



TETRA BIO-PHARMA INC.

Annual Information Form

For the year ended November 30, 2021

February 28, 2022

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MEANINGS OF CERTAIN REFERENCES

In this annual information form ("AIF"), unless otherwise noted or if the context indicates otherwise, references to the "Corporation", "Tetra", "we", "us", "our" or "its" are references to Tetra Bio-Pharma Inc. References to "management" in this AIF mean the individuals acting in the capacities of Tetra's Chief Executive Officer and Chief Regulatory Officer, Chief Financial Officer, Chief Scientific Officer, and Chief Commercial Officer. Any statements in this AIF made by or on behalf of management are made in such persons' capacities as officers of Tetra and not in their personal capacities. In this AIF, unless the context suggests otherwise, the term "Corporation" includes the Corporation's subsidiaries, associated companies and predecessors, collectively or individually.

In this AIF, references to the term "Fiscal 2019" are references to the 12-month period ended November 30, 2019; references to the term "Fiscal 2020" are references to the 12-month period ended November 30, 2020; references to the term "Fiscal 2021" are references to the 12-month period ended November 30, 2021; and references to the term "Fiscal 2022" are references to the 12-month period ending November 30, 2022.

This AIF may contain company names, product names, trade names, trademarks and service marks of other organizations, all of which are the property of their respective owners.

The term "cannabis" has the meaning given to the term "cannabis" in the *Cannabis Act* (SC 2018, c.16) (the "Cannabis Act").

FORWARD-LOOKING STATEMENTS

Certain statements in this AIF may constitute "forward-looking information" or "forward-looking statements" within the meaning of applicable securities laws (collectively, "forward-looking statements"), which are based upon the Corporation's current internal expectations, estimates, projections, assumptions and beliefs. Forward-looking statements are identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will", "would", and similar terms and phrases, including references to assumptions. Such information may involve, but is not limited to, comments with respect to strategies, expectations, planned operations or future actions.

Forward-looking statements are necessarily based on estimates and assumptions made by management in light of management's experience and perception of historical trends, current conditions and expected future developments, as well as factors that management believes are appropriate. Forward-looking statements in this AIF include, but are not limited to: statements with respect to the anticipated impacts of the ongoing COVID-19 pandemic on the Corporation's business, including its clinical trials, and the measures that the Corporation may put in place to address such impacts; the commercialization of Tetra's assets developed from its intellectual property; the expected size and value of the addressable markets for the Corporation's drug candidates; the Corporation's expectations regarding its pre-clinical and clinical trial results; the development, manufacturing and commercialization of the Corporation's drug candidates; the anticipated health benefits of Tetra's drug candidates; the anticipated penetration of the Corporation's drug candidates in foreign markets; the anticipated timelines for regulatory approvals of the Corporation's drug candidates; the Corporation's expectations regarding funding for its pipeline of drug candidates; the Corporation's potential acquisitions, mergers and strategic partnerships and the benefits that are expected to result therefrom; potential fluctuations in operating results; and the Corporation's anticipated working capital requirements.

Such statements reflect Tetra's current views with respect to future events and are subject to risks and uncertainties and are necessarily based upon a number of estimates and assumptions using data from publicly available governmental sources as well as from market research and industry analysis and on assumptions based on data and knowledge of the industry which Tetra believes to be reasonable, but are inherently subject to significant business, economic, competitive, political and social uncertainties and

contingencies. However, although generally indicative of relative market positions, market shares and performance characteristics, such data is inherently imprecise. While Tetra is not aware of any misstatement regarding any industry or government data presented herein, the medical cannabis industry involves risks and uncertainties that are subject to change based on various factors. Many factors could cause Tetra's actual results, performance or achievements to be materially different from any future results, performance, or achievements that may be expressed or implied by such forward-looking statements. In making the forward-looking statements included in this AIF, the Corporation has made various material assumptions, including, but not limited to: (i) the Corporation's ability to obtain funding for its operations, including funding for clinical trials research and to manufacture the active pharmaceutical ingredients used in the research; (ii) the enrollment in, completion of and obtaining positive results from clinical trials; (iii) the Corporation's ability to obtain and maintain regulatory approvals including licenses or permits required for controlled substances; (iv) the Corporation's ability to develop and commercialize, or otherwise monetize, its drug candidates and develop new drugs; (v) the Corporation's and competitor's costs of production and operation; (vi) the availability of financing on reasonable terms; (vii) the safety and efficacy of the Corporation's drug candidates and any new drugs; (viii) the assumption that Tetra's current good relationships with its collaborators, suppliers, joint venture partners and other third parties will be maintained; (ix) the Corporation's ability to enter into collaboration agreements for the licensing, development and ultimate commercialization of its product candidates; (x) the Corporation's ability to attract and retain skilled staff within the specialized scientific and managerial nature of the Corporation's business; (xi) the Corporation's ability to protect patents and other proprietary rights including trade secrets; (xii) the Corporation's ability to integrate acquired or licensed products into the Corporation's existing pipeline; (xiii) Health Canada maintaining its policy to expedite the review of a drug product shown to improve the outcome of life-threatening conditions, such as COVID-19; (xiv) the Corporation's ability to manage the impacts and effects of the COVID-19 pandemic; (xv) the Corporation's ability to complete and successfully integrate its potential acquisition, merger and strategic partnership opportunities, and to fully realize the benefits of such transactions; (xvi) the ability of the Corporation's products to penetrate various geographical markets; (xvii) the Corporation's ability to continue to conduct clinical trials in the ordinary course; (xviii) the Corporation's ability to source and maintain licenses from third-party owners; (xix) the assumption that the public perception of the Corporation's products and technology will remain favorable; (xx) the assumption that the anticipated market for Tetra's potential products and technologies will continue to exist and expand; (xxi) Tetra's ability to advertise and promote its technologies and products effectively and efficiently; (xxii) Tetra's ability to protect its networks equipment, IT systems and software against damage; (xxiii) Tetra's ability to maintain adequate insurance coverage at commercially reasonable rates; (xxiv) the Corporation's ability to maintain adequate disclosure controls, procedures and internal controls policies; (xxv) Tetra's ability to continue to comply with applicable laws in all material respects; and (xxvi) the Corporation's ability to complete the conditions for funding of the IQ Loan (as defined herein).

Although the Corporation believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. The forward-looking statements in this document involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements or industry results to be materially different from any future results, performance or achievements or industry results expressed or implied by such forward-looking information or financial outlook. The factors which could cause results to differ from current expectations include, but are not limited to: (i) the Corporation is subject to all of the business risks and uncertainties associated with any early-stage enterprise, including under-capitalization, cash shortages, limitation with respect to personnel, financial and other resources, lack of revenues, and the risk that Tetra could default on its debt facilities outstanding from time to time; (ii) Tetra's future operations and its ability to continue as a going-concern are dependent upon the identification and successful completion of equity or debt financing; (iii) Tetra may not be able to manage its future growth; (iv) the anticipated markets for the Corporation's products and technologies may not exist or expand; (v) changes in laws, regulations and guidelines may adversely affect the Corporation; (vi) Tetra's drug candidates contain substances related to Cannabis, which may generate public controversy; (vii) commercialization risks; (viii) the Corporation may be unable to identify, discover or license drug candidates; (ix) the Corporation's drug candidates may fail for a number of reasons; (x) the possibility that none of our drug candidates under development will successfully gain market approval from the United States Food and Drug Administration ("FDA"), Health Canada or other regulatory authorities; (xi) we may have difficulty enrolling or maintaining the enrollment

of patients in any clinical trials conducted for our drugs, which may result in the delay or cancellation of such trials; (xii) the Corporation's reliance on pre-clinical testing and clinical trials; (xiii) the vulnerability of results of planned clinical trials; (xiv) delays in clinical testing; (xv) negative results from clinical trials or studies of others and adverse safety events; (xvi) the Corporation's reliance on regulatory approvals and the risks of non-compliance with applicable laws; (xvii) the Corporation's reliance on contract manufacturing organizations; (xviii) interruption or disruptions in the supply of medical cannabis or synthesis of cannabinoids could impact Tetra's business; (xix) Tetra may not be able to successfully market its drugs; (xx) the effectiveness and efficiency of advertising and promotional expenditures; (xxi) the inability of the Corporation to develop enhancements to its existing products and services or acceptable new products and services that keep pace with rapidly changing developments; (xxii) competition from companies with greater resources and experience; (xxiii) our reliance on the success of collaboration agreements; (xxiv) our reliance on key personnel; (xxv) employee misconduct or other improper activities; (xxvi) the risk of third-party claims for infringement; (xxvii) Tetra may not be able to protect its patents and intellectual property; (xxviii) Tetra may not be able to protect its trade secrets; (xxix) we may be unable to acquire or in-license any compositions, methods of use, processes or other third-party intellectual property rights from third parties that we identify as necessary for our drug candidates; (xxx) changes in patent laws; (xxxi) the risks associated with acquisitions, dispositions or other strategic transactions; (xxxii) risks associated with entering into agreements with third parties having cross-border cannabis related activities; (xxxiii) legal proceedings; (xxxiv) conflicts of interest; (xxxv) deficiencies in disclosure controls and procedures and internal controls over financial reporting; (xxxvi) the Corporation's failure to comply with anti-bribery legislation; (xxxvii) the Corporation's reliance on information technology systems and the risks of damaging cyberattacks; (xxxviii) the failure of our information technology systems; (xxxix) product liability lawsuits; (xl) clinical trial liability; (xli) Tetra's insurance may be insufficient to cover losses that may occur as a result of Tetra's operations; (xlii) the risks posed by international expansion; (xliii) the potential effects and impacts of the COVID-19 pandemic on the Corporation's business and operations; (xliv) the volatility and fluctuation of the market price of the common shares of the Corporation (the "Common Shares"); (xlv) holders of warrants have no rights as shareholders until such holders acquire warrant shares; (xlvii) the possible future dilution of our common shareholders; (xlviii) the subordination of shareholders to our lenders; (xlix) the senior ranking of future offerings of debt and equity securities to that of Common Shares; (l) the negative impact of future sales of Common Shares by officers and directors of the Corporation on the market price for the Common Shares; (li) the limited market for our securities; (lii) our unlisted warrants; (liii) our limited operating history; (lix) the fact that there is no assurance of the Corporation's future profitability; (lx) the risks associated with our revenue generation and liquidity levels; (lxi) the fact that we do not currently pay dividends; and (lxii) fluctuations in foreign currency exchange rates.

For additional information with respect to risks and uncertainties, readers should carefully review and consider the risk factors described under the heading "Risk Factors" and elsewhere in this AIF. The information contained in this AIF and in the Corporation's management discussion and analysis identifies additional factors that could affect the operating results and performance of Tetra. Shareholders and prospective investors are urged to carefully consider those factors.

The forward-looking statements are made as at the date of this AIF (or in the case of information contained in a document incorporated by reference herein, as of the date of such document), and Tetra assumes no obligation to publicly update or revise such forward-looking information to reflect new information, subsequent or otherwise, except as may be required by applicable securities laws.

DATE OF INFORMATION

The information in this AIF is presented as of November 30, 2021, unless otherwise indicated. This AIF should be read in conjunction with the information contained in the Corporation's audited consolidated

financial statements and related notes for the year ended November 30, 2021 and the management's discussion and analysis thereon.

PRESENTATION OF FINANCIAL INFORMATION

Unless otherwise indicated, all references to "\$" or "dollars" are to Canadian dollars, which is Tetra's functional currency, and all references to "U.S.\$" or "USD\$" are to U.S. dollars. The financial year end of all entities within Tetra's corporate structure is November 30th. Tetra's financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

EXCHANGE RATE DATA

The following table sets out the high and low rates of exchange for one U.S. dollar expressed in Canadian dollars during each of the periods specified, the average rate of exchange for those periods and the rate of exchange in effect at the end of each of those periods, each based on the rate of exchange published by the Bank of Canada for conversion of U.S. dollars into Canadian dollars.

	Fiscal Year Ended November 30,	
	2021	2020
Highest rate during the period	\$1.2952	\$1.4496
Lowest rate during the period	\$1.2040	\$1.2965
Average rate during the period	\$1.2536	\$1.3445
Rate at the end of the period	\$1.2792	\$1.2965

THIRD-PARTY INFORMATION

Market and industry data contained in this AIF were obtained from third-party sources, such as government or other industry publications and reports, journals, studies and publications, websites and other publicly available information or based on estimates derived from same and management's knowledge of, and experience in, the pharmaceutical industry, markets and economies in which the Corporation operates. Government and industry publications and reports generally indicate that information has been obtained from sources believed to be reliable, but do not guarantee the accuracy and completeness of such information. The Corporation believes that the industry, market and economic data presented throughout this AIF is accurate and, with respect to data prepared by the Corporation on the Corporation's behalf, that the Corporation's opinions, estimates and assumptions are currently appropriate and reasonable, but there can be no assurance as to the accuracy or completeness thereof. Further, certain of these organizations are participants in, or advisors to participants in, the pharmaceutical industry, and they may present information in a manner that is more favourable to the industry than would be presented by an independent source. Actual outcomes may vary materially from those forecast in such reports or publications, and the prospect for material variation can be expected to increase as the length of the forecast period increases. While the Corporation believes this data to be reliable, the Corporation has not independently verified any of the data from third-party sources referred to in this AIF, analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying industry. Market, economic, industry data and other assumptions relied upon by such sources are subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey.

CORPORATE STRUCTURE

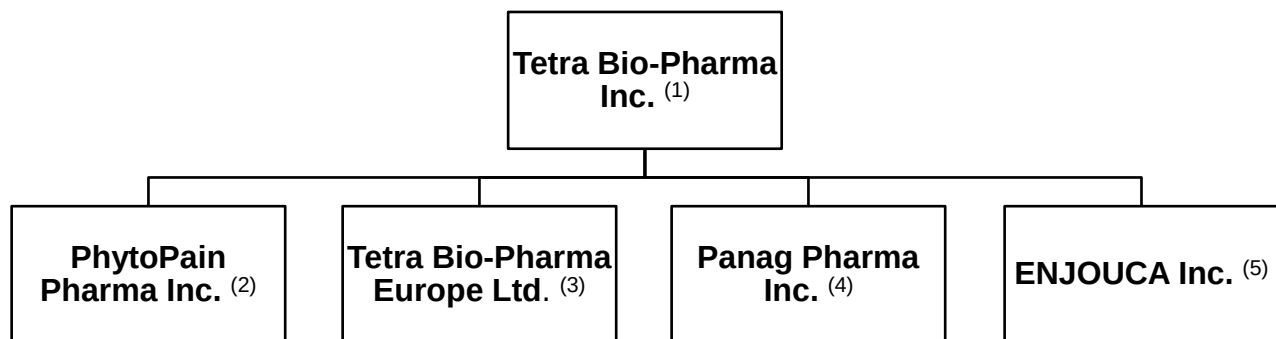
Tetra Bio-Pharma Inc.

Tetra was incorporated under the name Mazorro Resources Inc. ("Mazorro") under the *Canada Business Corporations Act* (the "CBCA") on May 17, 2007. On December 29, 2014, GrowPros MMP Inc. completed an amalgamation transaction with Mazorro and 9048073 Canada Inc., a wholly-owned subsidiary of Mazorro incorporated to effect the amalgamation. As a result of a share exchange in connection with the amalgamation, control of the combined companies passed to the former shareholders of GrowPros MMP Inc., which for accounting purposes was deemed to be the acquirer. As part of the amalgamation agreement, the Corporation changed its name to "GrowPros Cannabis Ventures Inc.". On September 19, 2016, the Corporation formally changed its name from "GrowPros Cannabis Ventures Inc." to its current name. Tetra's head office is located at 2316 St. Joseph Blvd., Orleans, Ontario, K1C 1E8 and its principal place of business is located at 365 rue St-Jean, Suite 122, Longueuil, QC J4H 2X7. At the next annual general meeting of the shareholders of the Corporation, the Corporation intends to ask shareholders to approve the transfer of our head office from the province of Ontario to the province of Quebec, in connection with the IQ Loan. See "*General Development of the Business – Recent Developments*" for more information.

The Common Shares are listed on the Toronto Stock Exchange ("TSX") under the symbols "TBP", on the OTCQB® Venture Market ("OTCQB") market under the symbol "TBPMF", and on the Börse Frankfurt (Frankfurt Stock Exchange) under the symbol "JAM1". The listed warrants of the Corporation are listed on the TSX under the symbols "TBP.WT.A", "TBP.WT.B" and "TBP.WT.C", respectively.

The Corporation has four active subsidiaries: PhytoPain Pharma Inc. ("PhytoPain"), Tetra Bio-Pharma Europe Ltd., Panag Pharma Inc. ("Panag") and ENJOUCA Inc.

The following chart illustrates, as of November 30, 2021, the Corporation's corporate structure, describing the Corporation's active subsidiaries. Each of the subsidiaries listed below is a wholly-owned subsidiary of the Corporation.



Notes:

- (1) Incorporated under the CBCA.
- (2) Incorporated under the CBCA and whose principal activity is drug discovery and drug development.
- (3) Incorporated under the *Companies Act* (Malta) and whose principal activity is European market authorizations and clinical trials.
- (4) Incorporated under the *Companies Act* (Nova Scotia) and whose principal activity is discovery and development of patent protected molecules and compounds.
- (5) Incorporated under the CBCA and whose principal activity is the commercialization of medical cannabis.

As at the date of this AIF, the Corporation also has two inactive subsidiaries, being Minerra Mazorro s.r.l. de c.v. and 2714140 Ontario Inc. The Corporation intends to dissolve Minerra Mazorro s.r.l. de c.v. in the future and to dispose of 2714140 Ontario Inc. for a nominal consideration.

ENJOUCA Inc.

On February 3, 2021, Tetra announced the creation of a wholly owned subsidiary called ENJOUCA Inc. Jurisdictions differ greatly in terms of regulatory requirements surrounding medical cannabis, which means that in some territories, QIXLEEF™ can be commercialized as a medical cannabis product. As a result, Tetra's strategy is to launch QIXLEEF™ under the trademark ENJOUCA™ as a medical cannabis product within those territories using its robust clinical package. ENJOUCA™ branded products will be distributed through existing medical cannabis channels. For other jurisdictions, QIXLEEF™ will remain a prescription drug product and commercialized to the major global markets. As a prescription drug, QIXLEEF™ will be available by prescription only, through pharmacies. See *"Description of the Business"* below for additional information on QIXLEEF™. As Tetra continues to focus on the biopharmaceutical sector, it is currently anticipated that the Corporation will dispose of its ownership of ENJOUCA Inc. or of its assets.

Shared Ventures

The Corporation has entered into agreements to form shared ventures to develop and commercialize drugs and wellness supplements.

Ventures and Commercial Partnerships	Principal Activities
CB2 Therapeutics Inc.	Development and commercialization of wellness products for management of chronic inflammatory conditions and gastrointestinal health.
MAKScientific, LLC	Access to novel new molecules securing patented new drug candidates – drug discovery

CB2 Therapeutics Inc.

On October 22, 2019, the Corporation entered into a shared venture agreement with Thorne Research Inc. and Onegevity Health, LLC in connection with CB2 Therapeutics Inc. ("CB2"). During Fiscal 2021, CB2 became a subsidiary 100% managed by Panag and thus consolidated with the results of the Corporation. CB2 maintains a commercial partnership with Thorne HealthTech and will be used as a vehicle to license non-pharmaceutical products. The partnership is based on a royalty-free license to develop and commercialize a global product for inflammatory conditions with high unmet needs or that are poorly served with existing therapies. In addition, as part of the agreement, CB2 would also commercialize wellness products in the United States through its partnership with Thorne HealthTech. The current pipeline of products includes a cannabis waste prebiotic for improved gut health, and two novel Phytosome® formulations, through Indena S.p.A. ("Indena"), for the treatment of bowel conditions: a medical food product and an oral supplement.

Throughout Fiscal 2021, CB2 began Pharmacokinetics/Toxicology study for its (E)-β-caryophyllene Phytosome (BCP-P), related to its medical food product for the treatment of bowel conditions. CB2 engaged in a co-development agreement with Indena for a Palmitoylethanolamide Phytosome (PEA-P), a second product taken orally for the treatment of bowel conditions. Indena developed and manufactured the PEA-P and once completed, shipped it to CB2 for internal testing. After initial internal testing was completed, the PEA-P was sent to Panag labs at Dalhousie University for further analysis. The aim of the study is to assess

analgesic and anti-inflammatory properties of the novel PEA-P to treat symptoms of ulcerative colitis. It is anticipated that the PEA treatment will provide additional evidence for the involvement of the Endocannabinoid System (ECS) in gut inflammation, including validation of CB2 receptor as an effective drug target for therapeutic management of symptoms of ulcerative colitis. CB2 completed an initial regulatory evaluation, and it was determined that a self-affirmed GRAS route is the best regulatory approach with the FDA. Thorne will be taking the appropriate steps to finalize this.

During Fiscal 2021, a PCT patent application was filed with the Canadian Intellectual Property Office by the Corporation through Panag, for Cannabis Plant Residue and Use Thereof, PCT Patent Application No. PCT/CA2021/050886, with a filing date of June 28, 2021.

Despite multiple discussions throughout Fiscal 2021 with Martin Bauer Group and ProDigest the projects and study could not move forward. At the beginning of Fiscal 2022, Tetra's management decided to align Panag's strategy to that of the Corporation's focus on QIXLEEF™ and REDUVO™. Therefore, Panag will endeavor to secure development partnership agreements where it is expected that the partner(s) would assume the costs of final development activities by in exchange for receiving from Panag an exclusive license to distribute and sell the commercial product, with Panag receiving royalties on net sales.

MAKScientific, LLC

In Fiscal 2020, Tetra entered into a co-development agreement with MAKScientific, LLC, a recognized global leader in endocannabinoid research and development. To date, Tetra has completed its evaluation of MAKScientific compounds in a primary cell-based assay relevant to idiopathic pulmonary fibrosis (IPF). Through evaluation, it was determined that the AM6545 compound that Tetra was initially interested by, is not aligned to Tetra's priorities and scope of work. In March 2021, Tetra terminated its current co-development related to the AM6545 compound. Tetra has identified and will further evaluate additional MAKScientific compounds that could potentially be a better fit with the Corporation's direction, and if deemed necessary will initiate co-development negotiations moving forward.

Equity Method Investment

To mitigate its research and development risk and to advance its novel leading drug compounds, in Fiscal 2020 and early 2021, Tetra made investments in Targeted Pharmaceuticals, LLC ("Targeted") and TALLC Corporation Inc. ("TALLC") to diversify its intangible asset portfolio.

Investment Name	Investment Purpose	Principal Areas
Targeted Pharmaceuticals, LLC	Provides an opportunity to collaborate with Targeted and George Mason University's ("GMU") National Center for Biodefense and Infectious Diseases ("NCBID") scientists to: (a) Evaluate Tetra's ARDS-003 with and without antiviral drugs to prevent and treat SARS-CoV-2 in animals; and (b) advance research and development of an Antiviral and Central Nervous System Program using Tetra's ARDS-003 (to expand potential market through a partner).	ARDS-003 (Oternabaz Nano-emulsion)
TALLC Corporation Inc.	To develop an alternative to nonsteroidal anti-inflammatory drugs (NSAID) with rapid onset and long duration to target Photorefractive Keratectomy (PRK), Keratoconus, cataracts, and dry eye disease. To develop NSAID drugs for the ocular PRK, Keratoconus and Cataract surgeries using Tetra's key asset HU-308 (Oternabaz Solution)	Ocular Market

Targeted Pharmaceuticals, LLC

In the second half of Fiscal 2020, Tetra acquired a 20% minority stake of the total issued and outstanding membership units of Targeted. Targeted holds a license to certain intellectual property owned by the NCBID. This strategic partnership enables Tetra to study in depth its ARDS-003 drug (Onternabez nano-emulsion) with aim to understand the market potential and ARDS-003's (Onternabez nano-emulsion) efficacy on patients with hyperinflammatory syndrome induced by viral infection.

The Corporation continues to believe in the strong relationship with GMU and the scientists from NCBID, and the ability to develop intellectual property with Onternabez for antivirals, encephalitis and other areas. However, given the focus and prioritization on commercialization of Reduvo™, the advancement of clinical trials for QIXLEEF™ and ARDS-003 (Onternabez) development dependent on securing government funding, the Corporation has determined to pause any work additional work on ARDS-003 (Onternabez). This includes any new work to be done on the development of intellectual property and additional work that may be outsourced to GMU or Targeted. Tetra will continue to work with Targeted/GMU using this facility as a contractual research entity.

TALLC Corporation Inc.

In December 2020, Tetra made its fourth and final payment in the amount of \$312,500 to acquire the remaining 12.5% in TALLC's ownership structure that was missing to complete Tetra's ownership of 50%. The other 50% is owned by Altus Formulation Inc. ("Altus"). Both Tetra and Altus gave TALLC the right to use their intellectual property to develop novel formulations and intellectual property to treat painful ophthalmic indications.

TALLC is a pre-clinical stage biopharmaceutical ophthalmic medicines company whose primary focus is on cataract surgery, PRK (photorefractive keratectomy laser eye surgery) and keratoconus¹ surgeries. This rare ocular pain specialization allowed TALLC to file its first orphan drug designation ("ODD") application. The orphan drug designation is defined by the FDA as the designation provided under the Orphan Drug Act that provides for granting special status to a drug or biological product to treat a rare disease or condition upon request from a sponsor.

With the growing need for new eye medicines² for a growing market of various painful eye conditions, TALLC aims to develop an alternative to NSAID³ drugs in the multibillion-dollar ocular pain and dry eye disease market⁴. The right to use Tetra's and Altus' intellectual property enabled TALLC to develop a series of therapeutics to create new intellectual property, such as enantiomeric⁵ blend for ophthalmic products, which includes the development of a novel SmartCelle™ nanotechnology, and TA-A001.

SmartCelle™ nanotechnology is expected to allow delivery of highly insoluble molecules and is designed to provide improved access to cornea and the back of the eye. The novel combination of SmartCelle™ delivery system and TA-A001 formulation have already demonstrated potency in models of ocular pain and inflammation and was already transferred for manufacturing to a contract development and manufacturing organization (CDMO).

¹ Keratoconus is a rare eye condition in which the cornea cannot hold its shape, causing poor vision that is unable to be fully corrected by glasses past the early stages. After validating front of the eye indications, TALLC will look to expand its research to back of eye indications.

² <https://www.prnewswire.com/news-releases/ophthalmic-drug-market-size-worth-60-3-billion-by-2028--cagr-6-4-grand-view-research-inc-301228107.html>

³ Nonsteroidal anti-inflammatory drugs (NSAID) are members of a drug class that reduces pain, decreases fever, prevents blood clots, and in higher doses, decreases inflammation.

⁴ Global Ophthalmic Drugs Market Size Report, 2021-2028. Source: <https://www.grandviewresearch.com/industry-analysis/ophthalmic-therapeutics-drug-market/segmentation>

⁵ Enantiomeric is defined as the chemical property of molecules that mirror each other. Source: LibreTexts, 2020.

Enabled by SmartCelle™, TA-A001's potent anti-inflammatory properties offered a new approach to painful ocular inflammatory treatment with ability to deliver drug throughout the eye. It goes to further support TALLC's hypothesis that SmartCelle™ nanotechnology increases corneal access. In addition to improved corneal access, the molecule in TA-A001 is expected to provide fast onset, long duration relief to counter pain and inflammation of corneal surgeries including those for the blinding orphan indication keratoconus⁶. Conventional NSAID and corticosteroids are contraindicated for keratoconus surgery. Preclinical data suggests SmartCelle™ TA-A001 combination can also treat other indications such as wet and dry age-related macular degeneration and dry-eye syndrome.

Since TALLC's strategic pivot to focus on new eye therapeutics for painful eye conditions, the research and formulation development performed over the last twelve months already demonstrated early signs of efficacy with SmartCelle™ TA-A001 combination. These positive signs of efficacy encouraged TALLC to continue its research and development of the SmartCelle™ nanotechnology and TA-A001, to further determine if such combined formulation would increase the pain relief and anti-inflammatory effects in corneal hyperalgesia model. In combining TA-A001 with SmartCelle™, TALLC developed a novel formulation TA-P2005, which has proven to be significantly more effective than the conventionally formulated drug.

In parallel to pursuing its research of various formulations for its SmartCelle™ TA-A001 asset, TALLC is also exploring other potential value-added alternatives for TA-A001 and TA-A002. Both are topical treatments and have potential to treat glaucoma and dry-eye disease.

In Fiscal 2021, Tetra invested \$400,000 to advance the SmartCelle™ TA-A001 technology. If successful, this technology could be used by Tetra to expand its market potential of its core asset HU308. The Corporation is considering the future of this asset and is determined to find the best path forward to ensure this product and technology can move forward with minimum delays.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

This section describes how the Corporation's business has developed over the last three completed financial years.

Financial Year Ended November 30, 2019

On December 11, 2018, Tetra entered into a non-exclusive supply agreement for GMP-Grade tetrahydrocannabinol ("THC")⁷ with U.S.-based Rhodes Technologies Inc. in connection with several drug development activities including Tetra's cannabinoid-derived products PPP002, PPP003, and PPP004, as well as for discovery phase projects.

On December 18, 2018, Tetra filed a patent application with the Canadian Intellectual Property Office for its QIXLEEF™ drug product. The patent application covers methods of fabrication and composition of matter. The patent application has been open to public inspection since June 18, 2020 and has not been granted yet.

On February 20, 2019, Tetra temporarily suspended its phase III clinical program due to impurities found in its QIXLEEF™ investigational drug being administered to patients.

⁶ Keratoconus surgery requires removal of the top layers of the highly enervated cornea and the pain has been described as 'excruciating'.

⁷ For additional information on THC, see: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2731700/>.

On March 4, 2019, Tetra completed the first double-blind, randomized and placebo-controlled phase II clinical trial of cannabis oil capsules. The trial evaluated the safety and efficacy of different doses and ratios of medical cannabis oil, for the treatment of uncontrolled chronic pain in cancer and non-cancer patients.

On April 9, 2019, Tetra resumed its phase III clinical program in advanced cancer pain patients.

On April 11, 2019, Tetra entered into a collaboration agreement with Ovensa Inc. to evaluate TRIOZAN, a proprietary nanomedicine platform for targeted delivery of cannabinoids to brain tumor cells.

On May 1, 2019, Tetra acquired 100% of the issued and outstanding common shares of Panag, a Canadian-based biotechnology corporation focused on the development of novel cannabinoid-based formulations for the treatment of pain and inflammation. Refer to "*Interest of Management and Others in Material Transactions – Panag Transaction*" for additional information.

On May 2, 2019, Panag was authorized by the Veterinary Drugs Directorate of Health Canada, to conduct a pilot clinical study to evaluate the tolerability and potential efficacy of its PPP-003 ophthalmic drug in the treatment of indolent corneal ulcers in companion animals. Refer to "*Description of the Business*" below for additional information on PPP-003.

On June 17, 2019, Tetra announced that the Phase II clinical study design and the quality and toxicology requirements for initiating trials in patients in the U.S. had been confirmed by the FDA and that the FDA had agreed that it was acceptable to evaluate the safety and efficacy of PPP-003 Ophthalmic Solution for the treatment of the signs and symptoms of painful dry eye. See "*Description of the Business*" below for additional information on PPP-003.

On July 12, 2019, Tetra completed a short form prospectus offering for 26,833,332 units of the Corporation, including the exercise in full of the over-allotment option granted to a syndicate of agents led by Echelon, with each unit being comprised of one Common Share and one Common Share purchase warrant, at a price of \$0.30 per unit, for gross proceeds to the Corporation of \$8,050,000. Each warrant entitles the holder thereof to purchase one full Common Share at a price of \$0.40 per Common Share for a period of 36 months following the closing of such offering. In consideration of the services provided in connection with the offering, Tetra also paid the agents thereunder a cash fee equivalent to 7% of the gross proceeds from the offering in addition to 1,878,333 agents' warrants, each of which entitles the holder thereof to acquire one full Common Share by paying an exercise price of \$0.40 for a period of 24 months from the closing date.

On August 2, 2019, Tetra completed a non-brokered private placement in which some of the Corporation's directors, officers, consultants and employees, as well as certain of their associates, purchased an aggregate of 870,100 units of the Corporation at a price of \$0.30 per unit for aggregate gross proceeds of \$261,030, with each unit being comprised of one Common Share and one Common Share purchase warrant. Each warrant entitles the holder thereof to purchase one full Common Share at an exercise price of \$0.40 per Common Share for a period of 36 months following the closing of such non-brokered private placement. See "*Interest of Management and Others in Material Transactions – Private Placement*" for additional information.

On October 22, 2019, the Corporation entered into the CB2 Therapeutics shared venture agreement with Thorne Research Inc. and Onegevity Health, LLC. Refer to "*Corporate Structure – CB2 Therapeutics*" for additional information.

On November 25, 2019, the FDA authorized the advancement of the Corporation's clinical trial for its investigational therapeutic QIXLEEF™ for the treatment of uncontrolled pain in advanced cancer patients called PLENITUDE©. See "*Description of the Business*" below for additional information on QIXLEEF™.

Financial Year Ended November 30, 2020

On December 2, 2019, the Corporation announced that it had signed a definitive co-development and commercialization agreement with Alternavida S.A. de C.V. ("Alternavida") for the clinical development, marketing and distribution of CAUMZ™ in Mexico.

On December 4, 2019, the Corporation announced it had received the FDA ODD for THC in the treatment of hepatocellular carcinoma.

On December 16, 2019, the Corporation announced the entering into of a definitive agreement with Azevedos Indústria Farmacêutica, S.A. ("Azevedos") for the marketing and distribution of CAUMZTM (PPP011) in Portugal. Under the terms of the agreement, Tetra will receive milestone payments and profit sharing on all sales of CAUMZTM in Portugal. In return, Azevedos will be responsible for registering the product, manufacturing, as well as all marketing and distribution in Portugal.

On January 13, 2020, the Corporation received a favourable letter of advice from the FDA for QIXLEEF™. The letter provided scientific guidance on the Corporation's quality file including aspects such as reporting of volatile organic compounds contained in the drug product. It provided further insight into the January 26, 2017 Type B meeting with the FDA with regards to the requirements for drug approval for a non-serious condition such as uncontrolled pain as a second-or third-line therapy. See "*Description of the Business*" below for additional information on QIXLEEF™.

On January 30, 2020, the Corporation received a favourable letter from the FDA following a Type B meeting with the FDA for its drug-device combination product CAUMZ™. See "*Description of the Business*" below for additional information on CAUMZ™.

On February 6, 2020, the Corporation entered into a definitive manufacturing agreement with Vitiprints LLC, for the commercial scale production of CAUMZ™ and HCC011. This agreement further protects CAUMZ™ and HCC011 with four additional patents on manufacturing know-how. The manufacturing technology licensed from Vitiprints LLC allows Tetra to manufacture cannabinoid drugs for inhalation and does not involve the use of other ingredients. This is critical for ensuring the safety and tolerability of CAUMZ™ in patients. See "*Description of the Business*" below for additional information on CAUMZ™.

On February 13, 2020, the Corporation completed a short form prospectus offering for 29,245,300 units of the Corporation, with each unit being comprised of one Common Share and one Common Share purchase warrant, at a price of \$0.53 per unit for gross proceeds to the Corporation of \$15,500,009. Each warrant entitles the holder thereof to purchase one full Common Share at a price of \$0.75 per Common Share for a period of 36 months following the closing of such offering. In consideration of the services provided in connection with the offering, Tetra also paid Echelon, as sole underwriter and sole book runner, a cash fee equivalent to 7% of the gross proceeds from the offering in addition to 2,047,171 underwriter's warrants, each of which entitles the holder thereof to acquire one full Common Share by paying an exercise price of \$0.75 for a period of 36 months from the date of closing of the offering.

On February 20, 2020, the Corporation announced the initiation of its clinical trial for its synthetic cannabinoid therapy for the treatment of ophthalmic eye pain in the veterinary setting. The Health Canada approved trial was designed to evaluate the safety, tolerability and potential efficacy of PPP-003, the Corporation's synthetic cannabinoid therapy, to ameliorate symptoms of ocular pain and inflammation in companion animals. See "*Description of the Business*" below for additional information on PPP-003.

On February 24, 2020, Tetra announced that it had received FDA's authorization to proceed with QIXLEEF™'s clinical trial PLENITUDE® in the U.S. Following a Type B meeting, the FDA confirmed areas where Tetra could obtain a waiver for some of the nonclinical safety requirements based on the target patient population. This confirmation was critical as it confirmed Tetra's understanding of the regulatory requirements. This FDA authorized clinical trial is designed to assess the clinical impact of QIXLEEF™ in

advanced cancer patients with uncontrolled pain. A successful PLENITUDE® clinical program will allow Tetra to commercialize the world's first dried flower botanical cannabinoid drug product for the treatment of pain inpatients with an advanced refractory cancer. See "*Description of the Business*" below for additional information on the PLENITUDE® clinical program.

On February 25, 2020, the Corporation announced its first indication for CAUMZ™. To ensure minimal time to market, the Corporation intends for CAUMZ™ to first target cancer cachexia patients that have an incurable and malignant cancer that is refractory to treatment. CAUMZ™ is designed to prolong survival and improve quality of life and the patient's day-to-day functioning.

On February 25, 2020, the FDA confirmed that CAUMZ™ would be eligible for waivers of some of the standard nonclinical toxicology studies.

On February 27, 2020, Tetra entered into a co-development definite agreement with MAKScientific. This agreement provides Tetra with access to novel patented new molecules with CB1 and CB2 agonist or antagonist properties. In the long term, this agreement secures patented new drug candidates for Tetra to develop after CAUMZ™ and QIXLEEF™ receive marketing approval. Under this agreement, MAKScientific will develop new molecules that will be screened by Tetra for potential efficacy in various indications including cancer, pain and inflammation as well as other potential targets of interest to Tetra. See "*Corporate Structure – Shared Venture*" above for additional information.

On March 5, 2020, Tetra announced that Echelon exercised its over-allotment option granted under the short form prospectus offering of February 13, 2020, and purchased an additional 4,386,795 units of the Corporation, with each unit being comprised of one Common Share and one Common Share purchase warrant, at a price of \$0.53 per unit for gross proceeds of \$2,325,001. Further, Echelon received, in consideration for its services rendered in relation with the offering, 307,075 additional underwriter's warrants, each of which entitles the holder thereof to acquire one full Common Share by paying an exercise price of \$0.75 for a period of 36 months from the date of closing of the offering.

On March 6, 2020, Tetra announced the engagement of Alpha Bronze LLC, an investor relation, management consulting and financial communications firm, to implement and execute a comprehensive investor relations and communications program.

On March 26, 2020, Tetra announced the results of a survey conducted among US and Canadian patients and physicians which validated the primary endpoint of the SERENITY© pivotal trial. The results confirm that the primary endpoint in the SERENITY© clinical trial of cancer cachexia is accurate.

On May 22, 2020, the Corporation completed a public offering deal for aggregate gross proceeds to the Corporation of \$9,149,660. A total of 35,191,000 units were sold at a price of \$0.26 per unit. Each unit consisted of one Common Share and one Common Share purchase warrant, with each warrant entitling the holder to purchase one full Common Share at a price of \$0.32 per Common Share for a period of 36 months following the closing date. In consideration of the services provided in connection with the offering, Tetra also paid the agents thereunder a cash fee equivalent to 7% of the gross proceeds from the offering in addition to 2,463,370 agents' warrants, each of which entitles the holder thereof to acquire one full Common Share by paying an exercise price of \$0.26 for a period of 24 months from the closing date.

On June 3, 2020, Tetra announced the launch of TALLC, a new corporation incorporated under the *Business Corporations Act* (Québec) focused on the development of TA-A001 a non-opioid, non-steroidal small molecule that selectively activates CB2 receptors mediating the human anti-inflammatory response. See "*Corporate Structure – Equity Method Investment – TALLC Corporation Inc.*" above for additional information on TALLC.

On June 4, 2020, Tetra and Storz & Bickel, a subsidiary of Canopy Growth Corporation, a world-leading diversified cannabis, hemp and cannabis device company, announced that they have finalized a definitive

commercial sales agreement for the sale of the Mighty Medic device as part of the CAUMZ™-kit drug-device combination product. See *"Description of the Business"* below for additional information on the Mighty Medic device.

On June 5, 2020, Tetra announced the long-awaited resumption of its QIXLEEF™ - PLENITUDE© clinical trial, the signing of a definitive commercial sales agreement for the sale of the Mighty Medic device as part of the CAUMZ™-kit drug device and the reassessed timeline to initiate CAUMZ™-REBORN© clinical trial. See *"Description of the Business"* below for additional information.

On July 9, 2020, Tetra appointed Steve Edgett as a strategic advisor to the CEO and the board of directors of the Corporation with a mandate to advise on strategic and capital markets aspects of the Corporation's activities and to aid in the advancement of Tetra's key programs: ARDS-003, QIXLEEF™ and CAUMZ™.

On July 16, 2020, Tetra announced the FDA's favourable review of the Corporation's Pre-Investigational New Drug application for ARDS-003. The review was conducted within the framework of the Coronavirus Treatment Acceleration Program. FDA's positive review confirms that the rodent and nonrodent species can be used in the nonclinical toxicology study and will provide a relevant assessment of the safety profile of the new drug (ARDS-003) prior to first-in-human trials. See *"Description of the Business"* below for additional information on ARDS-003.

On August 6, 2020, Tetra announced that it had received support from Malta Enterprise, the national economic development agency of the Government of Malta, to open its European office in Malta. The Corporation has created a wholly owned subsidiary called Tetra Bio-Pharma Europe Ltd. to expand its clinical and regulatory activities as well as its future commercial operations for QIXLEEF™.

On August 4, 2020, Tetra completed its graduation to the TSX following which the Common Shares and then listed warrants began trading on the TSX under the symbols "TBP", "TBP.WT", "TBP.WT.A" and "TBP.WT.B", respectively. In connection with the Corporation's graduation to the TSX, the Common Shares and listed warrants were voluntarily delisted from the TSX Venture Exchange ("TSXV") on August 4, 2020.

On August 18, 2020, Tetra awarded a contract to Dalton Pharma Services for the manufacturing of its HU-308 molecule, the active pharmaceutical ingredient ("API") and its intravenous, sterile, finished drug product ARDS-003. Pursuant to the agreement, Dalton Pharma Services will manufacture, by using current good manufacturing practices ("cGMP"), the HU-308 molecule, and will test and release batches according to agreed specifications. See *"Description of the Business"* below for additional information on ARDS-003.

On August 27, 2020, Tetra announced it had completed on schedule a cannabidiol ("CBD") metabolites study in humans who were administered QIXLEEF™. The data emphasized that QIXLEEF™ has a safe, well tolerated profile and rapid and high degree of absorption favouring higher efficacy at a lower dose, compared to oral administration. Defining THC and CBD metabolites in blood is a critical step for the FDA and Health Canada to characterize the safety profile of the drug product in patients consuming cannabis.

On September 2, 2020, Tetra announced that it had initiated the in-life phase of QIXLEEF™ clinical trial having overcome major hurdles including securing GMP grade cannabis drug product from Aphria Inc., a Health Canada licensed producer of medical cannabis products.

On September 17, 2020, Tetra announced the appointment of Ms. Dale Weil and Dr. Brent Norton to the board of directors of the Corporation. The Corporation also announced the appointment of Dr. Graham Wood, Ph.D., as Chief Operating Officer and the appointment of Steeve Neron as Chief Commercial Officer, who transitioned from his previous role as Tetra's Chief Operating Officer.

On September 30, 2020, Tetra announced that it obtained exclusive Canadian rights from a U.S. strategic partner to commercialize Dronabinol soft gel capsule. The exclusivity rights come with the Dronabinol data

pack, which enabled Tetra to submit a New Drug Submission ("NDS") application in December 2020. Tetra's first DIN for the THC-based prescription drug was submitted in December 2020.

On October 21, 2020, Tetra announced the acquisition of exclusive global technology rights of Adversa® from IntelGenx. Adversa® is a Mucoadhesive Delivery Technology to be used in Tetra's PPP-002 (Dronabinol) drug candidate.

On October 28, 2021, Tetra announced the closing of the previously-announced divestiture of Lumiera Health Innovations Inc. ("Lumiera"), a subsidiary of the Corporation, to Mondias Natural Products Inc. ("Mondias"), for a purchase price of \$1.3 million. The purchase price was satisfied by the issuance of 16,250,000 common shares of Mondias using a stock price of \$0.08 per share, being the closing price of the Mondias common shares on the TSXV on the day prior to the initial announcement of the transaction, with 14,625,000 Mondias common shares received by Tetra and 1,625,000 received by minority shareholders. The total amount of Mondias common shares represented an increase of 250,000 common shares from the original amount, which was intended to compensate Tetra and the minority shareholders for the delays in closing the transaction and additional costs.

Financial Year Ended November 30, 2021

On December 2, 2020, Tetra announced that it completed Investigational New Drug ("IND") enabling toxicology, clearing the way for human clinical trials for its novel drug candidate ARDS-003, a synthetic cannabinoid-derived therapeutic aimed at preventing and treating the serious and life-threatening inflammatory response that is associated with COVID-19, sepsis, septic shock, and others.

On December 16, 2020, Tetra announced it conducted a Type B meeting with the FDA for an inhaled THC-based innovative drug for the treatment of chemotherapy-induced nausea and vomiting ("CINV").

On January 27, 2021, the Corporation announced that the FDA had cleared the Corporation's IND application, allowing Tetra to initiate its QIXLEEF™ REBORN1™ clinical trial in cancer patients with breakthrough pain. REBORN1™ was a 10-week open-label randomized study to evaluate the effect of inhaled QIXLEEF™ compared to morphine sulfate immediate release (MSIR) to improve fast onset of pain relief of breakthrough cancer pain.

On February 3, 2021, the Corporation completed a non-brokered private placement of 11,085,064 units at a price of \$0.17 per unit for aggregate gross proceeds of \$1,884,461, which private placement was previously announced on January 29, 2021. Each unit consisted of one common share and one warrant, with a whole warrant entitling the holder to purchase one common share of the Corporation at a price of \$0.21 per share for a period of two years following the closing date.

On February 25, 2021, Tetra announced the signing of a Letter of Intent with DanCann Pharma A/S for the exclusive sales and distribution of Reduvo™, Adversa® and QIXLEEF™ in Denmark, Norway, Sweden, Finland, and Germany. DanCann Pharma will also handle sales and distribution for Tetra's over the counter (OTC) medicinal cannabis product ENJOUCA™.

On March 2, 2021, the Corporation completed a short form prospectus offering on a bought deal basis for aggregate gross proceeds of \$14,421,000 (including the exercise in full of the over-allotment granted to the agents thereunder). A total of 65,550,000 units (including the exercise in full of the over-allotment option granted to the underwriters by the Corporation) were sold at a price of \$0.22 per unit. Each unit consisted of one Common Share and one Common Share purchase warrant entitling the holder to purchase a one common share of the Corporation at a price of \$0.28 per share for a period of three years following the closing date. In consideration of the services provided in connection with the offering, Tetra also paid the underwriters thereunder a cash fee equivalent to 7% of the gross proceeds from the offering in addition to 4,588,500 warrants, each of which entitles the holder thereof to acquire one full Common Share by paying an exercise price of \$0.22 for a period of 36 months from the closing date.

On March 18, 2021, Tetra announced the contract manufacturing facility, Quantum Pharma Inc., received a Notice of Compliance for a recent Health Canada inspection related to its Drug Establishment License (DEL). Tetra has worked to ensure GMP compliance since first obtaining the DEL in 2018, and this compliance rating validates its continuous efforts.

On March 26, 2021, Tetra announced a new research agreement with Targeted to further understand the potential therapeutic benefits of ARDS-003 in treating inflammatory conditions of the brain and other antiviral applications. See *“Corporate Structure – Equity Method Investment – Targeted Pharmaceuticals, LLC”* for more information.

On March 30, 2021, Tetra announced that Health Canada acknowledged that the preclinical safety data submitted by Tetra is robust and sufficient to file a Clinical Trial Application aimed at treating hospitalized COVID-19 patients at risk of developing ARDS.

On April 1, 2021, Tetra received a notice of compliance for its Drug Establishment License (DEL) followed by an inspection by the Drug GMP Inspection Program of Health Canada. The issuance of a DEL allows Tetra to distribute (sell) pharmaceuticals.

On April 5, 2021, the FDA acknowledged the preclinical safety data are acceptable to file an Investigational New Drug Application (IND) aimed at treating hospitalized COVID-19 patients at risk of developing ARDS. The review was conducted within the framework of the Coronavirus Treatment Acceleration Program (CTAP), the FDA’s expedited process for investigational therapies to treat COVID-19 patients. The proposed patient study is a randomized, double-blind, placebo-controlled trial to evaluate the safety, tolerability, pharmacokinetics, and preliminary efficacy of ascending doses of ARDS-003 in hospitalized COVID-19 patients with pneumonia and at risk of developing acute respiratory distress syndrome. Seeking guidance on clinical study protocol to be conducted in patients with COVID-19 is a prerequisite of the FDA regulatory process for COVID-related trials, as it is for Health Canada.

On April 15, 2021, Tetra announced that the United States Patent and Trademark Office had granted Tetra a new patent for the treatment of Interstitial cystitis (IC), a chronic and painful bladder health issue. The patent protects Tetra’s unique methodology for treating IC using two proprietary compounds, both of which outperform the standard treatment for IC in preclinical studies. The patented delivery method, along with Tetra’s proprietary pharmaceutical products, are promising future treatment options for individuals suffering from IC. The granting of this patent was one of the milestones described in the Panag Agreement (as defined herein), which resulted in the Corporation paying one of the contingent payments related to the acquisition of Panag, in the amount of \$750,000. The payment guarantees Tetra the ability to commercialize with its partner the intellectual property related to Interstitial Cystitis (IC) Formulations.

On April 23, 2021, Tetra announced that it had delivered its drug candidate, QIXLEEF™, to the Hassman Research Institute, a leading clinical research organization (CRO) in the state of New Jersey, United States. The delivery of the drug to the investigators is a milestone which initiated Tetra’s Phase II REBORN1® trial.

On May 3, 2021, Tetra announced that it had been granted a Health Canada Drug Establishment License (DEL) to distribute REDUVO™ soft gel capsules in Canada. REDUVO™, a synthetic THC-based soft gel capsule, is currently being assessed by Health Canada for the issuance of a Drug Identification Number (DIN). As of the date of this filing, the Corporation had not received official communication from Health Canada.

On May 4, 2021, Tetra announced the re-activation of its trial of PPP003v (Onternabez eye solution), a veterinary formulation of its proprietary PPP-003 (Onternabez solution) drug designed to target inflammation and ocular pain in companion animals. PPP003v (Onternabez eye solution) is a topically applied drug (eyedrop or ointment) which targets the CB2 receptor, known to regulate inflammation in many of the body’s systems including the eyes. The trial was initially paused due to COVID-19 restrictions and will now proceed with the remaining three animals to deliver results shortly.

On May 5, 2021, Tetra announced the signing of a definitive agreement with DanCann Pharma A/S for exclusive distribution of Reduvo™ Adversa®, QIXLEEF™ and ENJOUCA™ in Denmark, Norway, Sweden, Finland, and Germany.

On May 6, 2021, Tetra announced the initiation of its REBORN1© trial, in which cancer patients with breakthrough pain episodes will be treated with the botanically derived inhaled formulation, QIXLEEF™. QIXLEEF™ rapidly delivers the active compounds to patients experiencing short episodes of severe pain who would normally be treated with an immediate oral opioid drug such as morphine. Tetra believes that QIXLEEF™ will provide similar or superior pain relief while avoiding many of the problems associated with opioid use, such as addiction.

On May 11, 2021, Tetra announced the acceleration of the Phase II PLENITUDE© trial for evaluating the effectiveness of its inhaled drug, QIXLEEF™, for the management of uncontrolled pain in cancer patients. Patients who complete the Phase 2 PLENITUDE© trial, which will compare the active drug, QIXLEEF™, against a placebo (inactive) drug, will then be eligible to continue treatment with QIXLEEF™ for an additional 48 weeks.

On May 17, 2021, the Corporation completed a short form prospectus offering on a bought deal basis for aggregate gross proceeds of \$10 million. A total of 25,000,000 units were sold at a price of \$0.40 per unit. Each unit consisted of one Common Share and one Common Share purchase warrant entitling the holder to purchase one common share of the Corporation at a price of \$0.51 per share for a period of two years following the closing date. In consideration of the services provided in connection with the offering, Tetra also paid the underwriters thereunder a cash fee equivalent to 7% of the gross proceeds from the offering in addition to 1,750,000 underwriters' warrants, each of which entitles the holder thereof to acquire one full Common Share by paying an exercise price of \$0.40 for a period of 24 months from the closing date.

On May 21, 2021, in connection with its previously announced bought deal offering which closed on May 17, 2021, Echelon Wealth Partners Inc., as lead underwriter on behalf of a syndicate of underwriters including Canaccord Genuity Corp. and Leede Jones Gable Inc., exercised their over-allotment option in full, resulting in the issuance of an additional 3,750,000 units, and an additional \$1,500,000 of gross proceeds to the Corporation. In consideration of the services provided in connection with the offering, Tetra also paid the underwriters thereunder a cash fee equivalent to 7% of the gross proceeds from the exercise of the over-allotment option in addition to 262,500 additional underwriters' warrants.

On May 28, 2021, Tetra announced that the first patient had entered the REBORN1© clinical trial; the first study of mice infected with SARS-CoV-2 virus demonstrated ARDS-003's potential to reduce clinical signs of infection; and that the Corporation was in the process of filing an IND application with the FDA for ARDS-003.

On June 2, 2021, Tetra announced that Health Canada accepted Tetra's NDS application for REDUVO™, which is expected to be indicated in AIDS-related anorexia associated with weight loss and severe nausea, and vomiting associated with cancer chemotherapy. The additional documentation requested by Health Canada to support the NDS filed in April 2021 was sufficient for Health Canada to commence its final review as part of the drug review process. This would provide Tetra with its first DIN for a THC-based prescription drug targeting patients suffering from CINV. To market REDUVO™ in Canada, Tetra needs to receive a Notice of Compliance (NOC) and a Drug Identification Number (DIN) from Health Canada. These two approvals indicate a drug's official approval for distribution in Canada.

On June 21, 2021, Tetra announced the results of the drug ARDS-003 (Onternabez injectable) in a viral infected organoid model, part of the research collaboration with George Mason University. The preliminary study determined the viral replication of the HIV virus was significantly decreased when HU-308 was used in combination with a standard antiviral drug compared to the antiviral drug alone.

On June 25, 2021, Tetra announced that Jean-François Boily resigned as Chief Financial Officer of the Corporation effective July 16th, 2021. Tetra commenced an executive search for a new Chief Financial Officer and currently uses its internal finance team to fulfill the responsibilities of the CFO in the interim in order to ensure that all financial reporting obligations of the Corporation are fulfilled while the Corporation identifies a suitable candidate to replace Mr. Boily.

On July 12, 2021, Tetra announced that the Central Ethics Committee working with the FDA, approved the proposed protocol modifications allowing additional immediate release oral opioids to be used as comparators in the REBORN1© study. Expanding to three (3) immediate release oral opioids is expected to allow for the acceleration of patient enrolment in the REBORN1© trial.

On July 22, 2021, Tetra announced that it had engaged Sepsis Survivor Christine Caron as Patient Partner to support significant and active collaboration in research, knowledge translation, and patient engagement within the pain and Sepsis communities.

On July 29, 2021, Tetra announced, through its subsidiary Panag, it had filed a PCT patent application with the Canadian Intellectual Property Office for Cannabis Plant Residue and Use Thereof, PCT Patent Application No. PCT/CA2021/050886, with a filing date of June 28, 2021. In addition, through the Tetra partnership with Thorne HealthTech, a submission to the FDA for Generally Recognized as Safe (GRAS) status is being pursued. GRAS status would allow for the broad application of this novel ingredient in foods as well as dietary supplements. Refer to the section "*Corporate Structure – CB2 Therapeutics*" for more information.

On September 2, 2021, Tetra announced that it received the Scientific Advice Assessment (SAA) Report from the Malta Medicines Authority, following the Corporation's submission, on April 28, 2021, of a request for a scientific opinion on its QIXLEEF™ drug and specifically seek guidance on the study design of its REBORN2© trial. Overall, the SAA Report provided positive feedback on Tetra's drug development plan for QIXLEEF™ and eligibility for submitting a Marketing Authorization Application (MAA) under Directive 2001/83/EC (Directive).

On October 5, 2021, Tetra announced that numerous pre-launch activities for REDUVO™ have been initiated. REDUVO™ is a cannabinoid-derived drug indicated in chemotherapy-induced nausea and vomiting (CINV). The Corporation has confirmed the following activities have been started or completed: distribution agreement, reimbursement strategy development, customer segmentation and targeting, medical and commercial field team staffing process through a Contract Sales Organization (CSO) and strategy development and initiation.

On October 14, 2021, the Corporation provided an update on the progress and significant achievements of its lead investigational drug, QIXLEEF™, including advised it has been engaged in partnering discussions as it prepares to initiate the last stage of its drug development of QIXLEEF™.

On October 21, 2021, the Corporation announced that the European Medicines Agency (EMA) Committee for Orphan Medicinal Products (COMP) issued a positive opinion on the Corporation's application for ODD for its investigational medicine QIXLEEF™ as a potential treatment for Complex Regional Pain Syndrome (CRPS), a chronic neuropathic pain condition.

On November 4, 2021, the Corporation announced termination of its "at-the-market" offering with Canaccord Genuity Corp. as sole agent. Such program was initially launched on May 28, 2021, allowing the Corporation to issue and sell up to \$10 million aggregate amount of Common Shares to the public from time to time, at the Corporation's discretion.

On November 29, 2021, the Corporation announced positive initial clinical data from both of its ongoing Phase 2 clinical trials of QIXLEEF™. Safety data of the REBORN©1 trial collected up to now confirm QIXLEEF™ tolerability and good safety profile in patients with cancer with breakthrough pain; no serious

adverse events have been reported, only adverse drug reactions of mild intensity have been recorded. Preliminary data of the PLENITUDE® trial also confirm QIXLEEF™ tolerability and good safety profile in the pool of subjects treated with either QIXLEEF™ or the placebo in the randomized double-blind 4-week period and in subjects treated with QIXLEEF™ during the open-label 11-month period. Preliminary analysis of the data shows a positive effect on pain relief in QIXLEEF™-treated patients.

On November 29, 2021, the Corporation further announced that it had received a letter from the FDA granting a Type C meeting to discuss safety and labelling requirements for obtaining marketing approval under the 505(b)(1) regulatory pathway for its QIXLEEF™ drug.

Recent Developments

On December 21, 2021, the Corporation completed a marketed public offering of units of the Corporation (the "December Offering"), resulting in the issuance of a total of 13,064,000 units at a price of \$0.163 per unit, for aggregate gross proceeds of \$2,129,432 to the Corporation. Each unit consisted of one Common Share and one Common Share purchase warrant entitling the holder to purchase one common share of the Corporation at a price of \$0.195 per share for a period of 48 months following the closing date. In consideration of the services provided in connection with the December Offering, Tetra also paid the agents thereunder a cash fee equivalent to 7% of the gross proceeds from the December Offering in addition to 914,480 agents' warrants, each of which entitles the holder thereof to acquire one full Common Share by paying an exercise price of \$0.163 for a period of 36 months from the closing date.

On February 14, 2022, the Corporation announced the execution of a non-binding term sheet with Avicanna Inc. to assess entering into a strategic partnership comprising of three strategic pillars, including: The registration and commercialization of Tetra's various prescription products (REDUVO™ AdVersa®, QIXLEEF™ and CAUMZ™) across Avicanna's channels in Latin/South America. This opens the door for Tetra to initiate sales earlier than planned; Supply of Avicanna's Active Pharmaceutical Ingredients (APIs) for Tetra's pharmaceutical pipeline. The phyto-cannabinoid APIs would be sourced from Avicanna's low cost and sustainable operations in Colombia; and Co-development and support for Avicanna's pharmaceutical pipeline for Health Canada and FDA level clinical development and registration.

On February 16, 2022, the Corporation announced a \$4.5 million loan offer from Québec's Ministère de l'Économie et de l'Innovation ("MEI") under the BioMed Propulsion Program, managed by Investissement Québec ("IQ") as part of the Economic Development Fund, under the responsibility of the MEI (the "**IQ Loan**"). The goal of the BioMed Propulsion Program is to financially support Quebec companies in the life-sciences sector with a high growth potential so that they will market their research findings. This funding will support the development of ARDS-003 in the indication of acute respiratory distress syndrome whether or not it is caused by COVID-19, as well as in patients with Sepsis.

The disbursement of the IQ Loan is conditional upon numerous closing conditions, including the relocation of our head office from the province of Ontario to the province of Quebec, which will require the approval of two-thirds of the votes cast by shareholders of the Corporation present or represented by proxy at the next annual general and special meeting of the shareholders of the Corporation, expected to be held in May 2022.

In connection with the IQ Loan, on each disbursement date, the Corporation is obligated to grant IQ Common Share purchase warrants having a value equal to 25% of the amount so disbursed on each such disbursement date, with the number of such warrants to be calculated based on the closing trading price of the Common Shares the day preceding the request for disbursement from the Corporation to IQ, with each warrant entitling IQ to purchase one Common Share at a price equal to the applicable Closing Price, less a discount of 10%. The granting of such warrants requires the approval of TSX as well as approval of the shareholders of the Corporation, in each case pursuant to the rules of the TSX.

Disbursement of the IQ Loan is also conditional on numerous other closing conditions, including minimum financing conditions, the disposition of certain non-pharma assets, a no-objection letter regarding the ARDS-003 development program, the granting of security interests in favour of IQ, as well as other customary closing conditions.

There is no guarantee that the Corporation will be able to meet all of the conditions to funding of the IQ Loan, including the approval by the shareholders of the Corporation of the head office relocation and issuance of warrants in favour of IQ. If any of the conditions for funding of the IQ Loan is not met, the Corporation will not receive any portion of the IQ Loan.

On February 22, 2022 the Corporation announced a license agreement with Thorne Health Tech Inc. for the commercialization of its patent protected prebiotic dietary supplement in the United States market. The agreement includes royalty on sales and milestone payments.

Management Update on COVID-19 Pandemic

The Corporation continues to adapt and navigate through a period of widespread uncertainty. The COVID-19 pandemic has increased the difficulty of finding partners for the Corporation's clinical programs to obtain the funding required to develop such programs. The main reasons for these difficulties can be explained as follows:

- (i) the pandemic has disrupted the business of the drug development-oriented companies that are the logical partners for these asset (due to fewer normal course procedures being done) and thereby constrained the new product budgets of such companies;
- (ii) ongoing restrictions on physical travel (e.g. closed borders, quarantines, etc.) are making it more difficult to advance negotiations, conclude partnerships, and manage off-site clinical trial work;
- (iii) patient recruitment has made recruitment more difficult, as patients are kept away from hospitals;
- (iv) staff allocated to cover non COVID-19 related treatments is limited; and
- (v) all regulatory agencies have experienced significant delays in processing applications as the regulatory agencies transition to remote working and have diverted key personnel to advancing COVID-19 related treatments and vaccines.

For example, despite the Corporation having successfully opened an additional site in the United States and protocol amendments aimed at accelerating enrolment for its REBORN[®]1 Phase II trial, the impact of the COVID-19 pandemic on clinical sites remained an issue affecting speed of recruitment and enrolment in 2021 and the first quarter of 2022. The Corporation is actively working on opening clinical sites outside of the United States to further accelerate enrolment. The REBORN[®]2 Phase II/III clinical trial is expected to be initiated in 2022 in the United States, Australia, Canada and Europe.

As a further example, the Corporation had strategically initiated the selection of additional clinical sites as backup sites for its PLENITUDE[®] Phase II clinical trial to increase the likelihood of the clinical sites being granted a Schedule I license. During the calendar year of 2021 the DEA only issued Schedule 1 licenses to 6 of the 10 originally planned sites. The delays by the DEA are associated with the impact of the COVID-19 pandemic on its internal resources. While the Corporation had estimated completion of 50% by the end of the fiscal year, site activation delays and the COVID-19 pandemic impeded such milestone from being attained. These delays do not impact the time-to-submission of the QIXLEEF[™] New Drug Application. As mentioned before, despite the number of activated sites, the impact of the COVID-19 pandemic on clinical sites remains an issue affecting speed of recruitment and enrolment. The Corporation is working on

mitigation plans to address these issues, which includes opening additional sites in and out of the United States.

The pandemic has however provided Tetra with a silver lining – the new drug candidate ARS-003 which our scientists, associated with Dalhousie University, had been studying for over 12 years. It also provided a framework that allowed reducing two years of development work to one year and allowed for multiple interactions with regulators regarding ARS-003.

ARDS-003 is a new molecular entity formulated as a sterile injectable nano-emulsion containing the drug common name Onternabez. This novel therapeutic intervention treats hyperinflammatory states including those seen in viral infections such as COVID-19, as well as other disease-states associated with dysregulation of the immune system and elevated levels of inflammatory cytokines, such as sepsis. The investigational drug is designed to dampen the cytokine release syndrome and could be administered in combination with dexamethasone and/or antivirals. Although ARDS-003 is a promising new molecular entity for multiple therapeutic indications related to hyperinflammation, its drug development program is expensive and requires specific expertise for formulation and manufacturing. There can be no assurance that the Corporation will be able to secure additional financing on reasonable terms or at all, to pursue its ARDS-003 drug development program. See "*Forward-looking Statements*" and "*Risk Factors*" for additional information.

It should be noted that the active molecule in ARDS-003 (Onternabez) is also being studied to improve inflammation and pain in certain diseases such as uveitis, painful dry eye, and other painful ocular conditions. The drug program is called PPP-003. Both ARDS-003 and PPP-003 have the same active substance, which represents a great advantage to accelerate the PPP-003 drug development by leveraging the data collected in the preclinical, toxicologic and clinical development of ARDS-003.

DESCRIPTION OF THE CORPORATION AND BUSINESS OVERVIEW

General Description

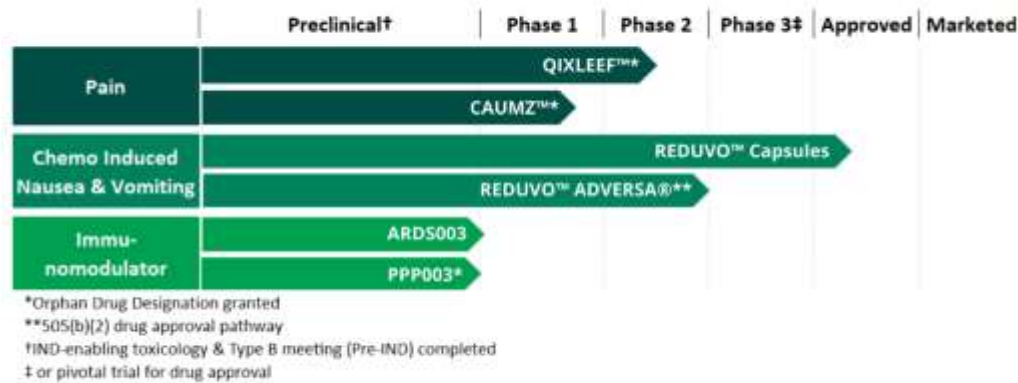
Tetra is a leader in cannabinoid-derived drug discovery and development aimed at bringing novel prescription drugs and treatments to patients and their healthcare providers. Tetra's evidence-based scientific approach has enabled us to develop a pipeline of drug products for a range of medical conditions, including pain, inflammation, and cancer. With patients at the core of what we do, Tetra is focused on providing rigorous scientific validation and safety data required for inclusion into the existing biopharma industry by regulators, healthcare professionals and insurance companies.

The Corporation has a robust pipeline of multi-patented formulations and drug delivery systems with a unique portfolio of assets in early research and development phase to advanced stage clinical programs. The Corporation develops drug candidates based on clinical trials authorized in Canada by Health Canada, in the United States by the FDA, and intends to expand its clinical development in Brazil, Europe and India. Tetra's products have the potential to serve many unmet medical needs of patients in multiple markets, including the U.S., Canada and Europe.

A successful biopharmaceutical company requires a pipeline of patent protected molecules, formulations, and various delivery systems that can become its next generation therapeutics. As Tetra continues to focus on the biopharmaceutical sector, the Corporation's intention is to grow rapidly into a fully vertically integrated pharmaceutical company whereby Tetra Bio-Pharma Inc., the parent company, will be responsible for the commercialization of novel drugs that are discovered, developed, and clinically tested by any of its subsidiaries while securing distributors in the rest of the world.

Biopharmaceutical Products Pipeline

The table below summarizes all clinical⁸ and regulatory work we are currently performing on all our products⁹:



The activities listed in the pipeline above were developed based on estimates and assumptions made by management considering management's experience and perception of historical trends, U.S. Drug Enforcement Agency ("DEA") clinical site licensing performance, current conditions and expected future developments, as well as factors that management believes are appropriate. Refer to the section titled "Caution Regarding Forward-Looking Statements" of this AIF for cautionary statements regarding our estimates and assumptions. Tetra is in constant communication with its vendors and partners monitoring COVID-19 and its impact on current projects.

QIXLEEF™

QIXLEEF™ is a botanical investigational new drug with a fixed ratio of THC and CBD that meets USA cGMP regulatory requirements. QIXLEEF™, with its innovative and proprietary dosing data, provides fast acting relief from pain, offering patients a viable, safe, and opioid-reduction option for pain management. The product will be first indicated in patients with cancer suffering of uncontrolled breakthrough pain (REBORN® trials) then in patients with advanced cancer with inadequately controlled pain (PLENITUDE® trials). As further described below, the observed outcomes to date indicate that the REBORN®1 and PLENITUDE® clinical trials should continue, and enrolment accelerated. To date, the clinical data also demonstrates the importance of accelerating testing in non-cancer patient populations because of the larger potential market size and the critical need for therapies to reduce opioid use. More data is necessary to confirm the role of QIXLEEF™ in pain management and opioid reduction.

Advanced cancer pain is defined by the International Association for the Study of Pain as "unpleasant sensory and emotional experience associated with actual or potential tissue damage". Pain is a common symptom associated with a cancer diagnosis. Market studies performed on behalf of Tetra for advanced cancer pain in the United States estimate the addressable market at more than USD\$900 million by 2030¹⁰. This figure takes in consideration the off-label market, which will continue to demand non-opioid treatments.

⁸ Tetra built a bridging strategy between QIXLEEF™ and CAUMZ™ to accelerate its development program. Management has halted the development of CAUMZ™ pending the outcome of its REBORN® QIXLEEF™ clinical trial. This trial will provide a proof-of-concept for both drug assets.

⁹ The Corporation provides regular updates to its pipeline through its website: <https://tetrabiopharma.com/pipeline>.

¹⁰ DelveInsight syndicated market research results, Market Insights, Epidemiology and Market Forecast 2030; 2020.

QIXLEEF™ is designed to be inhaled through a vaporizer, the Mighty Medic, a first battery-powered, Class 2 medical vaporizer device, approved by Health Canada. The Mighty Medic vaporizer has been used in Tetra's research with QIXLEEF™ including Phase I clinical trials and is being used in the REBORN® and PLENITUDE® clinical trials.

QIXLEEF™ has been granted Orphan Drug Designation from the FDA and the European Medicines Agency as a potential treatment for complex regional pain syndrome (CRPS), a chronic neuropathic pain condition.

Defining THC and CBD metabolites in human plasma is a critical step for the FDA and Health Canada to characterize the safety profile of the drug product in patients consuming cannabis. In 2020, Tetra developed and validated methods to identify 11 different cannabinoids in human samples. Pharmacokinetic analysis of CBD metabolism in humans exposed to inhaled QIXLEEF™ revealed a promising safer safety profile of QIXLEEF™ in the liver, unlike oral CBD. Both active substances of QIXLEEF™, THC and CBD, showed a relative bioavailability four to five times higher than THC and CBD oral administration, outlining the competitive advantage of QIXLEEF™ over currently approved cannabinoid-based drugs.

The extensive characterization of absorption and metabolism of THC and CBD provides a unique insight on the mechanism of action of QIXLEEF™ that can be leveraged in future clinical trials submission.

As the Corporation continues to advance QIXLEEF™ towards the ultimate milestone of marketing approval, Tetra plans to initiate Phase III and NDA-filing (New Drug Application) enabling toxicology. In addition, Tetra plans to initiate research studying the interactions between the active medicinal ingredients which is required for the NDA of a drug-drug combination product.



QIXLEEF™ is being evaluated in for the management of breakthrough cancer pain in the REBORN® trials. REBORN® is designed to assess the safety and efficacy of QIXLEEF™ on time to onset of action for QIXLEEF to rapidly alleviate breakthrough pain in patients with cancer. We are assessing whether QIXLEEF may be a potential alternative to immediate-release oral opioids for pain relief.

The REBORN® clinical trial was designed with two parts. REBORN®1 is a phase II trial and is aimed at testing the hypothesis that inhaled cannabinoids can provide very fast relief from pain and helping to determine the required sample size to demonstrate superiority to immediate release oral opioids in pivotal trials. REBORN®1 allows the Corporation to rapidly gather preliminary data through a proof-of concept study. The study protocol was authorized by the FDA and approved by the Ethics Committee in the first quarter of Fiscal 2021 and is conducted in the U.S. only. The lead clinical site was qualified and was granted the protocol-specific Schedule I license by the Drug Enforcement Administration. The site started the enrolment activities in May 2021. In order to accelerate the enrolment, the study protocol was amended to include two additional immediate release oral opioids (hydromorphone and oxycodone) in addition to immediate release morphine sulfate as study drug comparators. Given the delay inherent to the DEA administration review process to accordingly amend the Schedule I license of the lead site, the Corporation qualified a second clinical site to support patient enrolment. The second site was fully activated in September 2021, with ethics committee approval and Schedule I license granted, which are critical steps for allowing shipment of study medication to the site.

Should REBORN®1 trial be successful, the Corporation intends to pursue the development of QIXLEEF™ in the same therapeutic indication with a REBORN®2 clinical study. REBORN®2 will be a phase II/III intended to determine (1) the optimal dose, meaning the dose at which therapeutic effect is achieved with a good safety profile to rapidly alleviate pain intensity in breakthrough pain episodes and (2) confirm preliminary efficacy data of the study drug as assessed in REBORN®1 trial.

The REBORN[®]1 Phase II trial is expected to be completed in 2022. The REBORN[®]2 Phase II/III trial is expected to be initiated in 2022 in the United States or Europe. The Corporation's ability to complete clinical trials is subject to a number of risk factors and assumptions. Refer to the sections titled "*Caution Regarding Forward-Looking Statements*" above and "*Risk Factors*" below for additional information.

The activation of the second site for REBORN[®]1 was delayed by two months by the DEA due to its internal administrative review process. With this second site activated in early September 2021, the Corporation is working on increasing patient enrolment. Similarly, the amendment of the study protocol expanding to three immediate-release oral opioids will lead to an increase in the enrolment rate per month. The amendment which was approved in July 2021 became active at the clinical site at the end of August 2021 after DEA revision and release of the amended Schedule 1 license. Despite the additional site in the United States and protocol amendments aimed at accelerating enrolment, the impact of COVID-19 on clinical sites remained an issue affecting speed of recruitment and enrolment in 2021 and the first quarter of 2022. The Corporation is actively working on opening clinical sites outside of the United States to further accelerate enrolment. The REBORN[®]2 Phase II/III trial is expected to be initiated in 2022 in the United States, Australia, Canada and Europe.

The open-label design of the study allows the Corporation to verify the performance of the investigational new drug both with respect to both efficacy and safety. To date, the observed adverse effect profile of QIXLEEF[™] is similar to that observed in previous clinical trials. This includes no serious adverse events and no unexpected adverse events. With regards to efficacy, preliminary data from over 40 episodes of breakthrough pain in each of the experimental and active treatment groups suggests that QIXLEEF[™] could be an effective analgesic for pain management and allow reduction of the use of opioids, thereby confirming to the Corporation that the clinical trial should continue, and enrolment should be accelerated. More data is necessary to confirm the role of QIXLEEF[™] in pain management and opioid reduction. The promising results confirmed to the Corporation the potential of the drug to alleviate pain in the non-cancer patient population, offering a valuable alternative therapy to reduce opioids consumption in a larger market size.

CAUMZ[™] is Tetra's second-generation inhaled cannabinoid-derived drug candidate. It is a synthetic version of QIXLEEF[™] and will also be investigated in the management of breakthrough cancer pain through the REBORN[®] trials. REBORN[®]1 which is being conducted with QIXLEEF[™], allows the Corporation to rapidly gather preliminary data through a proof-of-concept study. The Corporation is waiting for results from the REBORN[®]1 study and additional funding, to determine the next steps related to CAUMZ[™]. The CAUMZ[™] drug asset benefits from a bridge to QIXLEEF[™] whereby all clinical achievements of QIXLEEF[™] will benefit CAUMZ[™], thus reducing clinical requirements for drug approval and lowering the risk of unsuccessful clinical outcomes in pivotal trials. As of the date of this AIF, all activities related to CAUMZ[™] have been halted.

PLENITUDE

As an addition to standard end-of-life care, QIXLEEF[™] aims to improve quality of life and help reduce the pain of adults with terminal cancer. PLENITUDE[®], a Phase II clinical trial cleared by the FDA, is a 4-week trial to evaluate the safety and efficacy of inhaled QIXLEEF[™] on uncontrolled cancer pain in 78 adult patients with symptoms related to advanced, incurable cancer, and uncontrolled cancer-related pain. On September 2, 2020, the Corporation announced that it had initiated the in-life Phase II of the clinical trial operations. The Corporation had initially estimated that the activation of 10 clinical sites would take less than 6 months. Up to now, only 6 clinical sites qualified to conduct the PLENITUDE trial have been granted a study-specific Schedule I license. The DEA revision process is a lengthy two-step process, requiring approval at the state and at the federal levels, and was highly affected by the COVID-19 pandemic. The Corporation strategically initiated the selection of additional clinical sites as back-up sites to increase the likelihood of the clinical sites being granted a Schedule I license. For context, during the calendar year of 2021 the DEA had only issued Schedule 1 licenses to 6 of the 10 originally planned sites. The delays by the DEA are associated with the impact of COVID-19 on its internal resources. While the Corporation had estimated completion of 50% by the end of the fiscal year, site activation delays and COVID-19 impeded

such milestone from being attained. These delays do not impact the time-to-submission of the QIXLEEF™ NDA. As mentioned before, despite the number of activated sites, the impact of COVID-19 on clinical sites remains an issue affecting speed of recruitment and enrolment. The Corporation is working on mitigation plans to address these issues, which includes opening additional sites in and out of the United States.

The PLENITUDE® trial is double-blind thereby limiting the Corporation's ability to assess the current clinical outcomes with certainty. To date, the observed adverse drug event profile in the study patients includes a blend of mild to moderate effects in terms of severity, with the majority being mild. The adverse drug events are similar to that observed in previous clinical trials. This includes no serious adverse events and no unexpected adverse events. With regards to efficacy, the blinded format of the study prevents the Corporation from confirming any QIXLEEF™ related outcomes. However, the study results demonstrate that the data from many patients shows clinically significant improvement in pain which is maintained over time. The observed outcomes signal that the clinical trial should continue and enrolment should be accelerated. The clinical data also demonstrates the importance to the Corporation of accelerating testing in non-cancer patient populations because of the larger potential market size and the critical need for therapies to reduce opioid use.

In August 2020, Tetra announced that it had a first meeting with the Malta Medicines Authority ("MAA") which resulted in clarifications and the identification of milestones necessary to complete a compliant clinical trial application. To ensure the application is compliant with both the local Malta and European authorities, Tetra requested scientific advice and protocol assistance on REBORN®2 and PLENITUDE®2 to the Malta European Medicines Authority in April 2021. This step is taken to ensure alignment of QIXLEEF™ clinical development program with the European Medicines Agency to seek guidance to meet the requirements and expectations for a marketing authorization. In September 2021, Tetra received the Scientific Advice Assessment (SAA) Report from the Malta Medicines Authority. The SAA Report provided positive feedback on Tetra's drug development plan for QIXLEEF™ and eligibility for submitting a Marketing Authorization Application (MAA) under Directive 2001/83/EC (Directive). The report endorses Tetra's proposed plan to address the nonclinical safety requirements for submitting an MAA for QIXLEEF™ and the Corporation's quality program for QIXLEEF™ as a medicine. In addition, the report discusses the assessment of both the PLENITUDE® and REBORN® clinical programs with regards to an MAA. The SAA Report provided guidance on the endpoints and other aspects of the protocol. The REBORN®2 trial was identified as pivotal for the MAA because of its dose-response endpoint requirements of the Directive. Depending on the outcome in the REBORN1® and REBORN2® clinical trials, full Marketing Authorization would require confirmation of the outcome of REBORN1®.

If the REBORN® trial demonstrates a better safety profile and a faster onset of pain relief, the Corporation intends to submit Fast Track and Priority Review Designations to the FDA. Subsequently, if those designations are granted, the Corporation plans to submit the QIXLEEF™ NDA for marketing approval based on the clinical data of REBORN®1 trials. In addition to the clinical data of REBORN® trials, QIXLEEF™'s safety can also be supported by the long-term safety data derived from the PLENITUDE®1 clinical trial. This regulatory strategy allows the Corporation to optimize its investment in the QIXLEEF™ clinical program.

REDUVO™

The Corporation has a portfolio of potential drug products that target chemotherapy-induced nausea and vomiting (CINV). The portfolio includes the following three products: REDUVO™ soft gel capsule, REDUVO™ AdVersa® mucoadhesive tablet, and REDUVO™ inhaled THC-based product.

As previously announced, the Corporation signed a definitive agreement to acquire the exclusive rights to sell Dronabinol soft gel capsules in Canada with a United States-based strategic partner. Dronabinol soft gel capsules are prescribed for the treatment of HIV-related anorexia associated with weight loss and CINV. The agreement comes with a complete Dronabinol Data Pack. On December 30, 2020, the Corporation submitted its first new drug submission (NDS) for the REDUVO™ soft gel capsules to Health Canada to

obtain approval and a drug identification number (DIN) for the prescription drug. The submission is currently in the final stage of review by the regulator.

Furthermore, the Corporation entered into an amended and restated license agreement with IntelGenx Corp., a Canadian leader in pharmaceutical films, to acquire additional worldwide exclusive rights for the mucoadhesive delivery technology. Tetra is planning to file a 505(b)(2) application in the United States in 2023. This new technology, namely the REDUVO™ AdVersa® mucoadhesive tablet, will offer more flexibility to patients who are experiencing issues associated with swallowing soft gel capsules. While the indication of CINV will remain the same as for the soft gel, this new technology is expected to limit the first-pass metabolism, improve bioavailability, as well as reduce gastro-intestinal exposure and related side-effects, and finally enhance product stability. Preliminary human data indicate that the side-effect profile may be lessened without affecting efficacy.

During Fiscal 2021 the Corporation began pre-launch activities such as different validation reports, tech transfer, manufacturing setup and Medical Science Liaison (MSL) touchpoints with healthcare professionals for its REDUVO™ drug candidate. As of the date of this AIF, the Corporation is still waiting for official communication from Health Canada on the DIN to expand manufacturing and launch activities. It is important to keep in mind Health Canada has prioritized vaccines and COVID-19 related treatments, diverting the department's key personnel to review and expedite these files. This explains the delays in communication and feedback from Health Canada.

ARDS-003 (Onternabez)

As part of its prioritizing activities, the Corporation has halted the development activities pending funding from government. This is part of the Corporation's decision to maintain lower R&D expenses. On February 16, 2022, the Corporation announced the IQ Loan, which will support the development of ARDS-003 in the indication of acute respiratory distress syndrome whether or not it is caused by COVID-19, as well as in patent with Sepsis. The IQ Loan is conditional upon numerous closing conditions, including certain conditions precedent for which shareholder and regulatory approvals are required, and there is no guarantee such approvals will be obtained, or that the Corporation will be able to fulfil the conditions necessary to obtain funding of the IQ Loan, on a timely basis or at all. It is expected that development activities regarding ARDS-003 will resume promptly following the first disbursement under the IQ Loan, once the conditions precedent are satisfied. See "*General Development of the Business – Recent Developments*" for more information on the IQ Loan.

ARDS is a severe lung condition that causes low blood oxygen. This disease is characterized by acute hyperinflammation driven by excessive production of cytokines such as IL-6 and TNF- α , as well as other pro-inflammatory immune modulators which result in organ failure and death. The most common cause of ARDS is Sepsis, a serious and widespread infection of the bloodstream. According to the World Health Organization (WHO), between 2022 and 2026¹¹, sepsis will affect close to 54 million individuals worldwide.

The increase in the Sepsis diagnostics will consequently increase Sepsis-induced ARDS. The Delveinsight report on ARDS estimates the global addressable market value of ARDS induced by Sepsis to rise from USD \$918 million in 2017 to USD \$3 billion by 2030. For the study period covering 2017 to 2030, CAGR was estimated at 9.55%¹².

Tetra's drug candidate, ARDS-003 (Onternabez nano-emulsion), is an optimized sterile nano-emulsion of a synthetic compound that meets pharmaceutical quality standards for an intravenously administered drug. This new therapeutic is aimed at preventing and treating the serious, life-threatening inflammatory response

¹¹ Source: Global Report on the Epidemiology and Burden of Sepsis: Current Evidence, Identifying Gaps and Future Directions. Geneva: World Health Organization; 2020.

¹² Source: Idem.

associated with COVID-19 (or other viral infections that induce a severe inflammatory reaction), cytokine release syndrome and Sepsis.

In the late part of Fiscal 2020, the Corporation announced it completed preclinical studies demonstrating an anti-inflammatory and anti-fibrotic effect of its new drug candidate, ARDS-003 (Onternabez nano-emulsion), in an animal model of lung injury known as "induced pulmonary fibrosis". Pulmonary fibrosis occurs when lung tissue is scarred, often as a result of extreme or prolonged inflammation. This scarring results in a stiffening of lung tissue that may lead to respiratory problems and, in extreme cases, respiratory failure. The results of Tetra's preclinical studies demonstrate that ARDS-003 reduces levels of key inflammatory markers, such as the cytokine interleukin 6 (IL-6), and proinflammatory cytokines (TNF α , IL-1 β). Importantly, this anti-inflammatory effect was reflected in reduced fibrosis measures when the lung tissue was analyzed after 20 days of treatment.

To further confirm that a comparable effect may occur in humans, ARDS-003 (Onternabez nano-emulsion) was studied using models of inflammation in human lung cells and was similarly found to reduce the activation of fibrosis-associated inflammatory pathways. Together, these results present positive evidence for the use of ARDS-003 (Onternabez nano-emulsion) as an experimental therapeutic treatment for patients with severe inflammatory disorders, such as COVID-19.

On October 22, 2020, the Corporation announced that it signed a research collaboration agreement with Targeted to evaluate ARDS-003 (Onternabez nano-emulsion) at the George Mason University National Center for Biodefense and Infectious Diseases (NCBID). As a result, ARDS-003 (Onternabez nano-emulsion) is being evaluated in SARS-CoV-2 infected animals to further understand its potential as a preventive and therapeutic medicine. On May 28, 2021, the Corporation announced positive results from initial studies in SARS-CoV-2 infected animals. Daily Health Scores (DHS) were assessed in animals treated with vehicle (no drug) or ARDS-003 at Day 7 post infection/treatment compared to sham animals (no infection, no treatment). The DHS were scored on clinical signs including overall appearance, mobility, signs of COVID-19 including respiratory distress and body condition, in order to generate an overall composite health score. Higher scores are indicative of poor clinical prognosis. Infected animals dosed with ARDS-003 (10 mg/kg) resulted in lower DHS scores at 7 days compared to no-treatment (vehicle) with some of the ARDS-003 treated mice having a DHS score comparable to the no-infection control group animals. A lower dose of 3 mg/kg ARDS-003 (Onternabez nano-emulsion) did not result in any significant benefit to infected animals. Additional studies are planned to further determine the dose range and treatment regimen that provides optimal clinical benefit in SARS-CoV-2 infected mice as well as to describe the underlying mechanisms contributing to this benefit. Through continued studies, the research team will gain tremendous knowledge on the role which a cytokine release modulating drug may play in COVID-19 and other viral infections. Tetra's efforts and focus on ARDS-003 (Onternabez nano-emulsion), can potentially provide a nonsteroidal therapy to reduce systemic inflammation which will dampen the ARDS response, which is currently an unmet need. According to the 2016 study published by the NCBI¹³, the incidence of ARDS in adult patients with Sepsis is about 6%-7% in Western countries. For patients ill of COVID-19, of the total ICU admissions, 75% will develop ARDS, which is the leading cause of mortality in COVID-19 patients¹⁴. Despite global vaccination efforts for COVID-19 and the existence and development of steroids-based therapies to combat inflammation, the demand for nonsteroidal alternative therapies to treat ARDS is expected to rise exponentially in the upcoming years.

On December 2, 2020, the Corporation announced it completed Investigational New Drug (IND) enabling toxicology. Successful completion of the non-clinical safety studies is required to submit a Clinical Trial Application in Canada and an IND in the United States for ARDS-003 for clinical trials in humans. The non-clinical safety data demonstrate that the API and the sterile injectable drug product ARDS-003 (Onternabez nano-emulsion) are both safe for use in humans. The toxicology program was designed to meet the international standards established by the International Council for Harmonisation (ICH) for enabling a first-

¹³ Source: Sepsis and Acute Respiratory Distress Syndrome: Recent Update. Kim & Hong: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4823184/>

¹⁴ Source: Nature Portfolio "Dampening Inflammation in COVID-19 Response".

in-human clinical trial and included general toxicology in two species, specific studies to assess toxicity in major organ systems (cardiovascular, respiratory, nervous system) and genotoxicity.

In addition, on March 26, 2021, the Corporation announced it had entered into an agreement with Targeted to initiate additional studies on ARDS-003. As a result, the following studies were conducted before the management's decision to halt clinical and manufacturing activities on ARDS-003 pending further funding. First, a preliminary study conducted in June 2021 on HIV determined that viral replication is significantly decreased when ARDS-003 (Oternabaz nano-emulsion) is used in combination with a standard antiviral drug to treat HIV. In other words, it clears the virus significantly better than the standard antiviral drug alone. These results suggest that in addition to immunomodulator properties, ARDS-003 demonstrates strong antiviral effects in humans. Second, a study in the LPS Septic Lung model demonstrated statistically significant reduction of serum cytokines and chemokines. Third, after demonstrating a statistically better health score status following infection of mice with COVID-19, a new study was initiated to assess the impact of ARDS-003 on serum cytokines. This latter study demonstrated statistically significant reduction in serum cytokines on Day 6 post-infection, and also compared ARDS-003 to Remdesivir. The results of the second and third studies were used to demonstrate to governmental funding agencies the potential role of ARDS-003 in the management of patients infected with viruses, such as COVID-19.

In March and April 2021, the Corporation announced it had received positive feedback from Health Canada and the FDA on its pre-clinical trial and pre-IND applications for ARDS-003 (Oternabaz nano-emulsion), receiving support for Tetra to file CTA and IND applications for ARDS-003 to be studied in COVID-19 patients at risk of developing ARDS. Upon recommendation of the authorities, the Corporation developed an adaptive study protocol to allow concomitant recruitment of healthy volunteers and COVID-19 patients and assessed the feasibility to conduct the sub-study on patients in Canada, US, Brazil and India. The Corporation continues to have discussions with various government departments regarding funding for the clinical program of ARDS-003 asset.

The clinical trial enabling regulatory process is different for a SARS-CoV-2 indication. Regulatory agencies in Canada and in the United States have reduced the CTA/IND review periods to approximately 10-14 days. This period does not allow the agencies to review the nonclinical safety package of a new molecular entity. Therefore, prior to submitting the CTA/IND request, the Corporation must first provide the nonclinical safety data in a pre-IND/CTA format.

Once human studies are launched, the research and development team will continue to advance the nonclinical safety studies to ensure readiness for an eventual Phase II trial. Completion of these nonclinical safety studies is required to support a new drug submission/application in Canada/the United States. The nonclinical studies include longer term repeat dose toxicology, as well as developmental, fertility, and early embryonic toxicology.

The Corporation believes that this drug will play a significant role in addressing the needs of the anti-inflammatory and antiviral drug markets. However, as with any new drug candidate, ARDS-003 has not yet been shown to be effective in the prevention or treatment of inflammatory conditions in humans. One of the major drawbacks of the current corticosteroid treatments is the general immunosuppression which suppresses the body's immune system and its ability to fight infections and other diseases¹⁵. In the case of vaccination, the efficacy of vaccines to prevent ARDS response is estimated to be at 95%. Finally, the current COVID-19 pandemic will neither be the first nor the last respiratory virus which our society will be faced with. Other COVID-19 predecessors include severe acute respiratory syndrome (SARS) in 2003 and the Middle East Respiratory Syndrome (MERS) in 2012. These predecessors revealed that corticosteroid-based treatments could exacerbate lung injury in infected patients¹⁶. ARDS-003 appears to have its unique mechanism of action, which is not expected to induce side-effects commonly associated with other inflammatory treatments including steroids¹⁷. The use of low-dose dexamethasone is part of standard of

¹⁵ Source: Idem.

¹⁶ Source: Idem.

¹⁷ Source: Nature Portfolio "Dampening Inflammation in COVID-19 Response".

care for COVID-19 and has been correlated with decreased COVID-19 mortality and reduction in need for mechanical ventilation¹⁸. Given that the anti-inflammatory effect of ARDS-003 (Onternabez nano-emulsion) is broader than the anti-inflammatory effect of dexamethasone and presents a safer safety profile, it is believed that the addition of ARDS-003 (Onternabez nano-emulsion) to dexamethasone standard of care treatment will result in additional benefit for the patients. However, please refer to the "Risk Factors" section of this AIF for additional disclosure on the COVID-19 pandemic.

Management continues to believe that its ARDS-003 drug candidate will benefit from an accelerated timeline, since the drug would meet the eligibility criteria of an unmet medical need and a treatment for life-threatening condition. Additionally, as part of its regulatory strategy, the Corporation intends to submit a request for advance consideration under the Notice of Compliance with conditions (NOC/c) policy and a request for priority review to accelerate both the new drug submission (NDS) to Health Canada and the submission review by Health Canada. If ARDS-003 qualifies for a NOC/c and the priority review is granted, the Corporation's request can be subject to a six-month timeline as per Health Canada's policy. The Corporation will also apply to similar expedited development/review programs with the FDA and EMA.

PPP-003

The Corporation has maintained its decision not to invest funds on the clinical development of this ophthalmic drug pending the signing of a co-development or licensing agreement with another biotechnology or pharmaceutical company.

Uveitis is defined by the Mayo Clinic, as a form of eye inflammation that affects the middle layer of tissue in the eye wall (uvea)¹⁹. The uveitis specific market research report forecasts addressable market in the United States to reach USD \$900 million by 2030, a 49% increase from the uveitis market size observed in 2017²⁰. For the study period covering 2017 to 2030, CAGR is estimated at 3.7%.

It should be noted that the active molecule in ARDS-003 (Onternabez) is also being studied in a new formulation as eye drops, to reduce inflammation and pain in certain diseases such as uveitis, diabetic retinopathy, and other painful ocular conditions. This drug program is called PPP-003 (Onternabez solution). Both ARDS-003 and PPP-003 have the same active substance (Onternabez solution), which represents a great advantage to accelerate the PPP-003 drug development by leveraging the data collected in the clinical development of ARDS-003. Advancements in ARDS-003 and PPP-003 may allow Tetra to enter a multibillion dollar the market for ARDS, sepsis and uveitis.

As of the date of this AIF, the veterinary dog trial remains suspended due to restrictions related to the COVID-19 pandemic in the province of New Brunswick and due to the Corporation's prioritization of other projects ahead of PPP-003 veterinary.

GROWTH STRATEGY

The Corporation develops drugs that adhere to Canadian, United States, and European prescription drug regulations. The main focus is in the therapeutic area of pain, inflammation, and chemotherapy-induced nausea and vomiting. to provide physicians and patients an alternative to opioids. These medicines would be a safe, effective and non-addictive alternative for reducing the need of opioids. The Corporation has a robust novel pipeline that uses multiple delivery systems. Regulatory strategies are implemented to accelerate the path to commercialization and achieve value generating milestones.

¹⁸ Source: The BMJ Journal "Drug Treatments for COVID-19: living systematic review and network meta-analysis". Sterne et al 2020; Siemieniuk et al 2020.

¹⁹ Uveitis, Mayo Clinic. Source :<https://www.mayoclinic.org/diseases-conditions/uveitis/symptoms-causes/syc-20378734#:~:text=Uveitis%20is%20a%20form%20of,redness%2C%20pain%20and%20blurred%20vision.>

²⁰ "Uveitis: Market Insights, Epidemiology and Market Forecast—2030." Delveinsight, Healthcare Consulting and Market Research .

The Corporation remains committed to its innovative ARDS-003 (Onternabez) program to treat Sepsis and ARDS, as it continues its discussions and compliance efforts to meet the government bodies' criteria required to secure funding. The Corporation however decided not to proceed into clinical trials without this secured funding and instead dedicate all of its resources to achieving two other key milestones: advancement of QIXLEEF™ trials and REDUVO™ marketing approval.

Following the Corporation's 2021 annual and special meeting of shareholders, the new board of directors of the Corporation recommended that the Corporation focus its operations on two key value creating drug assets. In parallel, the board of directors of the Corporation and executive team worked to reduce monthly expenses. Both decisions were key to minimize the yearly financing needs as the Corporation drives two of its drugs towards marketing approval and commercialization.

In the case of QIXLEEF™, the primary focus has been targeting a drug approval indication related to reduction of opioids. PLENITUDE® clinical operations were maintained as long term safety and efficacy data will be required for drug approval by regulators.

The Corporation has several other drug assets that could enter clinical trials subsequent to government funding and/or co-development partnerships. In addition, any of these assets could be licensed to a biotechnology or pharmaceutical company. The CAUMZ™ drug asset benefits from a bridge to QIXLEEF™. All clinical achievements of QIXLEEF™ will benefit the CAUMZ™ drug product thereby reducing the clinical requirements for drug approval and lowered risk of successful clinical outcomes in pivotal trials. The REDUVO™ AdVersa® asset was delayed pending successful new drug approval in Canada. ARDS-003 trials were not launched pending government funding or a partnership. The vision for the PPP-003 remains licensing or co-development with a partner. The Corporation is still exploring co-development opportunities with pharma players involved in ophthalmology. There is no guaranty that funding will be provided by any government bodies or that any co-development opportunities will materialize. The Corporation will provide further updates as they are known.

On February 16, 2022, the Corporation announced the approval of the IQ Loan, which will support the development of ARDS-003 in the indication of acute respiratory distress syndrome whether or not it is caused by COVID-19, as well as in patients with Sepsis. The IQ Loan is conditional upon numerous closing conditions, including certain conditions precedent for which shareholder and regulatory approvals are required, and there is no guarantee such approvals will be obtained, or that the Corporation will be able to fulfil the conditions necessary to obtain funding of the IQ Loan, on a timely basis or at all. See "*General Development of the Business - Recent Developments*" for more information on the IQ Loan.

To distinguish itself, the Corporation's business model is supported by three key pillars:

1. **Clinical trials:** Clinical trials are regulated by the drug registration authorities of each country and International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH) guidelines are an essential component of Tetra's drug development programs. Pioneering research initiatives form the cornerstone upon which the Corporation is built.
2. **Patented formulations and delivery systems:** The Corporation has both granted patents and filed patent applications. See list of patents in the table "Patents" on page 34. A separate family of patents has been filed to protect the delivery of our drugs via inhalation. The Corporation also uses advanced medical devices, formulations, and delivery systems to optimize patient care.
3. **Pharmaceutical quality:** Quality is at the forefront of what the Corporation does to ensure safety and efficacy. Adherence and compliance of Good Manufacturing Practice (GMP) requirements and regulations are mandatory and a critical aspect of the drug regulations.

The Corporation continues to adapt and navigate through a period of widespread uncertainty. See "COVID-19 Pandemic" in the "Risk Factors" section of this AIF.

Milestones Attained During Fiscal 2021:

Despite COVID-19 related delays impacting key areas of our business (regulatory, manufacturing, and clinical trial enrollment), the Corporation has made progress in advancing priority assets and delivering on key results.

Product	Milestones	Value
QIXLEEF™	✓ Initiated REBORN®1 Clinical Trial ✓ Initiated PLENITUDE® Clinical Trial ✓ Amended REBORN®1 study protocol to facilitate enrolment ✓ Expanded clinical trial sites to expedite enrolment ✓ Announced positive initial clinical data from both trials. ✓ Received Orphan Drug Designation (ODD) from the European Medicines Agency as a potential treatment for Complex Regional Pain Syndrome (CRPS), a chronic neuropathic pain condition ✓ Scaled manufacturing production to GMP standard (in house) to meet clinical trial demand ✓ The Malta Medicines Authority, through a Scientific Advice Assessment Report, endorsed Tetra's proposed nonclinical development and quality programs for QIXLEEF™ and provided clarity on clinical requirements for registration of QIXLEEF™ in Europe. ✓ The FDA granted Tetra a Type C meeting to discuss safety and labelling requirements for obtaining marketing approval under the 505(b)(1) regulatory pathway for QIXLEEF™. ✓ Received Orphan Drug Designation (ODD) from the European Medicines Agency as a potential treatment for Complex Regional Pain Syndrome (CRPS), a chronic neuropathic pain condition	Advancing clinical assets through trial activities. Evidence of strong regulatory strategy, execution, and compliance demonstrated by clinical trial authorization in the United States. Evidence of strong multidisciplinary internal expertise and compliance working in a controlled substances environment. Reducing risk by securing Orphan Drug Designation.
REDUVO™	✓ Submitted preclinical, clinical, pharmacovigilance and manufacturing packages for New Drug Submission. ✓ Received a notice of compliance for its Drug Establishment License (DEL) following an audit by the Drug GMP Inspection Program of Health Canada ✓ Completed all manufacturing and regulatory conditions for sales in Canada. ✓ Secured manufacturing and distribution of product. ✓ Designed pharmacovigilance strategy ✓ Performed gap analysis to ensure compliance of Tetra Quality Management System for pharmacovigilance activities.	Demonstrated internal multidisciplinary expertise, i.e., regulatory, clinical, quality assurance and commercial. Validated Tetra's regulatory compliance with requirements for a marketed prescription drug in Canada.

Product	Milestones	Value
	✓ Developed a robust sales strategy for Canada.	
ARDS-003 (Oternabaz)	✓ Completed Pre-IND and Pre-CTA meetings with Health Authorities. ✓ Completed formulation development and manufacturing of drug product to GMP standards. ✓ Submitted multiple patents in Canada, United States, and Europe. ✓ Submitted funding applications for government support to advance project. ✓ Through a key partnership with Targeted, discovered key antiviral properties of ARDS-003. ✓ Tetra and Targeted entered into a second agreement to further its collaboration and co-development activities to advance an Antiviral Central Nervous System Program with ARDS-003.	Ensure readiness for clinical trial initiation. Protecting shareholder value by securing intellectual property. Identified non-dilutive partnerships to complete or initiate project. Strengthening clinical assets through research and development
Securing Partnerships	✓ Secured distribution agreements with DanCann Pharma to monetize its Dronabinol and botanical portfolio ✓ Conversations with True North to commercialize its NHP products ✓ Engaged Sepsis survivor, Christine Caron, as Patient Partner ✓ Actively seek and qualify for partnerships and licensing opportunities.	Creating a robust distribution pipeline in Europe and Canada. Ensuring meaningful collaboration and patient engagement in research.

The Corporation has established the following priorities for Fiscal 2022:

I. Commercialization of REDUVO™:

- ✓ Obtain DIN from Health Canada for Tetra's first prescription drug
- ✓ Finalize manufacturing of REDUVO™ according to GMP standard
- ✓ Launch Reduvo™ for Canadian market

II. Advancement of Clinical Trials:

- ✓ Finalize REBORN®¹²¹ clinical trials in the United States
- ✓ Advance PLENITUDE® clinical trial – to further accelerate QIXLEEF™'s path to marketing approval
- ✓ Initiate REBORN®2 clinical trial in the United States or Europe.
- ✓ Evaluate acceleration of clinical trials in destinations other than United States.
- ✓ Ensure the readiness of ARDS-003 (Oternabaz nano-emulsion) to initiate clinical trials if funding is received

III. Collaborations and Partnerships:

- ✓ Identify potential partners to license and commercialize cannabinoid-based formulations and natural health product formulations
- ✓ Identify potential partners to advance ARDS-003

²¹ The REBORN® clinical trials are aimed at demonstrating the superiority of QIXLEEF™ over three immediate-release oral opioids and helping to determine the required sample size for a pivotal trial. Refer to the section entitled "Breakthrough Cancer Pain: QIXLEEF™ and CAUMZ™" for further disclosure on this program.

Patents

Tetra currently holds 9 patents registered in Europe, Australia, Canada, and the US as well as numerous patent applications, listed in the table below. These patents cover pharmaceutical compositions for use in the treatment of inflammation and/or pain.

Patent Title	Country / Region	Application (Patent) No.	Filing Date (Issue Date)
Compositions for Treatment of Ocular Inflammation and Pain	United States	61/906,694	20-Nov-13 (Priority Document)
	Patent Cooperation Treaty ("PCT")	PCT/CA2014/000841	20-Nov-14 (Priority Document)
	Canada	2,931,039	18-May-16
	Europe	14864137.6 (EP3071193B)	20-Jun-16 (8-Jan-20)
	Germany	DE3071193	8-Jan-20
	UK	GB3071193	8-Jan-20
	France	FR3071193	8-Jan-20
	Italy	IT3071193	8-Jan-20
	Switzerland	CH3071193	8-Jan-20
	Spain	ES3071193	8-Jan-20
Compositions and Methods for Treatment of Ocular Inflammation and/or Pain	United States	61/906,694	20-Nov-13 (Priority Document)
	PCT	PCT/CA2014/000841	20-Nov-14 (Priority Document)
	US (CIP)	14/722,991 US9,549,906B2	27-May-15 (24-Jan-17)
	Canada	2,986,588	27-May-16 (Pending)
	Europe	16799004.3	21-Dec-17 (Pending)
	Australia	2016268872	21-Dec-17 (20-Aug-20)
Topical Liposome Compositions Containing Phenolic Anti-Inflammatory	PCT	WO2014/085914AI	6-Dec-13 (12-Dec-14)
	United States	9775789B2	6-Dec-13 (3-Oct-17)
Methods for Treatment of Interstitial Cystitis	US	62/586,516	15-Nov-17 (Priority Document)
	PCT	16/190,450	14-Nov-18 (Priority Document)
	US	US10,973,777	14-Nov-18 (13-Apr-21)
	US – Continuation	17/189,506	2-Mar-21 (Pending)
	Canada	3,048,926	14-Nov-18 (Pending)
	Europe	18878853.3	19-Jun-19 (Pending)
	Australia	2018367945	26-Jun-19 (Pending)
	China	2018800265386	1-Oct-19 (Pending)
	Hong-Kong (Based on foreign IP Right)	62020007822	20-May-20 (Pending)
	Japan	2019-542098	30-Jul-19 (Filed)
	Korea	10-2019-7023798	13-Aug-19 (Filed)
Cannabis Plant Residue and Use Thereof	US	63/046,915	1-Jul-20 (Priority Claim)
	PCT	PCA/CA2021/050886	28-Jun-21 (6-Jan-22)
Topical Liposomal Flavonoid and Cannabinoid Compositions for Treating and Preventing Various Skin Disorders and Methods of Preparation Thereof	Canada	CA2021050614	3-May-21 (Priority Document)
	PCT	PCA/CA2021/051327/08946860WO	
Methods, Processes, and Compositions for Improved Preparation of HU308 and HU433	US – Provisional	63/082,986/08946860US	24-Sep-20
	PCT	PCT/CA2021/051327/08946860WO	23-Sep-21 (Priority Document)
Cannabis Compositions and Methods	Canada – Provisional	3,027,876	18-Jun-20 (Priority Document)
	PCT	PCT/CA2019/051833 WO2020/124220A1	18-Dec-19 (Priority Document)
	Israel	283850	9-Jun-21 (Published)

Patent Title	Country / Region	Application (Patent) No.	Filing Date (Issue Date)
	Australia	AU2019409889	17-Dec-19 (25-Jun-20)
	Canada	CA3115179	Published 020-06
	Europ	EP2019899449.3	19-Jun-21 (Pending)
Parenteral Cannabinoid Formulations and Uses	US Provisional	63/130,555/08946628US	24-Dec-20
	PCT	PCT/CA2021/051882	24-Dec-20

Principal Products or Services

The Corporation is currently devoting its resources to research and development. Upon successful completion of clinical trials and approval of the Corporation's prescription drugs, the Corporation plans to:

1. Enter into licensing agreements with pharmaceutical companies in various regions of the world for the commercialization of its prescription drugs. Entering into such agreements will be dependent on regulatory approval of various regulatory bodies such as Health Canada's Therapeutic Products Directorate ("TPD"), the FDA, and other such entities. Through these licensing agreements, Tetra expects to generate revenues from one or a combination of the following: (i) upfront payments for the right to exclusively commercialize a product in a specific territory where such product(s) will have been approved, (ii) royalties on the sales of licensed product(s), (iii) milestone payments on the sales of licensed product(s), and (iv) commercial milestones.
2. Commercialize, on its own, via partnerships and/or through reseller(s), such drugs that will be aimed towards the pharmacies, and any other channels where such drugs will be permitted to be sold by local authorities.

Competition

The pharmaceutical industry is highly competitive and subject to rapid change. The industry continues to expand and evolve as an increasing number of competitors and potential competitors enter the market. Many of these competitors and potential competitors have substantially greater financial, technological, managerial and research and development resources and experience than the Corporation. Some of these competitors and potential competitors have more experience than the Corporation in the development of pharmaceutical drugs, including validation procedures and regulatory matters. Other companies working in cannabinoid research may develop drugs targeting the same diseases that the Corporation is focused on that are competitive or superior to Tetra's drug candidates. In addition, there are non-FDA approved cannabis/cannabinoid preparations being made available from companies in the medical cannabis industry, which may be competitive to Tetra's drugs. If Tetra is unable to compete successfully, its commercial opportunities will be reduced and Tetra's business, results of operations and financial conditions may be materially harmed.

Compared to the Corporation, many of its competitors may have significantly greater financial, technical and human resources at their disposal. As a result of these factors, competitors may have an advantage in marketing their approved drugs and may obtain regulatory approval of their drug candidates before the Corporation, which may limit the Corporation's ability to develop or commercialize its drug candidates. Competitors may also develop drugs that are safer, more effective, more widely used and less expensive, and may also be more successful in manufacturing and marketing their products. These advantages could materially impact the Corporation's ability to develop and commercialize its drugs successfully.

Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller and other early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These third parties compete with us in recruiting and retaining qualified scientific, management and commercial personnel, establishing clinical trial sites and subject

registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs.

Employees

As of November 30, 2021, Tetra had 33 employees.

DIVIDENDS

Other than the dividend-in-kind of 15,500,000 common shares of North Bud Farms Inc. (the "North Bud Dividend") received by the Corporation as part of the sale of all the shares of its subsidiary GrowPros MMP Inc. to North Bud Farms Inc. in February 2018, which such dividend was paid on September 12, 2018, the Corporation has not paid dividends on its Common Shares to date and it currently intends to retain its future earnings, if any, to fund the development and growth of its business. See *"Risk Factors – Risks Related to the Corporation's Securities – No Paid Dividends"* below for additional information.

REGULATORY OVERVIEW

Tetra's operations are subject to a variety of laws, regulations, guidelines and policies relating to the manufacture, import, export, management, packaging/labelling, advertising, sale, transportation, distribution, storage and disposal of its drug candidates but also including laws and regulations relating to drugs, controlled substances, health and safety, the conduct of its operations and the protection of the environment. While, to the knowledge of management, Tetra is currently in material compliance with all such laws, any changes to such laws, regulations, guidelines and policies due to matters beyond the control of Tetra may adversely affect its operations.

The Corporation is required to comply with the requirements of the various regulatory agencies (such as the TPD of Health Canada) in jurisdictions where the Corporation intends to register its drugs as prescription drugs, as well as its non-prescription drug products. Any entity planning to commercialize pharmaceutical drugs is required to follow and adhere to key regulatory requirements and paths for prescription drugs, as well as non-prescription drugs. Clinical trials or clinical studies are performed to evaluate the safety and efficacy of new products (drug or medical devices) or for a new intended use of an already approved product. Health Canada and the FDA are involved in the regulation of the sale (distribution) and importation of unapproved drugs for use in human clinical trials.

Clinical trials fall under the responsibility of each jurisdiction's specific regulatory body:

- Health Canada:
 - Controlled substances, botanical and synthetic drugs: the TPD; and
 - Medical devices: Medical Device Bureau.
- FDA:
 - Controlled substances, botanical and synthetic drugs: the Center for Drug Evaluation and Research; and
 - Medical devices: Center for Devices and Radiological Health.
- EMA²²:
 - Controlled substances, botanical and synthetic drugs; and
 - Medical devices.

²² The respective agency varies by country.

In order to be able to initiate a clinical trial in humans, an investigational product must conform to the requirements defined by the International Conference on Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use and any country-specific requirements.

The Corporation performs research to understand the dose response and frequency of administration as well as the pharmacodynamics response. This data, along with the safety data, is used to define the dose range that can be tested in humans.

The general phases of drug development are:

- I. Discovery and lead selection;
- II. Preclinical (nonclinical) pharmacology and toxicology;
- III. Phase 1: safety testing in healthy human volunteers;
- IV. Phase 2: dose finding to define the potential efficacious dose and frequency of administration;
- V. Phase 3: trials performed to demonstrate the safety and efficacy of the product in the intended patient population and usually involve several hundred to several thousand participants. These trials are the key studies used to obtain marketing approval. In a life-threatening indication, regulators can accept a single Phase 3 trial under the condition that the Corporation performs a Phase 4 trial as a post-marketing requirement; and
- VI. Phase 4: also known as post-marketing trials. Trials are performed either as a commitment for marketing approval, as part of the pharmacovigilance for a product, or as part of the marketing promotion for a new drug.

Each clinical trial phase can only be initiated after having received authorization²³ from the applicable regulatory authority²⁴. This includes Phases 1, 2, 3 and Expanded Access. A Phase 4 trial only requires approval from the regulatory authority if the use of the drug is not part of the marketing approval intended use. Discovery and toxicology phases do not require approval by regulatory authorities.

During the drug development process, the Corporation prepares a study report. In Canada, once the last study required for the submission is released, the NDS application is completed and submitted to the TPD. After submitting the NDS application, the file undergoes a screening process prior to being accepted for review. The TPD has 45 calendar days from receipt to complete the screening review process. If granted a Priority Review or applications accepted for consideration under the Notice of Compliance/conditional policy, the screening period is reduced to 25 calendar days. Submission review will cease upon issuance of the Qualifying Notice. The target for the average time to reach first decision on a NDS application is 300 calendar days. The FDA has a similar review process for NDAs.

²³ Authorization typically is a no objection to the proposed clinical trial. Each country has its own regulatory framework involving a review process to ensure the safety and wellbeing of human subjects. Canada issues a No Objection Letter whereas in the USA a clinical trial goes into effect after a 30-calendar day review period unless otherwise indicated by the FDA.

²⁴ The clinical trial enabling regulatory process is different for a SARS-CoV-2 indication. Regulatory agencies in Canada and the USA are committed to review the CTA/IND in a timely and efficient manner to accelerate the drug development. Therefore, prior to submitting the CTA/IND request, the Corporation must first provide the nonclinical safety data in a pre-IND/CTA format irrespective of a prior successful meeting with the agency.

The Cannabis Act passed into law on October 17, 2018. As a result, cannabis is no longer a controlled substance under the *Controlled Drugs and Substances Act* (Canada) but is subject to the Cannabis Act and the Cannabis Regulations enacted under the Cannabis Act.

However, human and veterinary drugs containing cannabis (including phytocannabinoids) continue to be regulated as prescription drugs. Health Canada has amended both the human and veterinary prescription drug lists to include: Phytocannabinoids produced by, or found in, the cannabis plant and substances that are duplicates of such phytocannabinoids²⁵.

Pre-clinical studies and clinical trial authorizations from Health Canada continue to be required for drugs containing cannabis and some cannabinoid molecules. In addition, a research license under the Cannabis Regulations enacted under the Cannabis Act is now required in lieu of an exemption pursuant to Section 56 of the *Controlled Drugs and Substances Act* (Canada) to conduct research activities with cannabis.

The production of drugs containing cannabis is subject to a valid cannabis drug license issued pursuant to the Cannabis Act.

RISK FACTORS

The Corporation's overall performance and results of operations are subject to a number of risks and uncertainties. There are a number of risk factors that could cause future results to differ materially from those described herein.

The risks and uncertainties described herein are not the only ones that the Corporation faces. Additional risks and uncertainties, including those that the Corporation does not know about now or that it currently deems immaterial, may also adversely affect the Corporation's business. If any of the following risks actually occur, the Corporation's business may be harmed, and its financial condition, results of operations and prospects may suffer significantly. If any such risks actually occur, shareholders of the Corporation could lose all or part of their investment. The acquisition of any of the securities of the Corporation is speculative, involving a high degree of risk and should be undertaken only by persons whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the securities of the Corporation should not constitute a major portion of an individual's investment portfolio and should only be made by persons who can afford a total loss of their investment. Shareholders should evaluate carefully the risk factors associated with the Corporation's securities described in this section, along with the other factors described and information disclosed in the Corporation's management discussion and analysis for the twelve-month period ended November 30, 2021. See the section entitled "*Forward-Looking Statements*" in this AIF for a discussion of risks associated with forward-looking statements.

Risks Related to Tetra and Its Business

Limited Operating History and No Assurance of Profitability

The Corporation is subject to all of the business risks and uncertainties associated with any early-stage enterprise, including under-capitalization, cash shortages, limitations with respect to staff, financial and other resources, and lack of revenues.

²⁵ Health Canada. Notice of Amendment: Prescription Drug List (PDL): Phytocannabinoids. Online at: <https://www.canada.ca/en/health-canada/services/drugs-health-products/drug-products/prescriptiondruglist/notice-prescription-drug-list-2018-10-17.html>

The Corporation has incurred significant operating losses since inception and substantially all losses have resulted from expenses incurred in connection with research and development and general and administrative costs associated with operations. The Corporation may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. The Corporation expects to spend a significant amount of capital to fund research and development and on further laboratory, animal studies and clinical trials for its drug candidates. In addition, the Corporation expects to continue to increase operating expenses as it implements initiatives to continue to grow its business. If the Corporation cannot produce revenue to offset these expected increases in costs and operating expenses, the Corporation will not be profitable. There is no assurance that the Corporation will generate revenue and be successful in achieving a return on shareholders' investments and the likelihood of success must be considered in light of the early stage of operations. Even if the Corporation does become profitable, it may not be able to sustain or increase profitability on a quarterly or annual basis. The Corporation cannot predict when, if ever, it will be profitable. There can be no assurances that the intellectual property of Tetra, or its drug candidates or other products or technologies it may acquire, will meet applicable regulatory standards, obtain required regulatory approvals, be capable of being produced in commercial quantities at reasonable costs, or be successfully marketed. The Corporation will be undertaking additional laboratory, animal studies, and clinical studies with respect to the intellectual property of Tetra, and there can be no assurance that the results from such studies or trials will result in a commercially viable product or will not identify unwanted side effects

Going-Concern Risk

The Corporation's financial statements have been prepared on a going concern basis under which the Corporation is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. Tetra's future operations are dependent upon the identification and successful completion of equity or debt financing and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that the Corporation will be successful in completing additional equity or debt financing or in achieving profitability, or that such additional equity or debt financing will be completed on terms satisfactory to the Corporation. Certain adverse conditions and material uncertainties cast doubt upon the ability of the Corporation to continue as a going concern. These include:

- the Corporation has a working capital deficiency (excess current liabilities over current assets);
- the Corporation has an obligation to repay \$3,111,531 for principal amount and accrued interest to a private lender under a non-convertible debenture;
- the Corporation currently has no marketed products and no sources of revenues other than equity or debt financings, and there can be no assurance as to the Corporation's ability to maintain or obtain sufficient financing sources for operations or to meet future obligations.

This could result in adjustments to the amounts and classifications of assets and liabilities in the Corporation's financial statement. The financial statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should it be unable to continue as a going concern. If the Corporation is unable to continue as a going concern, it may be forced to seek relief under applicable bankruptcy and insolvency legislation, which may negatively affect the price and volatility of the Common Shares and any investment in such shares could suffer a significant decline or total loss in value, and would subject the Corporation to additional risks related to such proceedings.

During the first quarter of 2021, the Corporation obtained a non-convertible debenture financing from a private lender in an aggregate principal amount of \$3,000,000. The debenture is secured a security interest over all assets of Tetra and its subsidiaries. Under the terms of the debenture, the Corporation is subject to a large number of positive and negative covenants. In the event of a default to (i) make payments required under the terms of the debenture, (ii) comply with the Corporation's numerous positive and negative covenants, or (iii) otherwise comply with the terms of the debenture, the lender could, in certain circumstances, (i) declare the principal amount of the debenture then outstanding, all accrued and unpaid interest owing in respect thereof and all other monies payable thereunder to be due and payable and such principal and interest shall immediately become due and payable by the Corporation to the lender, and take

possession of the assets of the Corporation. A default by the Corporation under the debenture would have a material adverse effect on the Corporation.

Ability to Manage Growth

The Corporation expects operating expenses and staffing levels to increase in the future. To manage such growth, the Corporation must expand its operation and technical capabilities and manage its employee base while effectively administering multiple relationships with various third parties. There can be no assurance that the Corporation will be able to manage its expanding operations effectively. Any failure to implement cohesive management and operating systems, to add resources on a cost-effective basis or to properly manage the Corporation's expansion could have a material adverse effect on its business and results of operations.

Unproven Market

The Corporation believes that the anticipated market for its potential products and technologies will continue to exist and expand. These assumptions may prove to be incorrect for a variety of reasons, including competition from other products and the degree of commercial viability of the potential product. If the Corporation is not able to successfully market its potential products, this could have a material adverse effect on its financial position, operating results and prospects.

Changes in Laws, Regulations and Guidelines

Tetra's operations are subject to a variety of laws, regulations and guidelines relating to pharmacology, cannabinoids, and drug delivery, as well as laws and regulations relating to health and safety, the conduct of operations, and the protection of the environment. While, to the knowledge of the Corporation's management, Tetra is currently in material compliance with all such laws, changes to such laws, regulations and guidelines due to matters beyond the control of the Corporation may cause adverse effects to our operations and financial condition. These changes may require the Corporation to incur substantial costs associated with legal and compliance fees and ultimately require the Corporation to alter its business plan. In addition, if the governments of Canada or the U.S. were to enact or amend laws relating to our industry, it may decrease the size of, or eliminate entirely, the market for the Corporation's drugs, may introduce significant new competition into the market and may otherwise potentially materially and adversely affect the Corporation's business, results of operations, and financial condition.

Publicity or Consumer Perception around Cannabis

Since our drug candidates contain substances related to the cannabis plant regulated under the Cannabis Act, their regulatory approval may generate public controversy. Political and social pressures and adverse publicity could lead to delays in approval of, and increased expenses for our drug candidates. These pressures could also limit or restrict the introduction and marketing of our drug candidates. Adverse publicity from cannabis misuse or adverse side effects from cannabis or other cannabinoid drugs may adversely affect the commercial success or market penetration achievable for our drug candidates. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality cannabis, or other negative effects or events related to medications and other products with cannabis derived compounds included in them, could have such a material adverse effect. The nature of our business attracts a high level of public and media interest, and in the event of any resultant adverse publicity, our reputation may be harmed. Furthermore, our drug candidates may be subject to import/export and research restrictions that could delay or prevent the development of Tetra's drugs in various geographical jurisdictions. Synthetic derivatives such as Panag's HU-308 (PPP003) are neither regulated under the *Controlled Drugs and Substances Act* (Canada) nor under the Cannabis Act.

The Corporation believes the medical cannabis industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the compounds derived from cannabis. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to cannabis-based pharmaceutical markets or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory

proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for the Corporation's services. The Corporation's dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the Corporation and the demand for the Corporation's services.

Commercialization Risks

If approved for marketing, the commercial success of the Corporation's drug candidates will depend upon their acceptance by the medical community, including physicians, patients and health care payors. The degree of market acceptance of the Corporation's drug candidates will depend on a number of factors, including:

- demonstration of clinical safety and efficacy;
- relative convenience and ease of administration;
- the prevalence and severity of any adverse effects;
- the willingness of physicians to prescribe our drug candidates and of the target patient population to adopt new therapies;
- safety, tolerability and efficacy of our drug candidates compared to competing drugs;
- the introduction of any new drugs that may in the future become available to treat indications for which our drug candidates may be approved;
- new procedures or methods of treatment that may reduce the incidences of any of the indications in which our drug candidates may be prescribed;
- pricing and cost effectiveness;
- the inclusion or omission of our drug candidates in applicable treatment guidelines;
- the effectiveness of our or any future partnerships' sales and marketing strategies;
- limitations or warnings contained in Health Canada and FDA-approved labelling;
- our ability to obtain and maintain sufficient third-party coverage or reimbursement from government healthcare programs, including Medicare and Medicaid, private health insurers and other third-party payors; and
- the willingness of patients to pay out-of-pocket in the absence of third-party coverage or reimbursement.

If any of the Corporation's drug candidates are approved, but do not achieve an adequate level of acceptance by physicians, healthcare payors and patients, sufficient revenue may not be generated and the Corporation may not be able to achieve or sustain profitability. The Corporation's efforts to educate the medical community and third-party payors on the benefits of its drug candidates may require significant resources and may never be successful.

In addition, even if regulatory approvals are obtained, the timing or scope of any approvals may prohibit or reduce the ability to commercialize its drug candidates successfully. For example, if the approval process takes too long, the Corporation may miss market opportunities and give other companies the ability to develop competing drugs or establish market dominance. Any regulatory approval the Corporation ultimately obtains may be limited or subject to restrictions or post-approval commitments that render its drug candidates not commercially viable.

Limitations on approval or marketing could restrict the commercial promotion, distribution, prescription or dispensing of the Corporation's drug candidates.

Inability to Identify, Discover or License Drug Candidates and Reliance on Third Parties

The success of the Corporation's business may depend on its ability to identify and evaluate new medical indications for cannabis-derived pharmaceuticals and license such pharmaceuticals. The Corporation's research programs may fail to yield drug candidates and the Corporation may fail to license identified drug candidates for a number of reasons, including but not limited to the following:

- the Corporation's research process may be unsuccessful in identifying new uses for cannabis-derived drugs evaluated and drug candidates suitable for repurposing;
- the Corporation may not be able or willing to assemble sufficient resources to identify or discover additional drug candidates;
- the Corporation may not succeed in partnering with third parties to advance identified drug candidates to the experimental research stage of drug repurposing;
- pharmaceutical companies may develop alternatives that render the Corporation's identified drug candidates obsolete or less attractive;
- the market for an identified drug candidate may change during the Corporation's program so that such a drug candidate may not be attractive to pharmaceutical companies;
- an identified drug candidate may not be capable of being produced in commercial quantities at an acceptable cost, or at all; and
- an identified drug candidate may not be accepted as safe and effective by patients, the medical community or third-party payors.

If any of these events occurs, the Corporation may be forced to abandon its efforts to identify, discover or license drug candidates, which would have a material adverse effect on its business and could potentially cause the Corporation to cease operations. Research programs to identify new drug candidates require substantial technical, financial and human resources. The Corporation may focus its efforts and resources on potential programs or drug candidates that ultimately prove to be unsuccessful. In addition, the Corporation does not manufacture any products and intends to rely on third parties to manufacture the products that the Corporation identifies as drug candidates. The Corporation's research, development and commercialization of its drug candidates could be stopped or delayed if any such third party fails to provide sufficient quantities of any products, fails to provide products at acceptable quality levels or prices or fails to achieve satisfactory regulatory compliance. If any of these events occurs, the Corporation may be forced to abandon its research, development and commercialization programs in respect of certain or all products, which would have a material adverse effect on its business and could potentially cause the Corporation to cease operations.

Success of our Drug Candidates

The Corporation can make no assurance that its research and development programs will result in regulatory approval or commercially viable drugs. To achieve profitable operations, we, alone or with others, must successfully develop, gain regulatory approval, and market our future drugs. We currently have no prescription drugs that have been approved by the FDA, Health Canada, or any similar regulatory authority. Additionally, we currently have no drugs for commercial sale or licensed for commercial sale. As a result, we are not currently generating revenue from our drugs and may never generate revenue from the sale or licensing of our drugs, or otherwise.

Many drug candidates never reach the stage of clinical testing and even those that do have only a small chance of successfully completing clinical development and gaining regulatory approval. Drug candidates may fail for a number of reasons, including, but not limited to, being unsafe for human use or due to the failure to provide therapeutic benefits equal to or better than the standard of treatment at the time of testing. Positive results of early preclinical research may not be indicative of the results that will be obtained in later stages of preclinical or clinical research. Similarly, positive results from early-stage clinical trials may not be indicative of favourable outcomes in later-stage clinical trials. We can make no assurance that any future studies, if undertaken, will yield favourable results. The early stage of our drug development makes it particularly uncertain whether any of our drug development efforts will prove to be successful and meet applicable regulatory requirements, and whether any of our drug candidates will receive the requisite regulatory approvals, be capable of being manufactured at a reasonable cost or be successfully marketed. If we are successful in developing our current and future drug candidates into approved drugs, we will still experience many potential obstacles such as the need to develop or obtain manufacturing, marketing and distribution capabilities. If we are unable to successfully commercialize any of our drugs, our financial condition and results of operations may be materially and adversely affected.

Safety and Efficacy of Drug Candidates

Before obtaining marketing approval from regulatory authorities for the sale of our drug candidates, we must conduct preclinical studies in animals and extensive clinical trials in humans to demonstrate the safety and efficacy of the drug candidates. Clinical testing is expensive and difficult to design and implement, can take many years to complete and has uncertain outcomes. The outcome of preclinical studies and early clinical trials may not predict the success of later clinical trials and interim results of a clinical trial do not necessarily predict final results. A number of companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in advanced clinical trials due to lack of efficacy or unacceptable safety profiles, notwithstanding promising results in earlier trials. We do not know whether the clinical trials we may conduct will demonstrate adequate efficacy and safety to result in regulatory approval to market any of our drug candidates in any jurisdiction. A drug candidate may fail for safety or efficacy reasons at any stage of the testing process. A major risk we face is the possibility that none of our drug candidates under development will successfully gain market approval from the FDA, Health Canada or other regulatory authorities, resulting in us being unable to derive any commercial revenue from them after investing significant amounts of capital in multiple stages of preclinical and clinical testing.

Patient Enrollment in Clinical Trials

As our drug candidates advance from preclinical testing to clinical testing, and then through progressively larger and more complex clinical trials, we will need to enroll an increasing number of patients that meet our eligibility criteria. The factors that affect our ability to enroll patients are largely uncontrollable and include, but are not limited to, the following:

- size and nature of the patient population;
- eligibility and exclusion criteria for the trial;
- design of the study protocol;
- competition with other companies for clinical sites or patients;
- the perceived risks and benefits of the drug candidate under study;
- the patient referral practices of physicians; and
- the number, availability, location and accessibility of clinical trial sites.

As a result of the foregoing factors, we may have difficulty enrolling or maintaining the enrollment of patients in any clinical trials conducted for our drugs, which may result in the delay or cancellation of such trials. The delay or cancellation of any clinical trials could shorten any periods during which we may have the exclusive right to commercialize our drug candidates or allow our competitors to bring drugs to market before us, which would impair our ability to successfully commercialize our drug candidates and may harm our financial condition, results of operations and prospects.

Reliance on Pre-Clinical Testing and Clinical Trials

Prior to obtaining regulatory approval for the sale of the drug candidates, the Corporation must conduct pre-clinical testing and clinical trials. The results of the pre-clinical testing and clinical trials are uncertain and a drug candidate may fail at any stage of clinical development. The historic failure rate for drug candidates is high due to scientific feasibility, safety, efficacy, changing standards of medical care and other variables.

If the Corporation does not successfully complete preclinical and clinical development, it will be unable to market and sell drugs derived from its drug candidates and generate revenues. Even if clinical trials are successfully completed, those results are not necessarily predictive of results of additional trials that may be needed before a new drug application may be submitted to the Health Canada or the FDA.

The testing process may take several years and may include post-marketing studies and surveillance, which would require the expenditure of substantial resources. The Corporation cannot assure that preclinical or clinical trials will begin or be completed on schedule, as the commencement and completion of clinical trials can be delayed for various reasons. A clinical trial may be suspended or terminated by the Corporation, Health Canada, the FDA, the Institutional Review Board, ethics committees, data safety monitoring boards or other foreign or U.S. regulatory authorities overseeing the clinical trial at issue due to

a number of factors, including, among others: failure to conduct the clinical trial in accordance with regulatory requirements; inspection of clinical trial sites by regulatory authorities which requires corrective action by the Corporation, including the imposition of a clinical hold; unforeseen safety issues; adverse side effects or lack of effectiveness of the drug candidates; or changes in government regulations or administrative actions.

Preclinical or clinical trials may also be delayed, suspended or terminated due to a lack of effectiveness of drug candidates during clinical studies; adverse events, safety issues or side effects relating to the drug candidates or their formulation; inability to raise additional capital in sufficient amounts to continue clinical trials or development programs; the need to sequence clinical studies as opposed to conducting them concomitantly in order to conserve resources; the Corporation's inability to enter into collaborations relating to the development and commercialization of drug candidates; failure by the Corporation or its collaborators to conduct clinical trials in accordance with regulatory requirements; the Corporation's inability, or the inability of its collaborators, to manufacture or obtain from third parties' materials sufficient for use in preclinical and clinical studies; governmental or regulatory delays and changes in regulatory requirements, policy and guidelines, including mandated changes in the scope or design of clinical trials or requests for supplemental information with respect to clinical trial results; failure of the Corporation's collaborators to advance its drug candidates through clinical development; delays in patient enrolment, variability in the number and types of patients available for clinical studies, and lower-than anticipated retention rates for patients in clinical trials; difficulty in patient monitoring and data collection due to failure of patients to maintain contact after treatment; a regional disturbance where the Corporation or its collaborative partners are enrolling patients in the Corporation's clinical trials, such as a pandemic, terrorist activities or war, or a natural disaster; or varying interpretations of data by Health Canada, the FDA and similar foreign regulatory agencies. For example, our business could be adversely impacted by the effects of the COVID-19 pandemic or other epidemics. Some of our contract manufacturers of clinical trial materials are located outside Canada, and should they experience disruptions, such as temporary closures or suspension of services, our clinical trials could be delayed. It is likely that a health facility or physician would not prioritize a clinical trial over an emergency care, and some health facilities where the Corporation conducts clinical trials may direct all medical specialists to first-line care in the event of an epidemic or pandemic such as the COVID-19 pandemic, which could delay clinical trials or result in their suspension or termination. In addition, health facilities affected by COVID-19 may decline to accept on their premises patients suffering from an impaired immune system, such as cancer patients, thereby delaying clinical trials relating to such patients, or resulting in the suspension or termination of such clinical trials.

There is also the risk of a delay in the project due to the unavailability of the pharmaceutical components of the drug regimen or the willingness or availability of test subjects. The components of the drug regimen are experimental drugs which have limited manufacturers. These drug components may be or become unavailable. The drugs are also derivatives of cannabis and are subject to strict regulatory controls which could also impact or interfere with the Corporation's ability to obtain a supply of the drugs for its testing program.

Vulnerability of Results of Planned Clinical Trials

A number of companies in the life sciences industry have suffered significant setbacks in advanced clinical trials, even after positive results in earlier trials. Clinical results are frequently susceptible to varying interpretations that may delay, limit, or prevent regulatory approvals. Any pre-clinical data and the clinical results obtained for our drug candidates may not predict results from studies in larger numbers of subjects drawn from more diverse populations or in the commercial setting, and also may not predict the ability of our products to achieve their intended goals, or to do so safely. Negative or inconclusive results or adverse medical events during a clinical trial could cause a clinical trial to be delayed, repeated, or terminated. Any pre-clinical data and the clinical results obtained for our technologies may not predict results from studies in larger numbers of subjects drawn from more diverse populations or in the commercial setting, and also may not predict the ability of our products to achieve their intended goals, or to do so safely. Adverse differences between interim data and final data could significantly harm our business prospects. Further, disclosure of interim data by the Corporation or by its competitors could result in volatility in the price of our

Common Shares.

Significant setbacks can be caused by, among other things, pre-clinical findings made while clinical trials are underway or safety, or efficacy observations made during clinical trials, including adverse events. Pre-clinical and clinical data is susceptible to varying interpretations and analyses. There is the potential that drug candidates that performed satisfactorily in preclinical studies and clinical trials fail to obtain FDA, Health Canada and EMA approval, resulting in the Corporation being unable to derive any commercial revenue from them after investing significant amounts of capital in multiple stages of preclinical and clinical testing. Furthermore, the exact nature of the studies these regulatory agencies will require is not known and can be changed at any time by the regulatory agencies, increasing the financing risk and potentially increasing the time to market the Corporation faces, which could adversely affect the Corporation's business, financial condition or results of operations. Failure to produce positive results in clinical trials of the drug candidates could result in a material adverse effect to the development timeline, regulatory approval, commercialization prospects and business and financial prospects of the Corporation. If clinical trials of the Corporation's drug candidates fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or do not otherwise produce positive results, the Corporation would incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of its drug candidates.

Delays in Clinical Testing

We cannot predict whether any clinical trials will begin as planned, will need to be restructured, or will be completed on schedule, or at all. Our drug development costs will increase if we experience delays in clinical testing. Significant clinical trial delays could shorten any periods during which we may have the exclusive right to commercialize our drug candidates or allow our competitors to bring drugs to market before us, which would impair our ability to successfully commercialize our drug candidates and may harm our financial condition, results of operations and prospects. See "*Risk Factors – COVID-19 Pandemic*" for a discussion of the potential impacts of the COVID-19 pandemic on the Corporation's operations. The commencement and completion of clinical trials for our drugs may be delayed for a number of reasons, including delays related, but not limited, to:

- failure by regulatory authorities to grant permission to proceed or placing the clinical trial on hold;
- import/export and research restrictions for cannabinoid-based pharmaceuticals delaying or preventing clinical trials in various geographical jurisdictions;
- patients failing to enroll or remain in our trials at the rate we expect;
- suspension or termination of clinical trials by regulators for many reasons, including concerns about patient safety or failure of our contract manufacturers to comply with cGMP requirements;
- any changes to our manufacturing process that may be necessary or desired;
- delays or failure to obtain clinical supply from contract manufacturers of our drugs necessary to conduct clinical trials;
- drug candidates demonstrating a lack of safety or efficacy during clinical trials;
- patients choosing an alternative treatment for the indications for which we are developing any of our drug candidates or participating in competing clinical trials and/or scheduling conflicts with participating;
- clinicians;
- patients failing to complete clinical trials due to dissatisfaction with the treatment, side effects or other reasons;
- reports of clinical testing on similar technologies and drugs raising safety and efficacy concerns;
- clinical investigators not performing our clinical trials on their anticipated schedule, dropping out of a trial, or employing methods not consistent with the clinical trial protocol, regulatory requirements or other third parties not performing data collection and analysis in a timely or accurate manner;
- failure of our contract research organizations ("CROs"), to satisfy their contractual duties or meet expected deadlines;
- inspections of clinical trial sites by regulatory authorities or Institutional Review Boards ("IRBs"), or ethics committees finding regulatory violations that require us to undertake corrective action, resulting in suspension or termination of one or more sites or the imposition of a clinical hold on the

entire study;

- one or more IRBs or ethics committees rejecting, suspending or terminating the study at an investigational site, precluding enrollment of additional subjects, or withdrawing its approval of the trial; or
- failure to reach agreement on acceptable terms with prospective clinical trial sites.

Our drug development costs will increase if we experience delays in testing or approval or if we need to perform more or larger clinical trials than planned. Additionally, changes in regulatory requirements and policies may occur, and we may need to amend study protocols to reflect these changes. Amendments may require us to resubmit our study protocols to regulatory authorities or IRBs or ethics committees for re-examination, which may impact the cost, timing or successful completion of that trial. Delays or increased drug development costs may have a material adverse effect on our business, financial condition and prospects.

Negative Results from Clinical Trials or Studies of Others and Adverse Safety Events

From time to time, studies or clinical trials on various aspects of biopharmaceutical drugs are conducted by academic researchers, competitors or others. The results of these studies or trials, when published, may have a significant effect on the market for the biopharmaceutical drug that is the subject of the study. The publication of negative results of studies or clinical trials or adverse safety events related to our drug candidates, or the therapeutic areas in which our drug candidates compete, could adversely affect the price of the Common Shares and our ability to finance future development of our drug candidates, and our business and financial results could be materially and adversely affected.

Reliance on Regulatory Approval and Compliance Risk

The Corporation's ability to successfully produce the drug candidates is dependent on extensive ongoing regulatory compliance and reporting requirements by the DEA, the FDA, Health Canada and other foreign regulatory authorities ("Reporting Requirements"). Failure to comply with the requirements and terms of the Reporting Requirements could have a material adverse impact on the business, financial condition and operating results of the Corporation. There is no assurance that continuous regulatory approval will be given for the drug candidates. Should regulatory approval not be continued, the business, financial condition and operating results of the Corporation would be materially adversely affected. Even if the Corporation receives regulatory approval for its drug candidates, this approval may carry conditions that limit the market for the drugs or put the drugs at a competitive disadvantage relative to alternative therapies. For instance, regulatory approval may limit the indicated uses for which the Corporation can market a drug or the patient population that may utilize the drug or may be required to carry a warning on its packaging. Once a drug candidate is approved, the Corporation remains subject to continuing regulatory obligations, such as safety reporting requirements and additional post-marketing obligations, including regulatory oversight of promotion and marketing.

If the Corporation's operations are found to be in violation of any of the federal and state laws or any other governmental regulations that apply to it, the Corporation may be subject to penalties, including criminal and significant civil monetary penalties, damages, fines, imprisonment, exclusion from participation in government programs, injunctions, recall or seizure of products, total or partial suspension of production, denial or withdrawal of pre-marketing product approvals, private "qui tam" actions brought by individual whistleblowers in the name of the government, or refusal to allow the Corporation to enter into supply contracts, including government contracts, and the curtailment or restructuring of our operations, any of which could adversely affect the Corporation's ability to operate its business and its results of operations. To the extent that any of the Corporation's products are sold in a foreign country, we may be subject to similar foreign laws and regulations, which may include, for instance, applicable post-marketing requirements, including safety surveillance, anti-fraud and abuse laws, and implementation of corporate compliance programs and reporting of payments or transfers of value to healthcare professionals.

In both domestic and foreign markets, the development, formulation, manufacturing, packaging, labelling, handling, distribution, import, export, licensing, sale, and storage of pharmaceuticals are affected by a body of laws, governmental regulations, administrative determinations, including those by the Canadian Food

Inspection Agency and the FDA, court decisions, and similar constraints. Such laws, regulations and other constraints can exist at the federal, provincial or local levels in Canada and at all levels of government in foreign jurisdictions. The Corporation and its partners may be required to incur significant costs to comply with such laws and regulations in the future, and such laws and regulations may have an adverse effect on the business. The failure of the Corporation or its partners to comply with current or future regulatory requirements could lead to the imposition of significant penalties or claims and may have a material adverse effect on the business. In addition, the adoption of new laws, regulations or other constraints or changes in the interpretations of such requirements might result in significant compliance costs or lead the Corporation and its partners to discontinue product development and could have an adverse effect on the business.

Quality of Contract Manufacturers

We currently have no manufacturing experience and rely on contract manufacturing organizations (“CMOs”), to manufacture the active pharmaceutical ingredients (i.e., HU308, THC, CBD) used in the research drug candidates for preclinical studies and clinical trials. We manufacture under current good manufacturing practice (“cGMP”) regulations all finished drug products that are used in preclinical studies and clinical trials through our partnership with Quantum Pharma Inc. (the former GMP manufacturing division of Ford’s Family Pharmacy and Wellness Centre) and Dalton Pharma Services. This latter facility also performs the packaging, storing and shipping of research drugs to the laboratories and clinical sites. The FDA and Health Canada ensure the quality of drug products by carefully monitoring drug manufacturers’ compliance with cGMP regulations. The cGMP regulations for drugs contain minimum requirements for the methods, facilities and controls used in manufacturing, processing and packing of a drug product. If our CMOs, or partners, increase their prices or fail to meet our quality standards, or those of regulatory agencies such as the FDA and Health Canada, and cannot be replaced by other acceptable CMOs, our ability to obtain regulatory approval for and commercialize our drug candidates may be materially adversely affected.

Arrangements for the Supply of Raw Materials or the Manufacture of our Drugs for Pre-Clinical or Clinical Trials

We do not produce medical cannabis or synthetic cannabinoids, and therefore our ability to research, develop and commercialize our cannabinoid-based drugs is dependent upon a sufficient supply of quality medical cannabis strains and synthetic cannabinoid. Any significant interruption or negative change in the availability, quality, import-export permits from regulators, or economics of the supply chain for medical cannabis or synthesis of cannabinoids could materially impact our business, financial condition and operating results. Some strains of medical cannabis or synthetic precursors may only be available from a single supplier or a limited group of suppliers. If a sole source supplier were to go out of business or were to lose its license, or if such supplier’s strains, or a key reagent required for the synthesis, were to fail to meet quality requirements, we might be unable to find a replacement source in a timely manner or at all. If a sole source supplier were to be acquired by a competitor, that competitor might elect not to supply us or to lower the quality of the strains or cannabinoids supplied to us. Any inability to secure required supplies of quality medical cannabis and synthetic cannabinoids or to do so on appropriate terms could have a materially adverse impact on our business, financial condition and operating results. See *“Risk Factors - COVID-19 Pandemic”* for additional information regarding the potential impact of the current COVID-19 pandemic on the Corporation’s supply chain.

Marketing Capability

To be successful, an approved product must also be successfully marketed. The market for the Corporation’s drug candidates being developed by the Corporation may be large and will require substantial sales and marketing capability. At the present time, Tetra does not have any internal capability to market products or technologies. The Corporation intends to enter into one or more strategic partnerships or collaborative arrangements with pharmaceutical or cannabis companies or other companies with marketing and distribution expertise to address this need. If necessary, the Corporation will establish arrangements with various partners for geographical areas. There can be no assurance that the Corporation can market or can enter into a satisfactory arrangement with a third party to market a product in a manner that would assure its acceptance in the marketplace. However, if a satisfactory arrangement with a third party to market or distribute a product is obtained, then the Corporation will be dependent on the corporate collaborator(s)

who may not devote sufficient time, resources, and attention to the Corporation's programs, which may hinder efforts to market the products. Should the Corporation not establish marketing and distribution strategic partnerships and collaborative arrangements on acceptable terms, and undertake some or all of those functions, the Corporation will require significant additional human and financial resources and expertise to undertake these activities, the availability of which is not guaranteed. The Corporation will rely on third parties for the timely supply of raw materials, equipment, contract manufacturing, and formulation or packaging services. Although the Corporation intends to manage these third-party relationships to ensure continuity and quality, some events beyond the Corporation's control could result in complete or partial failure of these goods and services. And such failure could have a material adverse effect on the financial conditions and result of operation of the Corporation .

Effectiveness and Efficiency of Advertising and Promotional Expenditures

Tetra's future growth and profitability will depend on the effectiveness and efficiency of advertising and promotional expenditures, including the Corporation's ability to (i) create awareness of its products; (ii) determine the appropriate creative message and media mix for future advertising expenditures; and (iii) effectively manage advertising and promotional costs in order to maintain acceptable operating margins. There can be no assurance that advertising and promotional expenditures will result in revenues in the future or will generate awareness of the Corporation's technologies or products. In addition, no assurance can be given that the Corporation will be able to manage the Corporation's advertising and promotional expenditures on a cost-effective basis.

Rapidly Changing Industry

The market for the Corporation's products and services is characterized by rapid intellectual property advances, changes in customer requirements, changes in protocols and evolving industry standards. If the Corporation is unable to develop enhancements to its existing products and services or acceptable new products and services that keep pace with rapidly changing developments, its products and services may become obsolete, less marketable and less competitive and the Corporation's business will be harmed.

Competition from Companies with Greater Resources and Experience

The pharmaceutical industry is highly competitive and subject to rapid change. The industry continues to expand and evolve as an increasing number of competitors and potential competitors enter the market. Many of these competitors and potential competitors have substantially greater financial, technological, managerial and research and development resources and experience than the Corporation. Some of these competitors and potential competitors have more experience than the Corporation in the development of pharmaceutical drugs, including validation procedures and regulatory matters. Other companies researching in the same disease areas may develop drugs that are competitive or superior to Tetra's drug candidates. Other companies working in cannabinoid research may develop drugs targeting the same diseases that the Corporation is focused on that are competitive or superior to Tetra's drug candidates. In addition, there are non-FDA approved cannabis/cannabinoid preparations being made available from companies in the medical cannabis industry, which may be competitive to Tetra's drugs. If Tetra is unable to compete successfully, its commercial opportunities will be reduced and Tetra's business, results of operations and financial conditions may be materially harmed.

Success of Collaboration Agreements

The Corporation has relationships with scientific collaborators at academic and other institutions, some of whom conduct research at the Corporation's request or assist the Corporation in formulating its research and development strategies. These scientific collaborators are not the Corporation's employees and such collaborators may have commitments to, or consulting or advisory contracts with, companies that conflict in interests with and pose a competitive threat to Tetra. Moreover, to the extent that Tetra decides to enter into collaboration agreements, it will face significant competition in seeking appropriate collaborators. Collaboration arrangements are complex, and time consuming to negotiate, document and implement. Tetra may not be successful in its efforts to establish, implement and maintain collaborations or other alternative arrangements if it chooses to enter into such arrangements and its selected partners may be

given, and may exercise, a right to terminate their agreement with Tetra without cause. The terms of any collaboration or other arrangements that Tetra may establish may not be favourable to the Corporation.

Key Personnel of the Corporation

Tetra depends on key personnel, the loss of any of which could harm its business. Tetra's future performance and development will depend to a significant extent on the efforts and abilities of its executive officers and key employees, particularly its Chief Executive Officer and Chief Regulatory Officer, Dr. Guy Chamberland. The loss of the services of one or more of these individuals could harm Tetra's business. Tetra's success will depend largely on its continuing ability to attract, develop and retain skilled employees and consultants in our business. Because of the specialized scientific and managerial nature of Tetra's business, it relies heavily on its ability to attract and retain qualified scientific, technical and managerial personnel. The competition for qualified personnel in Tetra's field is intense. Due to this intense competition, Tetra may be unable to continue to attract and retain qualified personnel necessary for the development of its business or to recruit suitable replacement personnel.

Employee Misconduct or Other Improper Activities

Tetra is exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include intentional failures to comply with regulations of domestic or foreign regulatory authorities. In addition, misconduct by employees could include intentional failures to comply with certain development standards, to report financial information or data accurately, or to disclose unauthorized activities to the Corporation. Employee misconduct could also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to Tetra's reputation. While prohibited, it is not always possible to identify and deter employee misconduct, and the precautions the Corporation takes to detect and prevent this activity may not be effective in controlling unknown or mismanaged risks or losses or in protecting the Corporation from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against Tetra, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on Tetra's business and results of operations, including the imposition of significant fines or other sanctions.

Risk of Third-Party Claims for Infringement

A third party may claim that the Corporation has infringed such third party's rights or may challenge the right of the Corporation to its intellectual property. In such event, the Corporation will undertake a review to determine what, if any, action should be taken with respect to such claim. Any claim, whether or not with merit, could be time consuming to evaluate, result in costly litigation, cause delays in the operations of the Corporation or the development of its intellectual property or require the Corporation to enter into licensing arrangements that may require the payment of a license fee or royalties to the owner of the intellectual property. Such royalty or licensing arrangements, if required, may not be available on terms acceptable to the Corporation.

Protection of Our Patents and Intellectual Property

Tetra's success will depend, in part, on its ability to obtain patents, license rights to patents, protect its trade secrets and operate without infringing on the proprietary rights of others. Patents and other proprietary rights are essential to the Corporation's business. Tetra relies on trade secret, patent, copyright and trademark laws, and confidentiality and other agreements with employees and third parties, all of which offer only limited protection. The Corporation's general policy has been to file patent applications to protect its inventions and improvements to its inventions that are considered important to the development of its business. In certain cases, Tetra has chosen to protect its intellectual property by treating it as confidential internal know-how. The Corporation's success will depend in part on its ability to obtain patents, defend patents, maintain internal know-how/trade secret protection and operate without infringing on the proprietary rights of others. Interpretation and evaluation of pharmaceutical patent claims present complex legal and factual questions. Further, patent protection may not be available for some of the drugs or technology Tetra is developing. If Tetra is placed in a position where it must spend significant time and

money defending or enforcing our patents, designing around patents held by others or licensing patents or other proprietary rights held by others, Tetra's business, results of operations and financial condition may be harmed. In seeking to protect the Corporation's inventions using patents, it is important to note that there can be no assurance that:

- patent applications will result in the issuance of patents;
- additional proprietary drugs developed will be patentable;
- patents issued will provide adequate protection or any competitive advantages;
- patents issued will not be successfully challenged by third parties;
- commercial exploitation of the Corporation's inventions does not infringe the patents or intellectual property of others; or
- the Corporation will be able to obtain any extensions of the patent term.

A number of pharmaceutical, biotechnology and medical device companies and research and academic institutions have developed technologies, filed patent applications or received patents on various technologies that may be related to the business of the Corporation. Some of these technologies, applications or patents could limit the scope of the patents, if any, that the Corporation may be able to obtain. It is also possible that these technologies, applications or patents may preclude the Corporation from obtaining patent protection for its inventions. Despite the Corporation's efforts to protect its intangible property rights, unauthorized parties may attempt to copy or replicate the Corporation's product or technology. There can be no assurances that the steps taken by the Corporation to protect its product and technology will be adequate to prevent misappropriation or independent third-party development of its product and technology. It is likely that other companies can duplicate a production process similar to the Corporation's. To the extent that any of the above could occur, the Corporation's revenue could be negatively affected, and in the future, the Corporation may have to litigate to enforce its intangible property rights, which could result in substantial costs and divert the Corporation management's attention and the Corporation's resources.

Tetra's ability to successfully implement its business plan depends in part on its ability to obtain, maintain and build brand recognition using its trademarks, service marks, trade dress, domain names and other intellectual property rights, including the Corporation's names and logos. If the Corporation's efforts to protect its intellectual property are unsuccessful or inadequate, or if any third party misappropriates or infringes on its intellectual property, the value of its brands may be harmed, which could have a material adverse effect on Tetra's business and might prevent its brands from achieving or maintaining market acceptance.

The Corporation may be unable to obtain registrations for its intellectual property rights for various reasons, including refusal by regulatory authorities to register trademarks or other intellectual property protections, prior registrations of which it is not aware, or it may encounter claims from prior users of similar intellectual property in areas where it operates or intends to conduct operations. This could harm its image, brand or competitive position and cause the Corporation to incur significant penalties and costs.

Trade Secrets Maybe Difficult to Protect

Tetra's success depends upon the skills, knowledge and experience of its scientific and technical personnel, consultants and advisors, as well as contractors. Because the Corporation operates in a highly competitive industry, it relies in part on trade secrets to protect its proprietary products and processes; however, trade secrets are difficult to protect. Tetra enters into confidentiality or nondisclosure agreements with its corporate partners, employees, consultants, outside scientific collaborators, developers and other advisors. These agreements generally require that the receiving party keep confidential, and not disclose to third parties, confidential information developed by the receiving party or made known to the receiving party by the Corporation during the course of the receiving party's relationship with the Corporation. These agreements also generally provide that inventions conceived by the receiving party in the course of rendering services to Tetra will be its exclusive property, and the Corporation enters into assignment agreements to perfect its rights.

These confidentiality, inventions and assignment agreements, where in place, may be breached and may not effectively assign intellectual property rights to the Corporation. Tetra's trade secrets could also be independently discovered by competitors, in which case the Corporation would not be able to prevent the use of such trade secrets by its competitors. The enforcement of a claim alleging that a party illegally obtained and was using the Corporation's trade secrets could be difficult, expensive and time consuming and the outcome could be unpredictable. The failure to obtain or maintain meaningful trade secret protection could adversely affect the Corporation's competitive position

Acquisition and In-Licenses

The Corporation currently has rights to the intellectual property, through licenses from third parties and under patents that the Corporation owns, to develop its drug candidates. Because our programs may require the use of proprietary rights held by third parties, the growth of our business will depend in part on our ability to acquire, in-license or use these proprietary rights. For example, our drug candidates may require specific formulations to work effectively and efficiently and the rights to these formulations may be held by others. We may be unable to acquire or in-license any compositions, methods of use, processes or other third-party intellectual property rights from third parties that we identify as necessary for our drug candidates. The licensing and acquisition of third-party intellectual property rights is a competitive area, and a number of more established companies are also pursuing strategies to license or acquire third-party intellectual property rights that we may consider attractive. These established companies may have a competitive advantage over us due to their size, cash resources and greater clinical development and commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. The Corporation also may be unable to license or acquire third-party intellectual property rights on terms that would allow it to make an appropriate return on its investment.

Changes in Patent Law

Important legal issues remain to be resolved as to the extent and scope of available patent protection for biopharmaceutical and technological processes in Canada, the United States and other important markets such as Europe. As such, litigation or administrative proceedings may be necessary to determine the validity, scope and ownership of certain of the Corporation's and others' proprietary rights. Any such litigation or proceeding may result in a significant commitment of resources in the future and could force the Corporation to do one or more of the following: cease using any of its future products that incorporate a challenged intellectual property, which would adversely affect its revenue; obtain a license or other rights from the holder of the intellectual property right alleged to have been infringed or otherwise violated, which license may not be available on reasonable terms, if at all; and redesign its future products to avoid infringing or violating the intellectual property rights of third parties, which may be time-consuming or impossible to do. In addition, changes in patent laws in Canada and other countries may result in allowing others to use the Corporation's discoveries or develop and commercialize the Corporation's products. The Corporation cannot provide assurance that the patents it obtains will afford it significant commercial protection.

Future Acquisitions or Dispositions

Acquisitions, other dispositions and other strategic transactions involve a number of risks, including potential disruption of the Corporation's ongoing business; distraction of management; the Corporation may become more financially leveraged; the anticipated benefits and cost savings of those transactions may not be realized fully or at all or may take longer to realize than expected; increasing the scope and complexity of the Corporation's operations; and loss or reduction of control over certain of the Corporation's assets. The presence of one or more material liabilities of an acquired company that are unknown to the Corporation at the time of acquisition could have a material adverse effect on the results of operations, business prospects and financial condition of the Corporation. A strategic transaction may result in a significant change in the nature of the Corporation's business, operations and strategy. In addition, the Corporation may encounter unforeseen obstacles or costs in implementing a strategic transaction or integrating any acquired business into the Corporation's operations.

TSX Reviews for Companies with U.S. Assets

The Canadian Securities Administrators, the TSX and the CSE each released written statements outlining their interpretations and ongoing treatment of public companies engaged in cross-border cannabis-related activities. These guidelines establish a disclosure-based approach that sets out robust standards for public companies that currently conduct or are contemplating cannabis-related activities in the U.S. The Corporation believes the Canadian Securities Administrators' Staff Notice 51-352 (Revised) *Issuers with Marijuana-Related Activities* and the TSX's *Staff Notice 2017-0009* do not apply to the Corporation. Regardless, other companies (private or public) with which the Corporation has entered into agreements might at some point in time, without the Corporation's knowledge, initiate cross-border cannabis-related activities. The Corporation has a responsibility to disclose that it has not entered into agreement(s) with companies having such cross-border cannabis-related activities, meaning that having an agreement with such companies might place the Corporation at risk of being delisted.

Legal Proceedings

From time to time in the ordinary course of our business, we may be the subject of demand letters, face claims or otherwise become involved in various legal proceedings, including litigation involving commercial disputes, contractual claims, product liability, clinical trial liability, intellectual property, employment claims, class action lawsuits and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. Additionally, the Corporation faces litigation risks arising from its use of independent contractors and research collaborations to advance research and development of its product pipeline candidates. Such matters can be time-consuming, divert management's attention and resources and cause us to incur significant expenses. Furthermore, because litigation is inherently unpredictable, the results of any such actions may have a material adverse effect on our business, operating results or financial condition.

Conflict of Interest

Certain of the directors of the Corporation are also directors and officers of other companies, some of which may be in the pharmaceutical sector, and conflicts of interest may arise between their duties as directors of the Corporation and as officers and directors of such other companies. Such conflicts must be disclosed in accordance with, and are subject to such other procedures and remedies as apply under the applicable corporate statute.

Deficiencies in Disclosure Controls and Procedures and Internal Controls over Financial Reporting

Tetra could be adversely affected if there are deficiencies in its disclosure controls and procedures or in its internal controls over financial reporting. The design and effectiveness of Tetra's disclosure controls and procedures and its internal controls over financial reporting may not prevent all errors, misstatements or misrepresentations. Deficiencies, including material weaknesses, in internal controls over financial reporting which may occur could result in misstatements of Tetra's results of operations, restatements of financial statements, a decline in the price of the Common Shares, or otherwise materially adversely affect Tetra's business, reputation, results of operations, financial condition or liquidity. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm results of operations or cause a failure to meet future reporting obligations.

Failure to Comply with the U.S. Foreign Corrupt Practices Act ("FCPA") or the Canadian Corruption of Foreign Officials Act ("CFPOA")

The FCPA and the CFPOA, as well as any other applicable domestic or foreign anti-corruption or anti-bribery laws to which the Corporation is or may become subject generally prohibit corporations and individuals from engaging in certain activities to obtain or retain business or to influence a person working in an official capacity and requires companies to maintain accurate books and records and internal controls, including at foreign-controlled subsidiaries.

Compliance with these anti-corruption laws and anti-bribery laws may be expensive and difficult, particularly in countries in which corruption is a recognized problem. In addition, these laws present particular challenges in the pharmaceutical industry, because, in many countries, hospitals are operated by the

government, and physicians and other hospital employees are considered to be foreign officials. Certain payments by other companies to hospitals in connection with clinical trials and other projects have been deemed to be improper payments to governmental officials and have led to FCPA enforcement actions.

The Corporation's internal control policies and procedures may not protect it from reckless or negligent acts committed by the Corporation's employees, future distributors, licensees or agents and the Corporation may be held liable for their acts under applicable anti-corruption and anti-bribery laws. Noncompliance with these laws could subject the Corporation to investigations, sanctions, settlements, prosecution, other enforcement actions, disgorgement of profits, significant fines, damages, other civil and criminal penalties or injunctions, suspension or debarment from contracting with certain persons, the loss of export privileges, whistleblower complaints, reputational harm, adverse media coverage, and other collateral consequences. Any investigations, actions or sanctions or other previously mentioned harm could have a material negative effect on the Corporation's business, operating results and financial condition.

The Corporation is reliant on information technology systems and may be subject to damaging cyber-attacks

In the ordinary course of business, the Corporation may collect and store sensitive data, including intellectual property, data from preclinical studies, clinical trial data, the Corporation's proprietary business information and that of its customers, suppliers and business partners, and personally identifiable information of the Corporation's customers, clinical trial subjects and employees, in its data centers and on its networks. The secure processing, maintenance and transmission of this information is critical to the Corporation's operations. Despite security measures, the Corporation's information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions.

The Corporation has entered into agreements with third parties for hardware, software, telecommunications and other information technology ("IT") services in connection with its operations. The Corporation's operations depend, in part, on how well it protects networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts, natural disasters, intentional damage and destruction, fire, power loss, hacking, computer viruses, vandalism and theft. The Corporation's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Corporation's reputation and results of operations.

Although to the Corporation's knowledge it has not experienced any material losses to date relating to cyber-attacks or other information security breaches, but there can be no assurance that the Corporation will not incur such losses in the future. Any such breach could compromise its networks and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure or other loss of information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, disrupt the Corporation's operations, damage its ability to obtain patent protection for its drug candidates, damage its reputation, and cause a loss of confidence in its drugs and its ability to conduct clinical trials, which could adversely affect the Corporation's business and reputation and lead to delays in gaining regulatory approvals.

The Corporation's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As cyber threats continue to evolve, the Corporation may be required to expend additional resources to continue or modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Failure of our Information Technology Systems

Tetra's business depends on the use of information technologies, which means that certain key areas such as research and development and production are to a large extent dependent on its information systems or those of third-party providers. Tetra's ability to execute its business plan and to comply with regulators'

requirements with respect to data control and data integrity, depends, in part, on the continued and uninterrupted performance of its information technology systems, or IT systems and the IT systems supplied by third-party service providers. These IT systems are vulnerable to damage from a variety of sources, including telecommunications or network failures, malicious human acts and natural disasters. Moreover, despite network security and backup measures, some of the Corporation's servers are potentially vulnerable to physical or electronic break-ins, computer viruses and similar disruptive problems. Despite the precautionary measures the Corporation and its third-party service providers have taken to prevent unanticipated problems that could affect its IT systems, sustained or repeated system failures or problems arising during the upgrade of any of its IT systems that interrupt the Corporation's ability to generate and maintain data, and in particular to operate Tetra's technology platform, could adversely affect its ability to operate its business

Product Liability

As a licensed manufacturer and distributor of products designed to be ingested by humans, Tetra faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of Tetra's products involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of its products alone or in combination with other medications or substances could occur. The Corporation may be subject to various product liability claims, including, among others, that its products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against Tetra could result in increased costs, could adversely affect Tetra's reputation with its clients and consumers generally, and could have a material adverse effect on our results of operations and financial condition of Tetra. There can be no assurances that Tetra will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Insurance covering product liability claims becomes increasingly expensive as a product candidate moves through the development pipeline to commercialization; such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of Tetra's potential products. Moreover, a product recall, if required, could generate substantial negative publicity about its products and business, inhibit or prevent commercialization of other products and product candidates or negatively impact existing or future collaborations.

Clinical Trial Liability

The Corporation currently maintains clinical trial liability insurance coverage; however, there can no assurance that such insurance coverage is or will continue to be adequate or available to the Corporation at a cost acceptable to it or at all. The Corporation may choose or find it necessary under its collaborative agreements to increase its insurance coverage in the future. Moreover, the liability coverage under the Corporation's insurance policies is limited and a clinical trial liability claim could potentially be greater than the aggregate coverage limit per insurance policy obtained by the Corporation, require the Corporation to pay a substantial monetary award from Tetra's own cash resources. The Corporation's profitability would be adversely affected by any successful product liability claim in excess of its insurance coverage.

Insurance Coverage

Tetra currently maintains directors and officers liability insurance and property and general liability insurance. This insurance may not remain available to the Corporation or be obtainable at commercially reasonable rates, and the amount of the Corporation's coverage may not be adequate to cover any liability it incurs. Future increases in insurance costs, coupled with the increase in deductibles, will result in higher operating costs and increased risk. If the Corporation were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Corporation were to incur such liability at a time when it is not able to obtain liability insurance, its business, results of operations and financial condition could be materially adversely affected.

International Expansion

The Corporation may in the future expand its operations and business into jurisdictions outside of Canada. There can be no assurance that any market for the Corporation's drugs will develop in any such foreign jurisdiction. The Corporation may face new or unexpected risks or significantly increase its exposure to one or more existing risk factors, including economic instability, price controls, changes in laws and regulations and the effects of competition. These factors may limit the Corporation's capability to successfully expand its operations and may have a material adverse effect on the Corporation's business, financial condition and results of operations.

COVID-19 Pandemic

The spread of COVID-19 continues to affect segments of the global economy and may affect the Corporation's operations, including the potential interruption of its clinical trial activities and its supply chain. The continuing COVID-19 pandemic may result in additional business disruptions, including delays in its clinical trials or delays or disruptions in its supply chain. In addition, the COVID-19 pandemic could potentially negatively impact the business of the FDA, Health Canada, the European Medical Agencies (EMA) or other health authorities, which could result in delays of reviews and approvals, including with respect to its drug candidates. The continuing COVID-19 crisis could adversely affect its clinical trial operations in Canada and elsewhere, including its ability to recruit and retain patients and principal investigators and site staff who, as healthcare providers, may have heightened exposure to COVID-19 if an outbreak occurs in their geography. Further, some patients may be unable to comply with clinical trial protocols if quarantines or travel restrictions impede patient movement or interrupt healthcare services, or if the patients become infected with COVID-19 themselves, which would delay our ability to conduct clinical trials or release clinical trial results. COVID-19 may also affect employees of third-party contract research organizations that the Corporation relies upon to carry out its clinical trials, which could result in inefficiencies due to reductions in staff and disruptions to work environments and could result in delays or disruptions in the supply of the Corporation's drug candidates. In addition, the Corporation may take temporary precautionary measures intended to help minimize the risk of the virus to its employees, such as maintaining that all employees work remotely, suspending all nonessential travel worldwide for its employees, and discouraging employee attendance at industry events and in-person work-related meetings, which could negatively affect its business. The Corporation cannot presently predict the scope and severity of any potential business shutdowns or disruptions. If the Corporation or any of the third parties with whom it engages, however, were to experience shutdowns or other business disruptions, the Corporation's ability to conduct its business in the manner and on the timelines presently planned could be materially and negatively affected, which could have a material adverse impact on its business and its results of operation and financial condition.

Current and prospective investors are cautioned that the Corporation's programs may be delayed or disrupted by the current COVID-19 pandemic. As a result of the current COVID-19 pandemic, the Corporation's operations could be delayed or disrupted as a result of the current COVID-19 pandemic as a consequence of the factors discussed above. Due to the speed at which the situation has been developing and the uncertainty of its magnitude, outcome and duration, including by reason of the rapid spreading of mutants and variants, including the Omicron variant, the Corporation is not able at this time to estimate with certainty the future impact of COVID-19 on its operations, and whether its clinical trials and regulatory filings will be subject to significant delays and disruptions. Because it is currently not possible to accurately assess the magnitude, outcome and duration of the COVID-19 crisis, such crisis may have a longer duration or may result in additional delays or disruptions which are not foreseeable by the Corporation as at the date of this AIF. In such event, the Corporation may need to prioritize other projects.

Risks Related to the Corporation's Securities

Volatile Market Price of the Common Shares

The market price for securities of biopharmaceutical companies, including the Corporation's, has historically been volatile and subject to wide fluctuations in response to various factors, many of which are beyond

the Corporation's control, which may affect the ability of the Corporation's shareholders to sell their securities at an advantageous price. The Corporation's failure to meet expectations, downward revision in securities analysts' estimates, adverse changes in general market conditions or economic trends, acquisitions, dispositions, industry-related developments, results of drug development or commercialization, changes in government regulations or other material public announcements by Tetra or its competitors, along with a variety of additional factors may affect market fluctuations. The market price of the Common Shares may decline even if the Corporation's operating results, underlying asset values or prospects have not changed. There can be no assurance that continuing fluctuations in price and volume will not occur.

Financial markets have at times historically experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if the Corporation's operating results, underlying asset values or prospects have not changed. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Corporation's operations could be adversely impacted and the trading price of the Common Shares may be materially adversely affected.

Holders of Warrants Have No Rights as a Shareholder

Until a holder of warrants acquires Common Shares underlying such warrants upon exercise of such warrants, such holder will have no rights with respect to the Common Shares underlying such warrants. Upon exercise of such warrants, such holder will be entitled to exercise the rights of a holder of Common Shares common only as to matters for which the record date occurs after the exercise date.

No Assurance of Active or Liquid Market

The Common Shares are listed on the TSX under the symbol "TBP", on the OTCQB® Venture Market under the symbol "TBPMF" and on the Börse Frankfurt (Frankfurt Stock Exchange) under the symbol "JAM1"; however, there can be no assurance can be given that an active or liquid trading market for the Common Shares will be sustained, and an investor may find it difficult to resell any securities of the Corporation. If an active or liquid market for the Common Shares fails to be sustained, the prices at which such shares trade may be adversely affected and holders of Common Shares may be unable to sell their investment on satisfactory terms. Whether or not the Common Shares will trade at lower prices depends on many factors, including the liquidity of the Common Shares, prevailing interest rates and the markets for similar securities, general economic conditions and the Corporation's financial condition, historic financial performance and prospects. Other factors unrelated to the Corporation's performance that may have an effect on the price and liquidity of the Corporation's securities include the extent of the analytical coverage, lessening in trading volume and general market interest in the Corporation's securities, the size of the Corporation's public float and any event resulting in a delisting of the securities. Moreover, the issuance by the Corporation of Common Shares on the exercise of options under the Corporation's incentive compensation plans and upon the exercise of outstanding warrants and the subsequent resale of such Common Shares in the public market could also adversely affect the prevailing market price.

Dilution

The Corporation may issue additional securities in the future, including pursuant to acquisitions completed from time to time, which may dilute a shareholder's holdings in the Corporation. The Corporation's articles permit the issuance of an unlimited number of Common Shares, and shareholders will have no preemptive rights in connection with such further issuance. The directors of the Corporation have discretion to determine the price and the terms of further issuances subject to applicable securities laws and stock exchange rules. Moreover, additional Common Shares will be issued by the Corporation on the exercise of options or other compensation securities issued under the Corporation's incentive compensation plans and

upon the exercise of outstanding warrants, which will have a further dilutive impact on a shareholder's holdings in the Corporation.

Subordination of Common Shareholders to Tetra's Lenders

In the event of bankruptcy, liquidation or reorganization of Tetra, holders of its debt and its tradecreditors will generally be entitled to payment of their claims from the assets of Tetra before any assets are made available for distribution to Tetra or shareholders. The Common Shares are effectively subordinated to the debt and other obligations of Tetra.

Senior Ranking of Future Offerings of Debt or Equity Securities

If Tetra decides to issue debt or equity securities in the future ranking senior to the Common Shares or otherwise incur additional indebtedness, it is possible that these securities or indebtedness will be governed by an indenture or other instrument containing covenants restricting Tetra's operating flexibility and limiting Tetra's ability to pay dividends to shareholders. Additionally, any convertible or exchangeable securities that Tetra issues in the future may have rights, preferences and privileges, including with respect to dividends, more favourable than those of the Common Shares and may result in dilution to shareholders. Because Tetra's decision to issue debt or equity securities in any future offering or otherwise incur indebtedness will depend on market conditions and other factors beyond Tetra's control, Tetra cannot predict or estimate the amount, timing or nature of Tetra's future offerings or financing, any of which could reduce the market price of the Common Shares and dilute the value of the Common Shares.

Future Sales of Common Shares by Officers and Directors

Subject to compliance with applicable securities laws, directors and officers of Tetra and their affiliates may sell some or all of their Common Shares in the future. No prediction can be made as to the effect, if any, such future sales of Common Shares may have on the market price of the Common Shares prevailing from time to time. However, the future sale of a substantial number of Common Shares by the directors and officers of Tetra and their affiliates, or the perception that such sales could occur, could adversely affect prevailing market prices for the Common Shares.

Unlisted Warrants

Other than the Common Share purchase warrants listed on the TSX, certain of Tetra's outstanding Common Share purchase warrants are not listed on any exchange and the Corporation does not intend to list the currently outstanding unlisted warrants on any exchange. Investors may be unable to sell Tetra's unlisted outstanding Common Share purchase warrants at the prices desired or at all. There is no existing trading market for Tetra's unlisted outstanding Common Share purchase warrants and there can be no assurance that a liquid market will develop or be maintained for such warrants, or that an investor will be able to sell any of such warrants at a particular time (if at all). To the extent warrants are exercised, the number of warrants outstanding will decrease, resulting in a diminished liquidity for the remaining warrants. A decrease in the liquidity of the warrants may cause, in turn, an increase in the volatility associated with the price of the warrants. If any secondary market trading of the warrants becomes illiquid, an investor may have to exercise such warrants to realize value. The liquidity of the trading market in Tetra's unlisted outstanding Common Share purchase warrants and the sale price, if any, for such warrants, may be adversely affected by, among other things:

- changes in the overall market for the warrants;
- changes in the Corporation's financial performance or prospects;
- the prospects for companies in the industry generally;
- the number of holders of the warrants; and
- the interest of securities dealers in making a market for the warrants.

No Paid Dividends

Other than the North Bud Dividend, which was paid in-kind on September 12, 2018, the Corporation has not paid dividends on its Common Shares to date and we currently intend to retain our future earnings, if any, to fund the development and growth of our business. As a result, capital appreciation, if any, of the Common Shares will be your sole source of gain for the foreseeable future. Consequently, in the foreseeable future, you will likely only experience a gain from your investment in the Common Shares if the price of the Common Shares increases.

Fluctuations in Foreign Currency Exchange Rates

Tetra is subject to foreign currency risk. The strengthening or weakening of the Canadian or U.S. dollar versus other currencies will impact the translation of the Corporation's expenses and net revenues generated in these foreign currencies into Canadian and US dollars. The Corporation imports certain products from foreign countries, and so may become forced to pay higher rates for these products as a result of the weakening of the Canadian or U.S. dollar.

CAPITAL STRUCTURE

Common Shares

The authorized share capital of the Corporation consists of an unlimited number of Common Shares, each with no par value.

As at November 30, 2021, the Corporation had 401,667,409 Common Shares outstanding. The holders of the Common Shares are entitled:

- A. To vote at all meetings of shareholders, except meetings at which only holders of a specified class of shares are entitled to vote;
- B. To receive any dividend declared by the Corporation on the Common Shares; and
- C. Subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Corporation, to receive the remaining property of the Corporation upon dissolution, liquidation or winding-up of the Corporation.

Options

As at November 30, 2021, the Corporation had 5,577,250 stock options (the "Options") issued and outstanding.

The Corporation originally adopted a 10% rolling stock option plan (the "Legacy SOP"), which was approved by the shareholders of the Corporation at the annual meeting of shareholders held on June 20, 2019.

Further to a review of the Legacy SOP and a desire to increase flexibility of granting different types of long-term incentive compensation securities to non-executive directors, officers, employees and consultants of the Corporation, the Board approved, as of May 4, 2020, a new omnibus equity incentive compensation plan dated effective as of August 13, 2020, which was approved by the shareholders of the Corporation at the annual meeting of shareholders held on June 5, 2020. On April 19, 2021, in connection with the Corporation's graduation from the TSXV to the TSX, the Corporation amended and restated its omnibus plan (as amended and restated, the "Omnibus Incentive Plan"), which was approved by the shareholders of the Corporation at the annual and special meeting of shareholders held on May 28, 2021. The Omnibus

Incentive Plan allows the Corporation to grant to Eligible Participants (as defined under the Omnibus Incentive Plan) Options, Restricted Share Units, Performance Share Units and Deferred Share Units.

The Omnibus Incentive Plan serves as the successor to the Legacy SOP. Consequently, effective as of August 13, 2020, the Legacy SOP became a legacy plan and no further awards were nor will be granted under the Legacy SOP following such date. However, all options previously granted under the Legacy SOP remain outstanding in accordance with their existing terms and reduce the number of Common Shares reserved for issuance to participants under the Omnibus Incentive Plan by a corresponding amount.

Under the Omnibus Incentive Plan, employees, directors, officers and consultants of the Corporation and its affiliates ("Participants") are eligible to receive Options, Restricted Share Units, Performance Share Units and Deferred Share Units. The number of Common Shares reserved for issuance to Participants under the Omnibus Incentive Plan and all other share compensation arrangements of the Corporation (including the Legacy SOP) will not in the aggregate at any time exceed 10% of the aggregate number of issued and outstanding Common Shares on the grant date.

The above descriptions of the Legacy SOP and the Omnibus Incentive Plan are qualified in their entirety by the full text of these plans. A more detailed summary of the Legacy SOP and the Omnibus Incentive Plan is provided in the Corporation's management information circular dated April 13, 2021, which is available on SEDAR at www.sedar.com, and the full text of the Omnibus Incentive Plan and the Legacy SOP are attached thereto as Schedule A and B, respectively.

Warrants

As at November 30, 2021, the Corporation had 200,784,829 warrants to purchase Common Shares, issued and outstanding. More specifically, there were:

- 1,885,547 warrants, expiring May 22, 2022, each entitling the holder thereof to acquire one full Common Share in exchange for \$0.26 per warrant;
- 26,833,332 warrants, expiring July 12, 2022, each entitling the holder thereof to acquire one full Common Share in exchange for \$0.40 per warrant;
- 700,100 warrants, expiring August 2, 2022, each entitling the holder thereof to acquire one full Common Share in exchange for \$0.40 per warrant;
- 10,957,764 warrants, expiring February 03, 2023, each entitling the holder thereof to acquire one full Common Share in exchange for \$0.21 per warrant;
- 31,292,471 warrants, expiring February 13, 2023, each entitling the holder thereof to acquire one full Common Share in exchange for \$0.75 per warrant;
- 4,693,871 warrants, expiring February 13, 2023, each entitling the holder thereof to acquire one full Common Share in exchange for \$0.75 per warrant;
- 2,012,500 warrants, expiring May 17, 2023, each entitling the holder thereof to acquire one full Common Share in exchange for \$0.40 per warrant;
- 28,750,000 warrants, expiring May 17, 2023, each entitling the holder thereof to acquire one full Common Share in exchange for \$0.51 per warrant;

- 28,894,000 warrants, expiring May 22, 2023, each entitling the holder thereof, to acquire one full Common Share in exchange for \$0.32 per warrant.
- 3,435,500 warrants, expiring March 2, 2024, each entitling the holder thereof to acquire one full Common Share in exchange for \$0.22 per warrant.
- 61,329,744 warrants, expiring March 2, 2024, each entitling the holder thereof to acquire one full Common Share in exchange for \$0.28 per warrant.

Constraints

There are no constraints imposed on the ownership of securities of Tetra to ensure a certain level of Canadian ownership of Tetra.

Ratings

Tetra has not requested, nor to management's knowledge has Tetra received, any ratings from any rating organizations in respect of any of Tetra's securities.

Market for Securities

The Common Shares are listed on the TSX under the symbol "TBP". The following table sets out the price range and trading volume of the Common Shares, as reported by the TSX, during the most recently completed financial year:

Period	High	Low	Volume
Month ended December 31, 2020	\$0.21	\$0.17	10,041,752
Month ended January 31, 2021	\$0.21	\$0.155	14,071,381
Month ended February 28, 2021	\$0.370	\$0.170	55,560,047
Month ended March 31, 2021	\$0.230	\$0.145	72,272,465
Month ended April 30, 2021	\$0.445	\$0.170	87,441,205
Month ended May 31, 2021	\$0.530	\$0.305	94,813,434
Month ended June 30, 2021	\$0.390	\$0.315	23,946,244
Month ended July 31, 2021	\$0.340	\$0.240	11,961,575
Month ended August 31, 2021	\$0.325	\$0.255	9,360,407
Month ended September 30, 2021	\$0.310	\$0.240	8,643,140
Month ended October 31, 2020	\$0.290	\$0.215	10,020,943
Month ended November 30, 2021	\$0.245	\$0.185	16,491,382

PRIOR SALES

The following tables summarize details of the following securities that are not listed or quoted on a marketplace issued by Tetra, during the most recently completed financial year end.

Options

Pursuant to Tetra's Omnibus Incentive Plan (as defined herein), during the most recently completed financial year, Tetra issued the following Options exercisable for Common Shares:

Date of Issuance	Number of Options ⁽¹⁾	Exercise Price	Expiry Date	Grant Date Fair Value
April 19, 2021	1,500,000	\$0.20	March 5, 2023	\$137,299
April 19, 2021	500,000	\$0.20	March 8, 2023	\$45,766
May 20, 2021	1,000,000	\$0.37	March 8, 2023	\$216,226
July 27, 2021	500,000	\$0.28	July 22, 2024	\$80,148

Note:

(1) Vested and non-vested.

Warrants

During the most recently completed financial year, Tetra issued the following warrants:

Date of Issuance	Number of Warrants	Exercise Price	Expiry Date	Grant Date Fair Value
February 3, 2021	11,085,064 ⁽¹⁾	\$0.21	February 3, 2023	\$521,557
March 2, 2021	65,550,000 ⁽²⁾	\$0.28	March 2, 2024	\$4,530,402
March 2, 2021	4,588,500 ⁽³⁾	\$0.22	March 2, 2024	\$352,982
May 17, 2021	25,000,000 ⁽⁴⁾	\$0.51	May 17, 2023	\$3,159,158
May 17, 2021	1,750,000 ⁽⁵⁾	\$0.40	May 17, 2023	\$245,946
May 21, 2021	3,750,000 ⁽⁶⁾	\$0.51	May 17, 2023	\$475,606
May 21, 2021	262,500 ⁽⁷⁾	\$0.40	May 17, 2023	\$36,992

Notes:

- (1) Warrants to purchase one Common Share issued in connection with the non-brokered private placement completed on February 3, 2021.
- (2) Warrants to purchase one Common Share issued in connection with the public offering of units of the Corporation completed on March 2, 2021 (the "February Offering"). See the Prospectus Supplement No. 2, available on SEDAR at www.sedar.com under the Corporation's profile.
- (3) Warrants to purchase one Common Share issued to the agents under the February Offering, including in connection with the exercise in full of the over-allotment option granted to the agents under the February Offering. See the Prospectus Supplement No. 2, available under the Corporation's profile on SEDAR at www.sedar.com.
- (4) Warrants to purchase for one Common Share issued in connection with the public offering of units of the Corporation completed on May 17, 2021 (the "May Offering"). See the Prospectus Supplement No. 3, available under the Corporation's profile on SEDAR at www.sedar.com.
- (5) Warrants to purchase one Common Share issued to the agents under the May Offering. See the Prospectus Supplement No. 3, available under the Corporation's profile on SEDAR at www.sedar.com.
- (6) Warrants to purchase one Common Share issued in connection with the exercise in full, on May 21, 2021, of the over-allotment option granted to the agents under the May Offering. See the Prospectus Supplement No. 3, available under the Corporation's profile on SEDAR at www.sedar.com.
- (7) Warrants to purchase one Common Share issued to the agents under the May Offering in connection with the exercise in full, on May 21, 2021, of the over-allotment option granted to the agents under the May Offering. See the Prospectus Supplement No. 3, available under the Corporation's profile on SEDAR at www.sedar.com.

Performance Share Units

Pursuant to Tetra's Omnibus Incentive Plan, during the most recently completed financial year, Tetra issued the following Performance Share Units ("PSUs"):

Date of Issuance	Number of PSUs ⁽¹⁾	Exercise Price	Expiry Date
February 22, 2021	29,000,000 ⁽²⁾	\$nil	December 31, 2024

Notes:

- (1) The vesting of the PSUs is linked to performance criteria related to the achievement of regulatory approvals for certain of the Corporation's drug candidates as well as marketing approvals for the commercialization of such candidates. The payouts on the PSUs are also subject to a cap based on the performance of the Common Share price on the TSX. The above parameters were determined with the objective of aligning the interests of the holders of PSUs with those of the Corporation and its shareholders.
- (2) Since the date of issuance, 7,400,000 PSUs have been terminated and cancelled following the termination of the employment of the holders of such PSUs.

Deferred Share Units

Pursuant to Tetra's Omnibus Incentive Plan, during the most recently completed financial year, Tetra issued the following Deferred Share Units ("DSUs"):

Date of Issuance	Number of DSUs ⁽¹⁾	Exercise Price	Expiry Date
March 10, 2021	921,050	\$nil	December 31, 2024
June 1, 2021	563,380	\$nil	December 31, 2024

Note:

- (1) As at the date hereof, all such DSUs have vested in accordance with their terms.

ESCROWED SECURITIES

As at November 30, 2021, none of the securities of the Corporation were in escrow or subject to a contractual restriction on transfer.

DIRECTORS AND MANAGEMENT

The members of the Board (each of whom has been appointed to hold office until the close of Tetra's next annual general meeting) and management of Tetra currently consist of the following individuals:

Name and Place of Residence	Position(s) with Tetra	Date First Appointed at Tetra	Previously Held Positions (Last Five Years)
BRENT NORTON ⁽¹⁾⁽³⁾⁽⁵⁾ Ontario, Canada	Acting Chair of the Board	September 14, 2020	Venture Partner, Lumira Partner
CATHERINE AULD ⁽¹⁾⁽²⁾ Ontario, Canada	Director	May 28, 2021	Chief Financial Officer, Netex Enterprises Inc., and Consultant, Crescent Oral Surgery
DALE WEIL ⁽¹⁾⁽³⁾⁽⁵⁾ Québec, Canada	Director	September 14, 2020	Executive Director, Teresa Dellar Palliative Care Residence; Managing Director, Montreal Institute for Palliative Care (2018-

			209;) and Advisor to the President, McKesson Canada
JOHN KIM ⁽¹⁾⁽⁴⁾ Ontario, Canada	Director	May 28, 2021	Portfolio Manager, Aventine Management Group; Portfolio Manager, Aston Hill Financial
GUY CHAMBERLAND Québec, Canada	Director, Chief Executive Officer and Chief Regulatory Officer	April 6, 2018	CEO and Chief Regulatory Officer of Tetra
STEEVE NÉRON Québec, Canada	Chief Commercial Officer	November 5, 2018	Chief Operating Officer, Tetra (2018-2020); Senior Portfolio Manager, Valeant (2013-2018)
MELANIE KELLY Nova Scotia, Canada	Chief Scientific Officer	November 11, 2019	Chief Scientific Officer, Tetra and Panag

Notes:

- (1) Independent director under National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.
- (2) Chair of the Audit Committee.
- (3) Member of the Audit Committee.
- (4) Chair of the Compensation and Governance Committee.
- (5) Member of the Compensation and Governance Committee.

PROFILE OF THE BOARD AND MANAGEMENT OF TETRA

Brent Norton, Acting Chairman of the Board

Dr. Brent Norton holds his medical doctorate degree from McGill University, an MBA from Ivey Business School at Western University and was granted the ICD.D designation by the Institute of Corporate Directors following the completion of the Directors Education Program at the Rotman School of Business in Toronto. With over 25 years of experience in the life sciences industry, Dr. Norton has used his cross-functional knowledge to develop strategy, raise capital and build important relationships in the academic and business community.

Operationally, he has built R&D and commercial operations, led transactions with AstraZeneca, Eli Lilly, L'Oreal, Parke Davis/Pfizer and others, and taken products through the FDA to global out-licensing with Johnson & Johnson. His contributions to five companies have allowed early investors the opportunity to crystallize investment gains of over \$2.5B. Brent is currently a Venture Partner with Lumira Ventures and has recently been appointed as a member of the prestigious Association of Faculties of Medicine of Canada.

Dale Weil, Director

Ms. Dale Weil brings 40 years of business experience, the last 20 in healthcare. Most were acquired at McKesson Canada, a diversified healthcare company and the largest pharmaceutical distributor in the country. At McKesson Canada, Ms. Weil led various businesses in distribution, specialty pharmaceuticals, hospital solutions, strategy & business development, Retail Banner Management, and was most recently Senior Advisor to the President (until February 2018). She had the opportunity to oversee diverse sets of assets, contributing to growth through organic strategies, business development and M&A activity. She was named Executive Director of the Teresa Dellar Palliative Care Residence and Montreal Institute for Palliative Care in January 2020, having joined in 2018 to launch the Institute and where she had been involved as a board member since 2010.

Ms. Weil holds a Bachelor's degree in Marine Biology and a Master's degree in Business Administration, both from McGill University. Additionally, Ms. Dale Weil received the ICD.D designation from the Institute of Corporate Directors having completed the Directors Education Program at McGill University. Ms. Weil is also a director of Thera-Technologies and the McGill Health University Centre. She has deeply committed to board work in the health care and health sciences sectors and aspires to contribute through strategy & business development, M&A, and governance.

John Kim, Director

Mr. Kim is an independent business consultant, investor, and director of both public and private companies and has extensive experience in capital markets. He is passionate about helping entrepreneurs grow their businesses, especially in the areas of technology and healthcare, and currently advises several startups in Canada.

Mr. Kim is a director of WELL Health Technologies Corp, a TSX listed company, where he chairs the Governance and Compensation Committee. He is also a director of EMERGE Commerce Ltd., a TSXV listed company, where he chairs the Audit Committee. Previously, Mr. Kim was an award-winning Portfolio Manager whose career spanned over 20 years, managing mutual funds, hedge funds, and private client assets. Mr. Kim is a CFA charter holder and graduated from the University of Toronto with a B.Sc. in Applied Mathematics.

Catherine Auld, Director

Ms. Catherine Auld is a CPA, C.A. and has a Bachelor of Commerce from Queen's University. Ms. Auld is an experienced senior financial executive who currently serves as Chief Financial Officer of Netex Enterprises Inc. and a Consultant to Crescent Oral Surgery. Ms. Auld has provided CFO and other financial consulting services to public and private companies in the Biotechnology, Healthcare IT and Pharma industries for over 20 years. She has a deep understanding and expertise in public reporting, budgeting, cash flow management, contracting, treasury, human resources, corporate governance, investor relations and merger and acquisition activities.

Ms. Auld served as interim CFO and consultant at Arius Research Inc., which was acquired by Roche, CFO for Transition Therapeutics Inc. and NeuroMedix Inc. and Executive Director, Finance for Optimer Pharmaceuticals. Ms. Auld started her career at KPMG LLP.

Guy Chamberland, Director, Chief Executive Officer and Chief Regulatory Officer

Dr. Guy Chamberland, M.Sc., Ph.D., Master Herbalist, has been Chief Scientific Officer & Regulatory Affairs of Tetra from June 2016 until April 2018 when he was appointed Chief Executive Officer. He is also Chief Regulatory Officer of Tetra since October 15, 2018 and previously joined Tetra as Chief Scientific Officer in April 2016. He has been Vice President of Regulatory Affairs & Product Development at Biotanika Health Group Inc. since March 2007. He served as Vice President of Clinical & Regulatory Affairs at Victhom Laboratory Inc. from 2005 to 2007. He developed a specialty in regulatory affairs (drugs, biologics, medical device, combination products, botanicals). He works closely with physicians and naturopathic physicians in these clinical areas. He spent 6 years as the Co-Chair and member of Health Canada's Expert Advisory Committee for Veterinary Natural Health Products and Low Risk VHP. He was the Program Director of MDS Pharma Services.

Dr. Chamberland has over 7 years' experience in the development of clinical research protocols for botanical medicines and the management of these clinical studies in the areas of anxiety, sleep, pain, depression, inflammation and wound healing. He has over 26 years' experience in the development of new drugs in the pharmaceutical industry (Canada and USA). He was a member of the Investment Committee of Fonds Bionovation for 7 years. Since 2007, Dr. Chamberland developed an expertise in botanical medicine and gave lectures and continuing education workshops for health professionals (physicians,

naturopathic physicians, chiropractors, etc) on the use of plants in the treatment of pain, anxiety, insomnia, wound healing etc. He got three patents (Patent granted on the synergy of phyto-ingredients and antifungal agents.). He is the Professor of Botanical Medicine and Principles of clinical research at the Ecole d'Enseignement Supérieur de Naturopathie du Québec (EESNQ) and French language equivalent of the Canadian College of Naturopathic Medicine (CCNNM). He earned a diploma in Proficiency in Herbal Prescription from the Australian College of Phytotherapy, a Certified Herbalist from the Dominion College of Canada and a Master Herbalist diploma from the Dominion College of Canada. Dr. Chamberland received a B.Sc. in Agriculture from McGill University, an M.Sc. in Veterinary anatomy and physiology and a Ph.D. in Biomedical Sciences (toxicology) from the University of Montreal

Steeve Néron, Chief Commercial Officer

Mr. Néron has more than three decades of experience in the pharmaceutical industry where challenging the reimbursement landscape factored prominently in his role, with demonstrated success in numerous therapeutic sectors including cardiology, rheumatology, endocrinology, women's health, asthma/COPD, OTC and dermatology. Prior to joining the Corporation, he occupied a senior marketing position at Bausch Health Canada. Steeve has held various marketing, sales, finance, material management and business development positions and has worked to launch or rejuvenate numerous market-leading pharmaceutical brands including Aerius™ (antihistamine), Altace™ (hypertension), Ezetrol™ (cholesterol), Eliquis™ (anti-coagulant), Lodalis™ (cholesterol) and Contrave™ (Obesity). Mr. Néron holds a Bachelor's degree in Business Administration (BBA) in Marketing from Université du Québec in Chicoutimi (QC).

Melanie Kelly, Ph. D., Chief Scientific Officer

Melanie Kelly is a Professor in Pharmacology and Ophthalmology at Dalhousie University in Halifax with expertise in preclinical and clinical research design, novel drug development, medical cannabis and cannabinoid based drugs. A respected research professional with a Doctor of Philosophy (PhD) focused on drug discovery and molecular pharmacology, Dr. Kelly has significant research experience in the field of G protein coupled receptors and endocannabinoid/cannabinoid signaling. She is considered to be an expert in the cannabinoid drug development space. Her primary research expertise is pharmacology, specifically receptors and cell signaling pathways. Her work has examined pathways important to the survival of retinal ganglion cells in experimental models of glaucoma and has made use of gene mutations, to explore signaling pathways involved in retinal progenitor cell growth and development. Dr. Kelly's current research addresses the pharmacology of the endocannabinoids and lipid signaling in the mammalian eye, with a specific focus on the regulation of intraocular pressure and interactions between glial cells and microvasculature in the regulation of retinal blood flow. She is a member of the International Cannabis Research Society.

SECURITY HOLDINGS OF THE DIRECTORS AND OFFICERS

As at the date of this AIF, as a group, the directors and executive officers of Tetra beneficially own, or exercise control or direction over, directly or indirectly, a total of 8,430,094 Common Shares, on a non-diluted basis, representing approximately 2.10% of the currently issued and outstanding Common Shares.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES AND SANCTIONS

No director or executive officer of Tetra is, as at the date of this AIF, or has been, within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any corporation (including Tetra) that:

- i. was subject to an order (as defined below) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

- ii. was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No director or executive officer of Tetra, and to the best of the knowledge of Tetra, no shareholder holding a sufficient number of Tetra's securities to affect materially the control of Tetra:

- i. is, as at the date of this AIF, or has been within 10 years before the date of this AIF, a director or executive officer of any corporation (including Tetra) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- ii. has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No director or executive officer of Tetra, and to the best of the knowledge of Tetra, no shareholder holding a sufficient number of Tetra's securities to affect materially the control of Tetra, has been subject to:

- i. any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- ii. any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision with respect to Tetra.

For the purposes of (i) above, "order" means a cease trade order, an order similar to a cease trade order; or an order that denied the relevant corporation access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days.

CONFLICTS OF INTEREST

Except as otherwise described elsewhere in this AIF, there are currently no other existing or potential material conflicts of interests between Tetra and any of its directors and officers other than those otherwise set out herein.

AUDIT AND RISK COMMITTEE INFORMATION

Charter of the Audit Committee

The full text of the current Audit Committee's Charter is attached as Schedule A to this AIF.

Composition of the Audit Committee

The current members of the Audit Committee are Catherine Auld, Dale Weil and Brent Norton, all of whom are financially literate within the meaning of National Instrument 52-110 – *Audit Committee* ("NI 52-110"). Each member of the Audit Committee is independent.

Relevant Education and Experience

See the respective biographies of each member of the Audit Committee in "*Directors and Management – Profile of the Board and Management*" for a description of the experience that is relevant to the performance of their responsibilities as Audit Committee members.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's financial year ended November 30, 2021 has the Corporation relied on the exemption provided under section 2.4 of NI 52-110 (*De Minimis Non-Audit Services*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (*Exemptions*).

Audit Committee Oversight

At no time since the commencement of the Corporation's financial year ended November 30, 2021 was a recommendation of the audit committee to nominate or compensate an external auditor not adopted by the Board.

Pre-Approval Policies and Procedures

Tetra's audit committee has adopted specific policies and procedures for the engagement of non-audit services as described in the audit committee's charter attached hereto as Schedule A.

External Auditor Service Fees

The aggregate fees billed by Tetra's external auditors in each of the last two financial years for audit fees are as follows:

Financial Year Ending	Audit Fees	Audit- Related Fees	Tax Fees	All Other Fees ⁽¹⁾
November 30, 2021	\$175,500	\$56,580	\$Nil	\$91,596
November 30, 2020	\$109,736	\$49,562	\$7,000	\$114,108

Note:

(1) Includes fees related to financing and M&A activities.

"**Audit Fees**" are the aggregate fees billed by the Corporation's external auditor for services provided for the audit of Tetra's annual financial statements.

"**Audit-Related Fees**" are the aggregate fees billed for assurance and related services by the Corporation's external auditor that are reasonably related to the performance of the audit or review of the Corporation's financial statements.

"**Tax Fees**" are the aggregate fees billed by Tetra's external auditor for tax compliance, tax advice and tax planning services.

"**All Other Fees**" are the aggregate fees billed by Tetra's external auditor for products and services not included in the other categories of fees described above.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Tetra was not involved in any legal proceedings during the year ended November 30, 2021 that had, or could have, a material adverse effect on Tetra. Moreover, to the knowledge of Tetra's management, Tetra is not currently involved in any outstanding, threatened or pending litigation that could have a material adverse effect on Tetra.

To the knowledge of Tetra, during the financial year ended November 30, 2021, there were no: (i) penalties or sanctions imposed against Tetra by a court relating to securities legislation or by a securities regulatory authority; (ii) any other penalties or sanctions imposed by a court or regulatory body against Tetra that would likely be considered important to a reasonable investor in making an investment decision; or (iii) settlement agreements Tetra entered into before a court relating to securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described elsewhere in this AIF, there are no material interests, direct or indirect, of any anticipated or current director or executive officer of the Corporation, any shareholder that beneficially owns, or controls or directs (directly or indirectly) more than 10% of any class or series of the Corporation's outstanding voting securities, or any associate or affiliate of any of the foregoing persons, in any transaction within the three most recently completed financial years or during the current financial year of the Corporation that has materially affected or is reasonably expected to materially affect the Corporation or a subsidiary of the Corporation.

Panag Transaction

On May 1, 2019, Tetra completed the acquisition of Panag (the "Panag Transaction"), pursuant to a share purchase agreement (the "Panag Agreement") between the Corporation and the shareholders of Panag (the "Vendors"). Pursuant to the Panag Agreement, Tetra acquired 100% of the issued and outstanding common shares of Panag held by the Vendors in consideration for, in aggregate:

- (a) \$3,000,000 in cash; and
- (b) the issuance of 16,304,348 Common Shares at a price of \$0.552 per Common Share.

The terms of the Panag Transaction also provide for the payment by Tetra to the Vendors of an aggregate amount of up to \$15,000,000 in cash in milestone payments upon the achievement of operational targets associated with marketing approvals and commercialization of both human and veterinary drug products by the FDA and the EMAs. Tetra has also committed itself to fund Panag's research in an amount no less than \$1,200,000 annually for a period of ten years after the closing date of the Panag Transaction, all as more fully described in the management proxy and information circular of the Corporation dated March 20, 2019.

Two of the Vendors, W.M. (Bill) Cheliak and Gregory Drohan, were non-arm's length parties to Tetra within the meaning of the rules of the TSXV. At the relevant times, Dr. Cheliak was the Chairman of the Board and Mr. Drohan was a director of the Corporation. The Panag Transaction constituted a "related party transaction" within the meaning of MI 61-101. The Corporation relied upon the exemptions from valuation and minority approval set out in Sections 5.5(a) and 5.7(1)(a), respectively, of Part 5 of MI 61-101. The facts supporting reliance on the formal valuation exemption stated in Sections 5.5(a) and 5.7(1)(a) of MI 61-101 were as follows: at the time the Panag Transaction was agreed to, neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the Panag Transaction, insofar as it involved interested parties, exceeded 25% of the Corporation's market capitalization.

The Panag Transaction did not constitute a "Significant Acquisition" for the Corporation pursuant to Part 8 of National Instrument 51-102 - *Continuous Disclosure Obligations*. A complete and detailed description of the Panag Transaction is contained in the material change report of the Corporation dated February 11, 2019 and in the management proxy and information circular of the Corporation dated March 20, 2019, copies of which are available on SEDAR (www.sedar.com) under the Corporation's profile.

Private Placement

On August 2, 2019, Tetra completed a non-brokered private placement in which some of the Corporation's directors, officers, consultants and employees, as well as certain of their associates, purchased an aggregate of 870,100 units of the Corporation at a price of \$0.30 per unit for aggregate gross proceeds of \$261,030, with each unit being comprised of one Common Share and one Common Share purchase warrant. Each warrant entitles the holder thereof to purchase one full Common Share at an exercise price of \$0.40 per Common Share for a period of 36 months following the closing of such non-brokered private placement. Certain directors and senior officers of the Corporation or of its subsidiaries subscribed for units as part of the private placement, constituting a "related party transaction" within the meaning of MI 61-101 and Policy 5.9 of the TSXV. The non-brokered private placement was completed in reliance on (i) an available exemption from the formal valuation requirement of MI 61-101 provided in paragraph (a) of Section 5.5 of MI 61-101 and (ii) an available exemption from the minority shareholder approval requirement of MI 61-101 provided in paragraph (a) of Section 5.7(1) of MI 61-101. Neither the fair market value of the units issued nor the consideration paid for the units pursuant to the portion of the private placement subscribed for by related parties of the Corporation exceeded 25% of the Corporation's market capitalization.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares is Computershare Trust Corporation of Canada located at 1500 Robert-Bourassa Boulevard, Montreal, QC, H3A 3S8.

MATERIAL CONTRACTS

The following are material contracts of Tetra required to be filed on SEDAR pursuant to National Instrument 51-102 – *Continuous Disclosure Obligations*:

- A. Supply Agreement with Aphria Inc. effective November 1, 2016 for raw materials to be used in QIXLEEF™ only;
- B. Research and Development funding agreement with the University of New Brunswick ("UNB") signed on May 2, 2017 and amended on January 18, 2019 to establish a Health Research Chair in Cannabis at UNB;
- C. Share purchase agreement with the shareholders of Panag effective January 30, 2019, setting the terms for the acquisition by Tetra of all of the issued and outstanding shares in the capital of Panag. See "*Interest of Management and Others in Material Transactions – Panag Transaction*" above for more information;
- D. Joint venture agreement signed with Altus Formulations Inc. on January 8, 2020, setting the terms for the development of a series of cannabinoid-receptor targeted therapeutics;
- E. Development, scale up, and GMP manufacturing agreements signed with Dalton Pharma Services on December 17, 2018 and April 11, 2019 setting the terms for the manufacturing of drug substance HU-308;

- F. Warrant Indenture with Computershare Trust Corporation of Canada dated July 12, 2019 providing for the issuance of Common Share purchase warrants, entered into by the Corporation in connection with the public offering of units of the Corporation completed on July 12, 2019;
- G. Warrant indenture with Computershare Trust Corporation of Canada dated February 13, 2020, providing for the issuance of Common Share purchase warrants, entered into by the Corporation in connection with the public offering of units of the Corporation completed on February 13, 2020;
- H. Warrant indenture with Computershare Trust Corporation of Canada dated May 22, 2020, providing for the issuance of Common Share purchase warrants, entered into by the Corporation in connection with the public offering of units of the Corporation completed on May 22, 2020;
- I. Warrant indenture with Computershare Trust Corporation of Canada dated March 2, 2021, providing for the issuance of Common Share purchase warrants, entered into by the Corporation in connection with the February Offering;
- J. Warrant indenture with Computershare Trust Corporation of Canada dated May 17, 2021, providing for the issuance of Common Share purchase warrants, entered into by the Corporation in connection with the May Offering; and
- K. Warrant indenture with Computershare Trust Corporation of Canada dated December 21, 2021, providing for the issuance of Common Share purchase warrants, entered into by the Corporation in connection with the December Offering.

INTERESTS OF EXPERTS

McGovern Hurley LLP are the auditors of the Corporation, reported on the audited consolidated financial statements of the Corporation for Fiscal 2021, and have confirmed that they are independent with respect to the Corporation within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation.

ADDITIONAL INFORMATION

Additional information relating to Tetra may be found on SEDAR at www.sedar.com. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of Tetra's securities, and securities authorized for issuance under equity compensation plans, if applicable, is contained in Tetra's management information circular dated May 28, 2021, a copy of which has been filed on SEDAR and is available at www.sedar.com under the Corporation's profile. Additional financial information is provided in Tetra's audited consolidated financial statements and management's discussion and analysis for Tetra's most recently completed financial year, copies of which have been filed on SEDAR and are also available at www.sedar.com under the Corporation's profile.

SCHEDULE A
AUDIT COMMITTEE CHARTER OF TETRA BIO-PHARMA INC.

This charter (the "**Charter**") sets forth the purpose, composition, responsibilities and authority of the Audit Committee (the "**Committee**") of the Board of Directors (the "**Board**") of Tetra Bio-Pharma Inc. ("**Tetra**").

1.0 Purpose

The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to:

- financial reporting and disclosure requirements;
- ensuring that an effective risk management and financial control framework has been implemented and tested by management of Tetra;
- external and internal audit processes;
- Tetra's systems of internal accounting and financial controls; and
- public disclosure items such as quarterly press releases, financial-oriented investor relations materials and other public reporting requirements.

2.0 Composition and Membership

- (a) The Board will appoint the members ("**Members**") of the Committee. The Members will be appointed to hold office until the next annual general meeting of shareholders of Tetra or until their successors are appointed. The Board may remove a Member at any time and may fill any vacancy occurring on the Committee. A Member may resign at any time and a Member will automatically cease to be a Member upon ceasing to be a director. The Board will fill vacancies on the Committee by appointment from among qualified directors of the Board. Members must have suitable experience and must be familiar with auditing and financial matters.
- (b) The Committee will consist of at least three directors. Each Member will meet the criteria for independence and financial literacy established by applicable laws and the rules of any stock exchanges upon which Tetra's securities are listed, including National Instrument 52-110 □ Audit Committees (as it may be amended or replaced from time to time, "**NI 52-110**"), subject to any exceptions permitted under NI 52-110. All Members will meet the criteria for independence established by the aforementioned laws and rules. In addition, each director will be free of any relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a Member's independent judgment. In order to ensure independence requirements as prescribed by NI 52-110, Tetra shall not enter into any arrangement with any Member under which a Member is entitled to receive, directly or indirectly, any consulting, advisory or other compensatory fee from Tetra or any of its related parties or subsidiaries, other than as remuneration for acting in his or her capacity as a member of the Board or any Board committee, or as a part-time chair or vice-chair of the Board or any Board committee.
- (c) The Board will appoint one of the Members to act as the chairman of the Committee (the "**Chairman**"). The Members shall elect a secretary of the Committee (the "**Secretary**") who will be the secretary of all meetings and will maintain minutes of all meetings and deliberations of the Committee. If the Members so decide, the Committee may appoint another person who may, but need not, be a Member to act as the secretary of that meeting.
- (d) Subject to applicable law, the Committee may delegate any or all of its functions to any of its independent Members or any independent sub-set thereof, from time to time as it sees fit. Between meetings, the Chairman, or any Member designated for such purpose by the Committee, may, if required in the circumstance, exercise any power delegated by the Committee on an interim basis.

The Chairman or other designated Member will promptly report to the other Members in any case in which this interim power is exercised.

3.0 Meetings

- (a) Meetings of the Committee will be held at such times and places as the Chairman may determine, but in any event not less than four (4) times per year, and such meetings shall correspond with Tetra's reporting cycle or more frequently as circumstances require. Twenty-four (24) hours advance notice of each meeting will be given to each Member orally, by telephone, by facsimile or email, unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings either in person or by telephone, video or other electronic means.
- (b) At the request of the external auditors of Tetra, the Chief Executive Officer or the Chief Financial Officer of Tetra or any Member, the Chairman will convene a meeting of the Committee. Any such request will set out in reasonable detail the business proposed to be conducted at the meeting so requested.
- (c) The Chairman, if present, will act as the chairman of meetings of the Committee. If the Chairman is not present at a meeting of the Committee, the Members in attendance may select one of the Members to act as chairman of the meeting.
- (d) A majority of Members will constitute a quorum for a meeting of the Committee. If a vacancy exists on the Committee, the remaining Members may exercise all of their powers so long as there is a quorum. Each Member will have one vote and decisions of the Committee will be made by an affirmative vote of the majority. For greater certainty, during a meeting of the Committee held by telephone, video or other electronic means, any member may vote by telephone, video or other electronic means, as applicable. The Chairman will not have a deciding or casting vote in the case of an equality of votes. Powers of the Committee may also be exercised by written resolutions signed by all Members. For greater certainty, a resolution may be signed by a Member by electronic means, including by a Member authorizing, via email communication, the corporate secretary of Tetra (or such officer holding an equivalent or more senior position) to affix the electronic signature of such Member to the written resolution.
- (e) The Committee may invite from time to time such persons as it sees fit to attend its meetings and to take part in the discussion and consideration of the affairs of the Committee. The Committee may meet in camera without members of management in attendance for a portion of each meeting of the Committee, as the Committee deems appropriate.
- (f) In advance of every regular meeting of the Committee, the Chairman, with the assistance of the Secretary, will prepare and distribute to the Members and others as deemed appropriate by the Chairman, an agenda of matters to be addressed at the meeting together with appropriate briefing materials. The Committee may require officers and employees of Tetra to produce such information and reports as the Committee may deem appropriate in order for it to fulfill its duties.
- (g) Minutes of meetings of the Committee must accurately reflect the significant discussions and the decisions of the Committee. Minutes of Committee meetings shall be recorded and maintained by the Secretary, or any other person acting in such capacity, and subsequently presented to the Committee for approval.

4.0 Duties and Responsibilities

The duties and responsibilities of the Committee as they relate to the following matters, are as follows:

4.1 Financial Reporting and Disclosure

- (a) review and recommend to the Board for approval, the audited annual financial statements, including the auditors' report thereon, the quarterly financial statements, management discussion and analysis, annual and interim press releases announcing financial results (if any), financial reports, and any guidance with respect to earnings per share to be given, prior to the public disclosure of such information, with such documents to indicate whether such information has been reviewed by the Board or the Committee;
- (b) review and recommend to the Board for approval, where appropriate, financial information contained in any prospectuses, annual information forms, annual report to shareholders, management proxy circular, material change disclosures of a financial nature and similar disclosure documents prior to the public disclosure of such information;
- (c) review with management of Tetra, and with external auditors, significant accounting principles and disclosure issues and alternative treatments under IFRS, with a view to gaining reasonable assurance that financial statements are accurate, complete and present fairly Tetra's financial position and the results of its operations in accordance with IFRS, as applicable; and
- (d) seek to ensure that adequate procedures are in place for the review of Tetra's public disclosure of financial information extracted or derived from Tetra's financial statements, Tetra's disclosure controls and procedures and periodically assess the adequacy of those procedures and recommend any proposed changes to the Board for consideration;

4.2 Internal Controls and Audit

- (a) review the adequacy and effectiveness of Tetra's system of internal control and management information systems through discussions with management and the external auditor to ensure that Tetra maintains (i) the necessary books, records and accounts in sufficient detail to accurately and fairly reflect Tetra's transactions, (ii) effective internal control over financial reporting, and (iii) adequate processes for assessing the risk of material misstatement of the financial statement and for detecting control weaknesses or fraud. From time to time the Committee shall assess whether it is necessary or desirable to establish a formal internal audit department having regard to the size and stage of development of Tetra at any particular time;
- (b) satisfy itself that management has established adequate procedures for the review of Tetra's disclosure of financial information extracted or derived directly from Tetra's financial statements;
- (c) satisfy itself, through discussions with management, that the adequacy of internal controls, systems and procedures has been periodically assessed in order to ensure compliance with regulatory requirements and recommendations;
- (d) review and discuss Tetra's major financial risk exposures and the steps taken to monitor and control such exposures, including the use of any financial derivatives and hedging activities;
- (e) review, and in the Committee's discretion make recommendations to the Board regarding, the adequacy of Tetra's risk management policies and procedures with regard to identification of Tetra's principal risks and implementation of appropriate systems and controls to manage such risks including an assessment of the adequacy of insurance coverage maintained by Tetra;

- (f) recommend the appointment, or if necessary, the dismissal of the head of Tetra's internal audit process; and
- (g) periodically review Tetra's policies and procedures for reviewing and approving or ratifying related-party transactions;

4.3 External Audit

- (a) recommend to the Board a firm of external auditors to be nominated for appointment as the external auditor of Tetra;
- (b) ensure the external auditors report directly to the Committee on a regular basis;
- (c) review the independence, qualifications and performance of the external auditors, including a written report from the external auditors respecting their independence and consideration of applicable auditor independence standards;
- (d) review and recommend to the Board the fee, scope and timing of the audit and other related services rendered by the external auditors;
- (e) review the audit plan of the external auditors prior to the commencement of the audit;
- (f) establish and maintain a direct line of communication with Tetra's external and internal auditors;
- (g) meet in camera with only the auditors, with only management, and with only the Members of the Committee at every Committee meeting where, and to the extent that, such parties are present and the Committee deems appropriate;
- (h) oversee the performance of the external auditors who are accountable to the Committee and the Board as representatives of the shareholders, including the lead partner of the independent auditors' team;
- (i) oversee the work of the external auditors appointed by the shareholders of Tetra with respect to preparing and issuing an audit report or performing other audit, review or attest services for Tetra, including the resolution of issues between management of Tetra and the external auditors regarding financial disclosure;
- (j) review the results of the external audit and the report thereon including, without limitation, a discussion with the external auditors as to the quality of accounting principles used, any alternative treatments of financial information that have been discussed with management of Tetra, the ramifications of their use as well as any other material changes. Review a report describing all material written communication between management and the auditors such as management letters and schedule of unadjusted differences;
- (k) review any material written communications between senior executives of Tetra and the external auditors and any significant disagreements between the senior executives and the external auditors;
- (l) discuss with the external auditors their perception of Tetra's financial and accounting personnel, records and systems, the cooperation which the external auditors received during their course of their review and availability of records, data and other requested information and any recommendations with respect thereto;

- (m) discuss with the external auditors their perception of Tetra's identification and management of risks, including the adequacy or effectiveness of policies and procedures implemented to mitigate such risks;
- (n) review the reasons for any proposed change in the external auditors which is not initiated by the Committee or Board and any other significant issues related to the change, including the response of the incumbent auditors, and enquire as to the qualifications of the proposed auditors before making its recommendations to the Board; and
- (o) review annually a report from the external auditors in respect of their internal quality- control procedures, any material issues raised by the most recent internal quality-control review, or peer review of the external auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the external auditors, and any steps taken to deal with any such issues;

4.4 Associated Responsibilities

- (a) monitor and periodically review Tetra's Whistleblower Policy and associated procedures for:
 - (i) the receipt, retention and treatment of complaints received by Tetra's regarding accounting, internal accounting controls or auditing matters;
 - (ii) the confidential, anonymous submission by directors, officers and employees of Tetra of concerns regarding questionable accounting or auditing matters;
 - (iii) any violations of any applicable law, rule or regulation that relates to corporate reporting and disclosure, or violations of Tetra's Code of Business Conduct & Ethics;
- (b) review the public disclosure regarding the Committee required from time to time by NI 52-110;
- (c) inform the Board of matters that may significantly impact the financial condition or affairs of the business of Tetra;
- (d) review and approve Tetra's hiring policies regarding employees and partners, and former employees and partners, of the present and former external auditors of Tetra; and
- (e) review and monitor the implementation of Tetra's Code of Business Conduct and Ethics;

4.5 Non-Audit Services

- (a) pre-approve all non-audit services to be provided to Tetra or any subsidiary entities by its external auditors or by the external auditors of such subsidiary entities. The Committee may delegate to one or more of its Members the authority to pre-approve non-audit services but pre-approval by such Member or Members so delegated shall be presented to the full Committee at its first scheduled meeting following such pre- approval.

5.0 Oversight Function

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that Tetra's financial statements are complete and accurate or comply with IFRS and other applicable requirements. These are the responsibilities of management and the external auditors. The Committee, the Chairman and any Members identified as

having accounting or related financial expertise are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of Tetra, and are specifically not accountable or responsible for the day to day operation or performance of such activities. Although the designation of a Member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation. Rather, the role of a Member who is identified as having accounting or related financial expertise, like the role of all Members, is to oversee the process, not to certify or guarantee the internal or external audit of Tetra's financial information or public disclosure. This Charter is not intended to change or interpret the constituting documents of Tetra or applicable law or stock exchange rule to which Tetra is subject, and this Charter should be interpreted in a manner consistent with all such applicable laws and rules. The Board may, from time to time, permit departures from the terms of this Charter, either prospectively or retrospectively to the extent permitted under applicable law and listing standards. This Charter is not intended to give rise to civil liability on the part of Tetra or its directors or officers to shareholders, security holders, customers, suppliers, competitors, employees or other persons, or to any other liability whatsoever on their part.

6.0 Reporting

The Chairman will report to the Board at each Board meeting on the Committee's activities since the last Board meeting. The Committee will annually review and approve the Committee's report to the Board. The minutes of each meeting of the Committee will be available to the members of the Board, at their request.

7.0 Access to Information and Authority

The Committee will be granted unrestricted access to all information regarding Tetra that is necessary or desirable to fulfill its duties and all directors, officers and employees will be directed to cooperate as requested by the Members. The Committee has the authority to retain, at Tetra's expense, independent legal, financial and other advisors, consultants and experts, to assist the Committee in fulfilling its duties and responsibilities, including sole authority to retain and to approve any such firm's fees and other retention terms without prior approval of the Board. The Committee also has the authority to communicate directly with internal and external auditors.

The Committee shall at least annually evaluate its own performance and report to the Board on such evaluation.

8.0 Review of Charter

The Committee will annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board for consideration.

Dated: February 22, 2021

Approved by: Board of Directors