FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: Pharmala Biotech Holdings Inc. (the "Issuer").

Trading Symbol: MDMA

Number of Outstanding Listed Securities: 109,661,032

Date: August 7, 2026

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

(a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The titleto each item must precede the answer.

(b) The term "Issuer" includes the Issuer and any of its subsidiaries.

(c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

   PharmAla continues to develop its two primary business lines: (i) manufacturing anddevelopment of GMP MDMA for sales to clinical trial practitioners and to physicians; and, (ii) the development of novel MDXX compounds.

On July 6th, PharmAla announced the successful completion of GMP (Good Manufacturing Practice) manufacturing of drug substance necessary for the manufacturing of ALA-002. This milestone marks a significant step forward in the program's development, providing sufficient material to support upcoming clinical activities. With drug substance manufacturing now complete, the Company is prepared to begin GMP manufacturing of the drug product, the formulated finished form that will be used in clinical activities globally. The successful scale-up and execution of the drug substance batch under GMP conditions demonstrate the maturity and reproducibility of the Company's manufacturing process and underscore its readiness to advance ALA-002 toward the clinic.

PharmAla has been granted an Australian patent, number 2022330718, entitled "Compositions Comprising Non-Racemic Mixtures of (R)- and (S)-3,4-Methylenedioxymethamphetamine or (R) and (S) N-Methyl-1,3-Benzodioxolylbutanamine and Uses Thereof" — the composition-of-matter foundation for its lead drug candidate, ALA-002. The Australian grant is a meaningful milestone for PharmAla's regional strategy.

Pursuant to the Joint Venture agreement executed between Pharmala Biotech Inc. and Vitura Health Ltd., Cortexa (the 50/50 joint venture owned by the two companies) has a Right of First Refusal to any new innovation developed by PharmAla. PharmAla is pleased to announce that the board of Directors of Cortexa has voted to exercise its rights to commercialize the ALA-002 intellectual property. Cortexa's option rights relate solely to the Australia territory. PharmAla Brands ALA-002 for Commercial Utilization in Australia.

On July 21st, PharmAla announced that it has entered into a definitive license agreement (the "Agreement") on July 20th, 2026 with Jupiter Neurosciences, Inc. (NASDAQ: JUNS) ("Jupiter"), under which PharmAla has granted Jupiter an exclusive, perpetual, royalty-bearing license to develop, manufacture and commercialize ALA-002, PharmAla's lead drug candidate, in the United States. PharmAla retains all rights to ALA-002 outside the United States and will continue to advance the molecule internationally. Under the Agreement, the total consideration payable to PharmAla is up to approximately US$100 million, consisting of a US$3,333,333 upfront payment and up to US$96,666,666 in contingent development, regulatory and commercialization milestone payments, plus royalties on all future U.S. net sales following the conclusion of milestone payments. The milestone payments and royalties are contingent on the achievement of specified development, regulatory and sales events, which may not be achieved.

Key Terms of the Agreement • Rights granted: Exclusive, perpetual license to develop, manufacture and commercialize ALA-002 in the United States. PharmAla retains all rights outside the United States. • Upfront payment: US$3,333,333, comprising US$1,500,000 in cash and US$1,833,333 in Jupiter common stock, subject to a 120-day lock-up and customary Nasdaq and U.S. securities-law limitations. • Development and regulatory milestones: Up to US$23,333,333, including US$3,333,333 on first patient dosing in a Phase 3 clinical trial and

US$20,000,000 on FDA approval of a New Drug Application for a licensed product. • Commercialization milestones: Up to US$73,333,333, payable on first achievement of US$333.3 million, US$1.0 billion and US$2.0 billion in cumulative U.S. net sales (US$10 million, US$30 million and US$33.3 million, respectively). • Royalty: 3% of U.S. net sales of licensed products, commencing after the third commercialization milestone. • Manufacturing and supply: PharmAla has committed to manufacturing a supply of GMP-grade ALA-002 drug product to Jupiter under a separate supply agreement to be negotiated on commercial terms.

On July 30th, PharmAla announced its financial highlights for the third quarter ended May 31, 2026. Financial Highlights: • Revenues for the nine months ended May 31, 2026 topped $1,000,000 compared to $338,000 in the comparable nine months ended May 31, 2025 (3 months ended May 31, 2026 - $513,000 compared to 2025 - $135,000). • Net loss and comprehensive loss for the three and nine months ended May 31, 2026 was $499,759 and $1,247,150 compared to $524,235 and $1,814,110 for the three and nine months ended May 31, 2025. Primarily due to the increase in revenue. • Cash used in operating activities was $673,588 for the nine months ended May 31, 2026 compared to $748,758 for the nine months ended May 31, 2025.

PharmAla also announced that all motions were passed at its Annual Shareholder Meeting held on July 9th, 2026.

2. Provide a general overview and discussion of the activities of management.

In addition to the work described above, PharmAla continues development of novel analogs of MDMA. Management is active in growing the sales funnel for MDMA clinical trial supplies and physician sales under the leadership of Nicholas Kadysh. Dr. Farnoud Kazemzadeh, COO, continues to work towards GMP production of MDMA. Harpreet Kaur directs the research program, as well as developing ICH materials supporting MDMA sales.

On July 29th, PharmAla filed its Financial Statements and Management Discussion & Analysis for the third quarter ended May 31, 2026 on its website and through its profile on SEDAR+.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

See Item #1

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

There were no additional products or services discontinued during the period.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

   See item #1. There were no other material new business relationships that were entered during the period.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

   Not applicable.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

   No acquisitions were made during the period.

8. Describe the acquisition of new customers or loss of customers.

   Not Applicable.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

   See Item #1.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

    There were no material changes to employees during the period.

11. Report on any labour disputes and resolutions of those disputes if applicable.

    There were no disputes with employees during the period.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if

the proceedings are being contested, and the present status of the proceedings.

PharmAla Biotech initiated an action in Quebec Small Claims court to recover financial assets and physical property from Laboratories CCrest. The amount claimed is $15,000. The case is pending.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

There were no changes to the company's indebtedness during the period.

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds(1)

(1) State aggregate proceeds and intended allocation of proceeds.

15. Provide details of any loans to or by Related Persons.

There were no loans to or by Related Persons.

16. Provide details of any changes in directors, officers or committee members.

There were no changes to directors, officers, or committee members.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

There were no changes to major trends.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.

2. As of the date hereof there were no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: August 7, 2026

Nicholas Kadysh
Name of Director or Senior Officer

"*Nicholas Kadysh"*
Signature

Chief Executive Officer
Official Capacity

Issuer Details Name of Issuer **Pharmala Biotech Holdings Inc.**	For Month End **July 2026**	Date of Report YY/MM/DD **2026/08/07**
Issuer Address **82 Richmond Street East,**		
City/Province/Postal Code **Toronto, Ontario M5C 1P1**	Issuer Fax No. ( )	Issuer Telephone No. **(855) 444-6362**
Contact Name **Nicholas Kadysh**	Contact Position **Director & CEO**	Contact Telephone No. **(855) 444-6362**
Contact Email Address **nick@pharmala.ca**	Web Site Address **https://pharmala.ca**	