Global Pandemic

We are closely monitoring the guidance of federal and local government authorities, and global health organizations on COVID-19 to prioritize the health and safety of our employees, contractors, customers and the communities in which we operate.

In March 2020, Experion implemented all the necessary measures according to the various health and safety authorities' guidance to safeguard our employees, contractors, and customers to ensure a healthy and safe work environment. Management halted all non-essential company travel and deterred employees from participating in conferences or other large gatherings pursuant to health guidelines. Our Health Canada certified facility already includes extensive cleaning and sanitation requirements including full protective equipment for those who are in contact with cannabis products, but as mentioned, we initiated additional protocols specific to COVID-19 such as:

- Guidance on COVID-19 for employees, in particular those that are feeling unwell
- Self-isolation policy for employees who have travelled in the last three weeks
- Increased sanitation and cleaning frequency throughout the facility
- Separate entrances for employees and contract workers
- Screening of employees and contract workers as they arrive on site
- Social distancing within the workplace
- Mandatory mask wearing and other PPE requirements
- Encouraging employees to work remotely when possible including virtual meetings

COVID 19 has impacted retail sales nationally by limiting access to cannabis products under fluctuating health orders particularly in Ontario. Experion's revenues can and will be impacted as provinces adjust health orders.

Production and Operational Highlights

Experion continues to focus on expanding its cultivation and distribution of cannabis products without the need to invest in large-scale capital projects, which would involve high overhead costs, major capital commitments and integration challenges. To achieve the Company's cultivation and distribution expansion goals, the Company is committed to sourcing and securing multiple preferred craft grow partners, developing first to market strains and cannabis products. The Company is also focused on gaining market share (shelf space) nationally to drive increasing revenues through aggregation and distribution.

Our 14,500 square foot facility in Mission, BC has been optimized to develop genetics, cultivate true craft premium flower and to efficiently process, package and distribute cannabis products to the consumer market throughout Canada. Focusing on the premium market has provided several advantages; most notably, our ability to set a path to achieve the necessary margins and distribution reach to generate sufficient revenues to achieve profitability and introduce and scale successful products quickly.

The following are a few of the Company's notable operational achievements for the year:

- Since the beginning of the fiscal year, Experion has sold 848,008 grams of dried flower through the retail distribution channel compared to 290,293 grams for the same period in 2019; an increase of 192% year over year.
- Entered Ontario in September 2020, Canada's largest cannabis market, making Citizen Stash available in seven provinces, with ongoing efforts to launch in another two Provinces during the second quarter of 2021.
- Continued to produce and expand distribution of premium cannabis pre-rolls first launched in May 2020 with shipments now to Alberta, British Columbia, Ontario and Saskatchewan. Each pre-roll package consists of two, half grams of high-quality flower and is 100% strain specific which is unique in the marketplace.
- Launched edible gummies in British Columbia and Saskatchewan in November 2020. Each edible package consists of two, five-milligram THC strawberry vegan gummies.
- Introduced seven new first to market cannabis strains commercialized through our contract growers with another two being launched in the second quarter of 2021 to complement our existing portfolio.
- Achieved 25% revenue growth in the fourth quarter of 2020 compared to the third quarter of 2020, with year-end revenue at November 30, 2020 exceeding the prior year (2019) by 366%.
- Experion received its amended sales license for derivatives in the second quarter of 2020. Health Canada approved the license amendment authorizing Experion to develop, manufacture, sell and distribute cannabis extracts, topicals and edibles to provincial distributors and the adult-use cannabis market across Canada.
- Experion received a three-year renewal of its Health Canada license for standard cultivation, standard processing, and sale for medical purposes on February 18, 2021.
- Experion has had 75 continuous and successful harvests at our Mission, B.C. facility since starting cultivation.

The Company's key strategic operational objectives for the fiscal year 2020 were centered around revenue generation and rightsizing of operations. Experion has been successful in its efforts to reduce operational expenses during fiscal 2020 and has the goal to be profitable in fiscal 2021. Specifically, fiscal 2020 revenue increased 366% and operating expenses decreased by $2,567,346 or 43% compared to the prior year fiscal 2019. Operating expense reduction was achieved by:

- Reducing office expenditures including closures of certain offices deemed unnecessary;
- Terminating roles considered redundant;
- Hibernating clinical trials and related research;
- Eliminating and renegotiating consulting and service fees; and
- Optimizing business processes and functions.

Brand and Product Development

<u>Citizen Stash – Consumer Brand</u>

Experion's consumer brand, Citizen Stash, continues to gain traction in the marketplace and is sold in five provinces and two territories across Canada. Brand recognition has been established by offering a true premium cannabis product and experience supported by unique cannabis strains. Experion has launched seven cannabis strains in 2020 including introducing a high THC, high-quality strain, "MAC1" with another two strains to be introduced in the first half of fiscal 2021. Consumer response to MAC1 andother strains introduced in 2020 has been well received, with shipments often selling out quickly.

Citizen Stash delivers some of the highest pricing in the Canadian market for its products and has not had any products returned once sent out to retail, a testament to consumer demand and quality. Experion established a genetic bank of numerous high-quality commercially viable strains that positions the Company to launch first to market in-demand products for the next several years.

Some of Citizen Stash's recent product and "strain" successes include:

- One of the fastest selling brands: Citizen Stash products consistently sold out often within days once delivered to provincial distributors.
- Notable first to market unique cannabis strains include:
  - Citizen Stash Original Mac1 premium flower tested at a 29.6% THC level in the first harvest. Only a handful of flower strains in the market have ever reached this THC level.
  - Citizen Stash Original Creamsicle strain's terpene profile tested over 8% with 22% THC creating one of the best flavoured, highest terpene strains on the market.
  - Citizen Stash Sunset Sherbet is a flavourful and fruity strain tasting of sherbet, berries and has notes of a forest-like freshness providing a superior experience and smooth tasting smoke.
- The launch of premium cannabis pre-rolls consisting of a half-gram of high-quality flower that is 100% strain specific.
- Experion launched pre-rolls in May 2020 and sold over 300,000 in the first six months.
- Launched Citizen Stash edibles in the British Columbia and Saskatchewan recreational markets in November 2020.

Experion's ability to source and utilize other licensed craft cultivators, and process and distribute this premium dried flower creates a unique opportunity to offer a diverse range of cannabis strains while supporting on-going innovation with the consistent introduction of new products into the consumer market.

Also, in the second quarter of 2021, Experion expects to launch both a combination of strain specific and non-strain specific concentrates to the consumer market under the Citizen Stash brand.

Product Distribution

A strong consumer brand needs to be underpinned by an established national retail distribution network. In just over two years, Experion has gone from no provincial distribution to now serving five provinces: British Columbia, Alberta, Manitoba and Saskatchewan and Ontario; and two territories, Yukon and Northwest Territories. The Company continues to focus on registration with Quebec and the Maritimes and is hopeful to be servicing these markets by the second or third quarter of 2021.

Experion has engaged a national sales agent, Velvet Management Inc. ("Velvet"), to target retailers on our behalf throughout Canada. The partnership with Velvet supports the expansion of Citizen Stash nationally, delivers ongoing sales and brand support at the retail level, ensures strong relationships with every provincial liquor and cannabis board, and drives demand directly with retailers across Canada.

SELECTED FINANCIAL INFORMATION

Selected Statements of Net Loss and Comprehensive Loss Information (In $)	**Three months ended**			**Years ended**		
	November 30, 2020	**August 31, 2020**	**November 30, 2019**	**November 30, 2020**	**November 30, 2019**	**November 30, 2018**
Revenue	2,649,678	2,124,346	631,978	7,297,313	1,567,289	771,938
Gross profit (loss) before FV adjustment	294,710	447,701	(114,450)	1,064,672	(236,858)	172,737
Gross profit (loss) after FV adjustment	(9,460)	406,192	(51,952)	1,091,520	(216,873)	224,472
Expense	926,338	597,517	1,669,107	3,398,380	5,965,726	5,030,350
Other (expense) income	(3,308,905)	2,880	(8,257,947)	(3,648,188)	(10,205,464)	-
Net (loss) and comprehensive (loss)	(4,175,376)	(188,445)	(10,512,463)	(5,942,019)	(16,153,827)	(4,805,878)
Basic and diluted loss per share	(0.04)	(0.00)	(0.10)	(0.06)	(0.16)	(0.10)
Number of shares outstanding	100,762,323	100,762,323	100,474,823	100,762,323	100,474,823	49,320,375
Adjusted EBITDA [(1)]	(305,327)	(148,538)	(2,064,026)	(1,415,602)	(5,522,660)	(2,400,064)

(1) Adjusted EBITDA is a non-GAAP measure used by management that does not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. Management defines adjusted EBITDA as comprehensive loss for the period, as reported, before interest, taxes, depreciation and amortization, and adjusted by removing share-based payments, and other one-time and non-cash items, including impairment losses.

Selected Statements of Financial Position Information (In $)	**November 30, 2020**	**November 30, 2019**	**November 30, 2018**
Cash	276,685	4,968,351	1,607,950
Inventory	2,083,363	583,921	281,240
Other working capital [(1)]	1,534,314	520,015	(158,623)
Non-current assets	6,428,862	10,127,656	3,630,370
Equity	10,323,224	16,068,400	5,360,937

(1) Other working capital is the total of current assets, including accounts receivable, biological assets, assets held for sale, and prepaid expenses and deposits, less current liabilities, including accounts payable and accrued liabilities, and deferred revenue.

Revenue

The Company continues to show significant growth in revenue in fiscal 2020. Cannabis revenue was $7,297,313 for the year ended November 30, 2020. Cannabis sales increased by $525,332 (25%) during the three-months ended November 30, 2020, compared to the prior quarter; and increased by $5,730,024 (366%) compared to the prior year, fiscal 2019.

Revenue growth was primarily fueled by an increase in Citizen Stash cannabis products sourced from Experion's strategic grow partners and flower suppliers. The flower was distributed in our retail channels at a higher than industry average net selling price per gram. During the year ended November 30, 2020, 848,008 grams of dried cannabis were sold, an increase of 557,715 grams compared to fiscal 2019. During the three-month period ended November 30, 2020, 317,933 grams were sold, an increase of 77,916 grams from the prior quarter. During the year ended November 30, 2020, the average gross selling price, including excise tax, was $8.44 per gram; a decrease of $0.51 per gram compared to the prior quarter ($8.95 per gram) and an increaseof $3.08 per gram compared to the same period in 2019 ($5.36 per gram).

The Company expects the demand for its products to increase as the Canadian consumer market evolves, retail expands, and brands become established. As demand increases, management is focused on sourcing, partnering and ramping up supply with contract purchases and grow partners to sell into the Canadian consumer market, and introducing other higher-margin products, such as concentrates and edibles into the product portfolio.

Gross Profit

Gross profit, before fair value adjustments of inventory, for the three-month period ending November 30, 2020 was $294,710 as compared to $447,701 for the prior three-month period ending August 31, 2020. The decrease in gross profit was driven by a $376,432 inventory write-down in the three-month period ending November 30, 2020.

Gross profit, after fair value adjustments of inventory, for the three-month period ending November 30, 2020 was ($9,460) as compared to $406,192 for the prior three-month period ending August 31, 2020. The lower gross profit for the current three-month period was driven by the inventory write-down as noted above, and lower fair value adjustments of inventory, due to less inventory and a slightly lower average selling price during the period.

Gross profit, before fair value adjustments of inventory, for the year ending November 30, 2020 was $1,064,672 as compared to ($236,858) for the prior year ending November 30, 2019. The increase in gross profit in the current year was driven by higher revenue, increased efficiencies and economies of scale, offset by the inventory write-down noted above.

Gross profit, after fair value adjustments of inventory, for the year ending November 30, 2020 was $1,091,520 as compared to ($216,873) for the prior year ending November 30, 2019. The increase in gross profit, in the current year was mainly driven by the reasons noted above.

Gross Margin

Gross margin on cannabis sales, excluding the impact of fair value changes, for the three-months ended November 30, 2020 was 13% compared to 25% in the prior quarter, mainly due to the write-down of inventory in the current period.

The gross margin on cannabis sales, excluding the impact of fair value changes, was 17% for the year ended November 30, 2020, compared to negative 17% for the year ended November 30, 2019. The increase in gross margin is due to higher economies of scale connected with increased production and processing of cannabis combined with a higher average selling price.

Gross margin is driven by revenue rates realized and both internal growing costs and external flower purchases from the Company's strategic contract grow partners. As the Company continues with its 'aggregation & distribution' business model and the mix of externally purchased flower increases, our gross margin may be less than a typical licensed Canadian cannabis grower, as the costs of the purchased flower are generally higher than the costs of internal growing. While the absolute gross margin is generally lower compared to peers, unlike the peers, Experion does not have the significant upfront capital costs and on-going operating expenditures to support large growing facilities. Given this fact, we can drive significant revenues from a much lower invested capital base, thereby driving higher returns on invested capital than traditional growing peers. We expect improvements in gross margin longer term as our processing systems continue to realize economies of scale with further automation and operational efficiencies leading to a quicker path to profitability.

Expenses

	Three-months ended			Years ended	
(In $)	**November 30, 2020**	**August 31, 2020**	**November 30, 2019**	**November 30, 2020**	**November 30, 2019**
Salaries and wages	274,010	282,925	650,077	1,320,871	2,306,720
General and administrative	365,586	155,036	285,278	925,276	1,343,989
Professional fees	126,707	85,221	357,100	586,049	1,130,900
Sales and marketing	71,403	31,548	189,595	233,190	524,178
Depreciation and amortization	67,937	22,855	25,772	161,275	47,522
Share-based compensation	20,695	19,932	161,285	171,719	612,417
Restructuring fees	-	-	174,116	521,659	343,336
Acquisition fees	-	-	6,646	-	1,909,283

Salaries and Wages

Salaries and wages decreased by $8,915 during the three-months ended November 30, 2020, compared to the prior quarter; and by $985,849 compared to the year ended November 30, 2019, mainly due to efforts to optimize business processes and functions resulting in terminating roles considered redundant and the severance payments to the prior CEO.

General and Administrative

General and administrative expense increased by $210,550 during the three-months ended November 30, 2020, compared to the prior quarter, due to a one-time provision for doubtful accounts receivable and other year-end accruals booked during the quarter; and decreased by $418,713 during the year ended November 20, 2020 compared to the year ended November 30, 2019, mainly due to a concerted effort to reduce operating expenses as noted above, offset by the provisionand accruals noted above.

Professional Fees

Professional fees increased by $41,486 during the three-months ended November 30, 2020, compared to the prior quarter, and decreased by $544,851 during the year ended November 30, 2020 compared to the year ended November 30, 2019 as a result of less professional fees associated with the purchase and integration of the EFX business which occurred in fiscal 2019.

Sales and Marketing

Sales and marketing expenses increased by $39,855 during the three-months ended November 30, 2020, compared to the prior quarter due to the engagement of Velvet's national sales team and increasing marketing materials at the retail level.

Sales and marketing expense decreased by $290,988 during the year ended November 30, 2020,compared to the prior year due to an effort to reduce and optimize sales and marketing expenses.

Depreciation and Amortization

Depreciation and amortization expense increased by $45,082 during the three-months ended November 30, 2020, compared to prior quarter; and increased by $113,753 during the year ended November 30, 2020 compared to the prior year. The increase was primarily due to substantial capitalization of building improvements at the Stave Lake location in Mission, B.C. and increase in production equipment during fiscal 2020.

Share-based Compensation

Share-based compensation of $20,695 incurred during the three-months ended November 30, 2020 was comparable to the amount incurred in the prior quarter of $19,932.

There was a decrease of $440,698 in share-based compensation for the year ended November 30, 2020, compared to the prior year, mainly due to options granted in 2019 as part of the company wide employee stock option plan; those options fully vested in the fourth quarter of 2019.

Restructuring Fees

No restructuring fees were incurred during the three-months ended November 30, 2020, compared to the prior quarters, which were incurred primarily from severance payments made for roles terminated due to redundancy in the first quarter of 2020.

The increase of $178,323 in restructuring fees for the year ended November 30, 2020, compared to the prior year, is due to the same reasons outlined above.

ADJUSTED EBITDA (non-GAAP measure)

Adjusted EBITDA is a non-GAAP measure used by management that does not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. Management defines adjusted EBITDA as comprehensive loss from operations as reported, before interest, tax, depreciation and amortization, and adjusted by removing share-based compensation, other items, and non-cash items including acquisition and restructuring fees, and impairments. Management believes adjusted EBITDA is a useful financial metric to assess its operating performance on an adjusted basis as described above.

Adjusted (non-GAAP measure) (In $)	**Three months ended**			**Years ended**		
	November 30, 2020	**August 31, 2020**	**November 30, 2019**	**November 30, 2020**	**November 30, 2019**	**November 30, 2018**
Net loss and comprehensive loss for the period	(4,175,376)	(188,445)	(10,512,463)	(5,942,019)	(16,153,827)	(4,805,878)
Depreciation and amortization	67,937	22,855	25,772	161,275	47,522	5,103
Share-based compensation	20,695	19,932	161,285	171,719	612,417	2,400,711
Interest income	(319)	(2,880)	(30,556)	(30,877)	(158,329)	-
Income Taxes	(131,543)	-	-	(131,543)	(234,236)	-
Other income, net	-	-	(121,567)	(79,095)	(121,567)	-
Impairment of assets	2,893,180	-	8,232,741	2,893,180	8,232,741	-
Inventory write-downs and FV adjustments	526,992	-	-	526,992	-	-
Other items (1)	493,107	-	-	493,107	-	-
Acquisition fees	-	-	6,646	-	1,909,283	-
Restructuring fees	-	-	174,116	521,659	343,336	-
Adjusted EBITDA	(305,327)	(148,538)	(2,064,026)	(1,415,602)	(5,522,660)	(2,400,064)

(1) Other items include loss on sale of equipment and accounts receivable write-down.

For the three-months ended November 30, 2020, adjusted EBITDA decreased by $156,789 compared to the prior quarter, mainly driven by higher year end accruals and the larger than normal initial inventory stocking order of tighter margin products into the Ontario market.

For the year ended November 30, 2020, adjusted EBITDA increased by $4,107,058 compared to the prior year primarily due to the ramp up of revenue from the sale of cannabis products combined with a concerted effort to streamline operations and reduce costs.

QUARTERLY RESULTS

The following table presents certain unaudited financial information for each of the eight quarters up to and including the quarter ended November 30, 2020. The information has been derived from our unaudited quarterly condensed consolidated financial statements. Past performance is not a guarantee of future performance, and this information is not necessarily indicative of results for any future period.

	Three-months ended			
(In $)	**November 30, 2020**	**August 31, 2020**	**May 31, 2020**	**February 29, 2020**
Revenue	2,649,678	2,124,346	1,719,634	803,655
Net loss and comprehensive loss	(4,175,376)	(188,445)	(278,301)	(1,299,897)
Basic and diluted loss per share	(0.04)	(0.00)	(0.00)	(0.01)
Number of shares outstanding	100,762,323	100,762,323	100,531,073	100,531,073

	Three-months ended			
(In $)	**November 30, 2019**	**August 31, 2019**	**May 31, 2019**	**February 28, 2019**
Revenue	631,978	172,877	445,545	316,889
Net loss and comprehensive loss	(10,512,463)	(940,424)	(1,841,897)	(2,859,043)
Basic and diluted loss per share	(0.10)	(0.01)	(0.02)	(0.03)
Number of shares outstanding	100,474,823	98,808,156	98,808,156	98,733,156

FINANCIAL POSITION

The following table provides a summary of our financial position as of these three periods:

(In $)	November 30, 2020	November 30, 2019	November 30, 2018
Total assets	12,104,311	17,126,780	5,949,459
Total liabilities	1,781,087	1,058,380	588,522
Share capital	37,189,169	37,160,387	11,178,616
Reserves	3,642,510	3,474,449	2,684,930
Deficit	(30,389,941)	(24,566,436)	(8,502,609)

Total Assets

Total assets decreased by $5,022,469 as at November 30, 2020, from $17,126,780 as at November 30, 2019, primarily due to a decrease in cash of $4,691,666, a decrease of property, plant and equipment of $1,351,749, and write-down of intangible assets and goodwill of $2,282,560; offset by an increase in accounts receivableof $1,806,062 and inventory of $1,499,442 mostly due to the purchase of external inventory from contract grow partners, as well as the addition of edibles and extracts.

Total Liabilities

Total liabilities increased by $722,707 as at November 30, 2020, from $1,058,380 as at November 30, 2019, primarily due to fluctuations in trade accounts payable associated with increases in purchased cannabis from grow partners and contract growers.

OUTSTANDING SHARES, OPTIONS AND RESTRICTED SHARE UNITS

The Company is authorized to issue an unlimited number of common shares. The table below outlines the number of issued and outstanding common shares, options and restricted share units.

- On January 14, 2021, the Company issued 100,000 stock options to an Officer.
- On February 9, 2021, the Company issued 156,250 RSU's to various directors.
- The Company issued 1,000,000 warrants to close a debt facility in February 2021.

	March 29, 2021	November 30, 2020	November 30, 2019
Common shares issued and outstanding	100,762,323	100,762,323	100,474,823
Stock options/Warrants	5,002,980	3,902,980	4,340,180
Restricted share units	931,250	775,000	475,000
Fully diluted	106,696,553	105,440,303	105,290,003

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

Management intends to finance operating costs over the next twelve months with current cash on hand, cash generated through operations, and the Companies new $2.5 million credit facility (See "Subsequent Events" below).

As of November 30, 2020, the Company had $276,685 of cash, $2,779,130 of receivables and $1,414,081 of accounts payable and accrued liabilities. As at November 30, 2019, the Company had $4,968,351 of cash, $973,068 of receivables and $926,837 of accounts payable and accrued liabilities.

(In $)	**November 30, 2020**	**November 30,2019**
Operating activities	(4,427,184)	(7,594,289)
Investing activities	(264,482)	10,704,690
Financing activities	-	250,000

Operating Activities

Net cash used in operating activities for the year ended November 30, 2020, was $4,427,184 as a result of net loss and comprehensive loss for the period of $5,942,019, an increase in the unrealized gain on change of fair value of biological assets (non-cash income), and an increase in non-cash working capital items used of $2,135,664 due to increased revenue and operational activity.

During the comparative year ended November 30, 2019, net cash used in operating activities was $7,594,289 due to a net loss and comprehensive loss for the period of $16,153,827 partially offset by share-based compensation expense of $612,417 and impairment of assets of $8,232,741 (non-cash expenses).

Investing Activities

During the year ended November 30, 2020, net cash used in investing activities was $264,482 due to the purchase of property, plant and equipment to set up new cultivation and processing rooms at the facility throughout the year. During the comparative year ended November 30, 2019, net cash provided by investing activities was $10,704,690 primarily due to the acquisition of EFX's net assets including cash of $13,769,006; partially offset by the purchase of property, plant and equipment of $2,469,705.

Financing Activities

There was no net cash received from financing activities for the year ended November 30, 2020, compared to November 30, 2019 of $250,000 from the issuance of common shares.

On February 5th, 2021 (the "Closing Date"), the Company completed a loan agreement of up to $2.5 million with a Canadian based mortgage lender ("Lender"). The first tranche of the loan was advanced on the Closing Date, with cash received, net of fees and other expenses of $1,482,482. The Company will have an option to draw a second advance of $935,000 anytime within 9-months of the Closing Date, up to the total maximum of $2,500,000. The loan bears interest of 11% payable monthly. The principal is required to be repaid within 19-months of the Closing Date, but does have one optional 6-month extension available at that time, at which time, interest cost would be 14% per annum, payable monthly. The Company issued 1,000,000 warrants to the Lender as part of closing the transaction.

Capital Resources

The Company manages its capital structure and adjusts it based on the funds available to the Company in order to maintain operations. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as shareholders' equity.

The Company manages the capital structure and adjusts it considering changes in economic conditions and the underlying assets' risk characteristics. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets or adjust the amount of cash and cash equivalents held. The Company is not currently subject to externally imposed capital requirements. There were no changes to the Company's approach to capital management during the year. As at November 30, 2020, total current assets less current liabilities totaled $3,894,362.

The Company expects its current capital resources will be sufficient to carry out its operations in the near term.

FINANCIAL RISK MANAGEMENT

The Company is exposed to varying degrees and a variety of financial related risks. The Board approves and monitors the risk management processes, inclusive of counterparty limits, controlling and reporting structures. The type of risk exposure and how such exposure is managed is provided as follows:

Interest risk

The Company has minimal exposure to interest rate risk. The Companies operating cash balances are exposed to movements in interest income rates. Subsequent to year end, the Company closed a $2.5 million credit facility, however that facility has a fixed rate of interest, with no exposure to fluctuating interest rates.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and receivables. The Company's cash are held through large Canadian financial institution and no losses have been incurred in relation to these items.

The Company's receivables are mostly comprised of trade accounts receivable. In addition, the Company had 2% in trade accounts receivable outstanding over 60 days at November 30, 2020. The expected loss rate for overdue balances is estimated to be nominal based on subsequent collections, discussions with associated customers and analysis of the credit worthiness of the customer. Of the total billed trade receivables at November 30, 2020, the Company has subsequently collected 93% of the total balance. Of the Company's trade receivables outstanding at November 30, 2020, 97% are held with 4 provincial customers of the Company.

The carrying amount of cash and receivables represent the maximum exposure to credit risk, and as at November 30, 2020, this amounted to $3,055,815.

Economic dependence risk

Economic dependence risk is the risk of reliance upon a select number of customers, which significantly impacts the Company's financial performance. The Company recorded sales from six provincial customers representing 99% of total revenue in the twelve-month period ended November 30, 2020.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. The Company manages its liquidity risk by reviewing on an ongoing basis its capital requirements. As at November 30, 2020, the Company has $276,685 of cash. The Company is obligated to pay accounts payable and accrued liabilities of $1,414,018. As at November 30, 2020, total current assets less current liabilities totaled $3,894,362.

Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of raw materials, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Company's consolidated financial statements under IFRS requires management to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities, and amounts of revenue and expenses that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

There have been no changes in the Company's significant accounting judgments and estimates during the year ended November 30, 2020. For more information on the Company's accounting policies and key estimates, refer to the note disclosures in the annual consolidated financial statements as at and for the year ended November 30, 2020.

NEW STANDARDS EFFECTIVE DECEMBER 1, 2020

The Company has adopted the following new IFRS standard for the period beginning December 1, 2019.

IFRS 16 Leases

IFRS 16, Leases, specifies how an entity will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 Leases. IFRS 16 became effective for years beginning after January 1, 2019. There was no impact on the Company's consolidated financial statements on adoption of this standard.

RELATED PARTY TRANSACTIONS

Key management personnel

The Company's key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Company has defined key management personnel to include the CEO and CFO, and directors of the Company.

The remuneration paid or accrued for the Company's key management personnel and directors for the years ended November 30, 2020 and 2019 is as follows:

	Years ended	
	November 30, 2020	November 30, 2019
Management compensation [(2)]	$ 220,813	$ 1,201,380
Former Management compensation and severance [(3)]	567,747	-
Directors' fees [(4)]	115,000	156,250
Share-based compensation [(1)]	31,388	284,326
	$ 934,948	$ 1,641,956

(1) Share-based compensation are the fair value of options and restricted share units ("RSUs") granted and vested to key management personnel and directors of the Company under the Company's stock option plan and RSU plan. Share-based payments compensation is included in share-based compensation in net loss and comprehensive loss.
(2) Management compensation is included in salaries and wages in net loss and comprehensive loss.
(3) Former management compensation and severance is included in restructuring fees in net loss and comprehensive loss.
(4) Directors; fees are included in general and administration in net loss and comprehensive loss.

Related party services

The Company entered into certain transactions with related parties during the years ended November 30, 2020 and 2019 as follows:

	Years ended	
	November 30, 2020	November 30, 2019
Consulting fees paid or payable to companies in which the officers of the Company have control over	$ -	$ 129,459
Operational fees paid or payable to companies owned by a director of the Company [(1)]	57,488	108,377
	$ 57,488	$ 237,836

(1) Operational fees are included in General and administration in net loss and comprehensive loss.

Related party balances

The following related party amounts were included in (i) amounts receivable, and (ii) accounts payable and accrued liabilities:

	Years ended	
	November 30, 2020	November 30, 2019
(i) Former director	$ -	$ 39,499
(ii) Current directors [(1)]	$ 50,000	$ 23,750

(1) The amounts reflect board fees accrued in the normal course of business.

RISK FACTORS

Many factors could cause the Company's actual results, performance and achievements to differ materially from those expressed or implied by the forward-looking statements and forward-looking information, including without limitation, the following factors, and should be reviewed in detail by all readers:

- ability to successfully obtain and renew Cannabis Act licenses, adhere to all regulatory requirements, and maintain the good standing of our licenses;
- actions by governmental authorities, including changes in laws, regulations and guidelines, which may have adverse effects on the Company's operations;
- risk of failure or delay to acquire regulatory approvals required to produce and sell cannabis;
- the Company has a limited operating history and no assurance of profitability;
- ability to successfully purchase cannabis to process and distribute and whether the Company is able to realize its growth targets as a result;
- ability to execute the Company's strategy without additional financing;
- operating hazards and uninsured risks;
- availability of strategic alliances which complement or augment the Company's existing business;
- possibility of product liability claims against the Company;
- risk of product recalls and returns;
- ability to successfully develop new products and obtain required regulatory approvals;
- conflicts of interest which may arise between the Company and its directors and officers;
- potential for legal proceedings arising in the normal course of business;
- risks related to agricultural operations, including disease, insect pests, and changes in climate;
- the Company's dependence on transportation services and the possibility of disruptions;
- the price of production of cannabis will vary based on a number of factors outside of our control;
- risks related to compliance with safety, health, and environmental regulations;
- risk of political and economic instability in the jurisdictions in which the Company operates;
- execution of the Company's growth strategy;
- volatility in the Company's common share price on the TSX-V and OTCQB;
- global economy risk, which may impact the Company's ability to raise equity or obtain additional financing;
- future issuances of equity could decrease the value of the Company's shares;
- risks associated with the absence of dividends paid to shareholders;
- risks associated with breaches of security at our facilities or in respect of electronic documents and data storage and risks related to breaches of applicable privacy laws; and
- cyber security risks, loss of information and computer systems;

DIVIDENDS

The Company has no dividend record and is unlikely to pay any dividends over the next fiscal year as it intends to employ available funds for growth opportunities in the cannabis sector. Any future determination to pay dividends will be at the discretion of the Board of Directors and will depend on the Company's financial condition, results of operations, capital requirements and such other factors as the Board of Directors deem relevant.

MANAGEMENTS RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided or referred to in this report is the responsibility of management. In the preparation of the consolidated financial statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying consolidated financial statements.

In contrast to the certificate required under National Instrument 52-109 Certificate of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109, in particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

- a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Nature of the Securities

The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Company's securities should not constitute a major portion of an investor's portfolio.

Proposed Transactions

There are currently no significant proposed transactions except as otherwise disclosed in this MD&A. Confidentiality agreements and non-binding agreements may be entered into from time to time, with independent entities to allow for discussions of the potential acquisition and/or development of potential business relationships.

Governance and Approval

The Board of Directors oversees management's responsibility for financial reporting and internal control systems through an Audit Committee. This Committee meets periodically with management and annually with the independent auditors to review the scope and results of the annual audit and to review the financial statements and related financial reporting and internal control matters before the consolidated financial statements are approved by the Board of Directors and submitted to the shareholders of the Company. The Board of Directors of the Company has approved the consolidated financial statements and the disclosure contained in this MD&A.

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MANAGEMENTS'S REPORT ON INTERAL CONTROLS OVER FINANCIAL REPORTING

In connection with National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issue Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI52-109.

DIRECTORS AND OFFICERS

Directors
Sean MacNeil
Michael Black
Byron Dudley
Bill Dickie
Dan Echino
Jarrett Malnarick

Audit Committee members
Byron Dudley (Chair), Sean MacNeil and Bill Dickie

Key Management
Jarrett Malnarick – Chief Executive Officer
Kerry Biggs – Chief Financial Officer

OTHER REQUIREMENTS

Additional disclosure of the Company's material change reports, news releases and other information can be obtained on SEDAR at www.sedar.com.

On behalf of the Board,

Experion Holdings Ltd.

Director "Byron Dudley"   Director "Jarrett Malnarick"