Red White & Bloom Brands Inc.

Management Discussion and Analysis

For the three months ended March 31, 2026, and 2025

Dated June 1, 2026

CONTENTS

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

The following Management Discussion and Analysis ("MD&A") may contain "forward-looking information" within the meaning of Canadian securities legislation ("forward-looking statements"). These forward-looking statements are made as of the date of this MD&A and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required under applicable securities legislation. Forward-looking statements relate to future events or future performance and reflect Company management's expectations or beliefs regarding future events. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", “projected”, "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will be taken", or "occur”, or "be achieved" or the negative of these terms or comparable terminology. By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. The Company provides no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Certain forward-looking statements in this MD&A include, but are not limited to, the following:

- the performance of the Company’s business and operations.
- the expected timing and projected cost or synergies realized from the Company’s business objectives and initiatives including its expansion plans; both organic and acquisitive.
- the business strategies of the Company.
- the impact of the ongoing introduction of new branded cannabis product offerings.
- the impact of ongoing and prospective cost savings initiatives.
- the impact of laws and regulations maintained by various levels of government (existing, proposed, or amended) including but not limited to those impacting operating licenses to conduct business activities in relevant jurisdictions within the cannabis industry.
- expectations regarding production quality and capacity including the Company’s performance at its various cultivation and processing facilities.
- expectations regarding relevant cannabis market conditions, including regulatory, specific to jurisdictions in which the Company legally operates or intends to operate in.
- the competitive conditions of the cannabis industry in the United States, Canada and internationally.
- the state of banking regulations in the United States as it relates to the cannabis industry.
- the rescheduling of cannabis under the Controlled Substances Act as overseen by the US Drug Enforcement Agency.
- the intention of the Company to complete any offering of securities (in any form) or debt (in any form) issued by the Company.

There can be no assurance that the aforementioned conditions as well as other factors will not affect the accuracy of forward-looking statements made by the Company regarding the anticipated performance of its business. Such factors include, but are not limited to, the Company's ability to obtain financing from external resources in whatever form, the general impact of capital and commercial market conditions that may impact the Company and its consumers, the yield from captive cultivation operations, product demand in channels to market that the Company currently services or intends to service in future periods as part of its business initiatives, changes in prices of key manufacturing inputs such as raw materials and services outsourced by the Company to facilitate the production of finished goods, the impact of competition in jurisdictions which the Company operates or is targeting to operate in, and relevant government regulations including, but not limited to, those that garner the potential reclassification or de-scheduling of cannabis as a Schedule 1 narcotic under the US federal Controlled Substances Act.

Readers are encouraged to reference the Company's public filings, overseen by Canadian securities regulators, which can be accessed on Sedar+ at www.sedarplus.ca.

NON-IFRS AND SUPPLEMENTARY FINANCIAL OR OPERATING MEASURES

The Company currently references non-IFRS and supplementary financial or operating measures, including, but not limited to, EBITDA and Adjusted EBITDA. These measures do not have a standardized definition prescribed by IFRS and are most likely not comparable to similar measures presented by other public company issuers including those operating in the cannabis industry. Non-IFRS measures provide investors with additional insights into the Company’s financial and operating performance which may not be garnered from traditional IFRS measures. The management of the Company, including its key decision makers, use non-IFRS measures in assessing the Company’s financial and operating performance.

EBITDA, as defined by the Company, means earnings before interest, income taxes, depreciation, and amortization. The Company calculates Adjusted EBITDA as EBITDA less , share based compensation, gains or losses on evaluation of financial instruments, gains or losses on asset disposals, unrealized changes in fair value of biological assets, realized fair value amounts included in inventory sold, gains or losses on settlement or extinguishment of debt, gains or losses on investments, gains or losses on discontinued operations, expected credit losses and bad debt expense, acquisition costs, business transaction costs, carrying costs associated with dormant tangible assets, and non-recurring expenses such as termination costs, legal costs, non-recurring inventory write-offs, costs associated with corporate restructuring of operations, penalties and late fees.

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") of Red White & Bloom Brands Inc. (the "Company" or "RWB") provides a review of the Company's operations and financial performance for the three months ended March 31, 2026 ("2026-Q1" or "2026-YTD"), with comparative information for the fiscal year ended December 31, 2025 ("2025-YE"), and three months ended March 31, 2025 ("2025-Q1"or "2025-YTD"). This MD&A should be read in conjunction with the Company's Condensed Interim Consolidated Financial Statements for the three months ended March 31, 2026, and the Company's Audited Consolidated Financial Statements for the year ended December 31, 2025 (the "Financial Statements").

The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the interpretations of the IFRS Interpretations Committee ("IFRIC"). All references to the Company in this MD&A include its subsidiaries, where applicable.

Unless otherwise indicated, all tabular amounts are presented in thousands of Canadian dollars, and all other amounts are presented in millions of Canadian dollars.

This MD&A has been reviewed by the Company's Audit Committee and approved by its Board of Directors on June 1, 2026. The Financial Statements and this MD&A are available on SEDAR+ at www.sedarplus.ca.

COMPANY OVERVIEW AND STRATEGY

Company Overview

Red White & Bloom Brands Inc. was incorporated on March 12, 1980, pursuant to the Business Corporations Act, British Columbia. The shares of the Company are traded on the Canadian Stock Exchange under the trading symbol "RWB". The Company's head office and registered office is located at 1890 - 1075 West Georgia Street, Vancouver, British Columbia, V6E 3C9.

As of 2025-YE, the Company has established a robust, multi-faceted operational framework spanning key North American cannabis markets. Our business is strategically positioned across four dynamic revenue streams:

1. **Premium Distribution Network** - Delivering both proprietary and partner cannabis products directly to licensed retailers across adult-use and medical channels
2. **Retail Excellence** - Operating retail locations offering curated selections of branded and non-branded cannabis products to both medical and recreational consumers.
3. **Vertically Integrated Supply Chain** - Maintaining captive cultivation, processing, packaging, and procurement operations that ensure quality control and margin optimization across our distribution, retail, and licensing operating segments.
4. **Brand Licensing Power** - Strategically extending our market-leading Platinum and Platinum Vape brands through arm's length distribution partnerships.

The Company operates across key North American cannabis markets, with established operations in the U.S. states of Michigan, Florida, and California, and licensing partnerships extending our reach into strategic legal states. Our Canadian operations, acquired through the Aleafia Acquisition in early 2024, have strengthened our continental footprint and enabled the successful expansion of our Platinum brand portfolio into Canada's established cannabis marketplace. Our integrated North American platform now delivers significant commercial, operational, and administrative synergies across both U.S. and Canadian markets. In Canada, we service well-established adult-use distribution channels, medical retail channels, and both domestic and international wholesale channels. Our diversified brand portfolio includes the respected EMBLEM and DIVVY brands, which offer innovative, consumer-focused products across multiple product formats. This comprehensive market presence positions our company as a truly integrated North American cannabis operator with the scale and infrastructure to serve diverse consumer segments across a broad domestic and international footprint.

Company Strategy

The Company is strategically positioned to accelerate US, Canadian and international expansion of its distribution and retail operations through both organic and acquisitive means.

The Company is pursuing strategic market penetration through:

1. **Asset-Light Licensing Model** - Leveraging our powerful brand equity through arm's length licensing agreements in targeted U.S. markets
2. **Vertical Integration** - Establishing a comprehensive and vertically integrated operational footprint in the North American cannabis marketplace.

At the core of this strategy is our portfolio of premium cannabis brands, including:

PLATINUM & PLATINUM VAPE ("PV")	DIVVY & EMBLEM
Our flagship premium brand recognized for exceptional quality	Market-leading Canadian brands with established consumer loyalty.

Our family of brands has secured a reputation for uncompromising quality across North American and international markets. The Company's product portfolio, encompassing both branded and non-branded offerings, has become the definitive choice for sophisticated cannabis consumers who demand consistency and excellence, delivered through rigorous procurement standards, precision-focused production methodologies, and comprehensive quality assurance protocols.

Platinum's diverse product ecosystem includes:

- **Advanced Vaporization Technology** - Disposable and reusable vape pens, cartridges, and pods available in precision-formulated, strain-specific varieties
- **Culinary Cannabis Innovations** - Artisanal, palate-driven edible creations, including our signature gummy coins featuring classic flavor profiles
- **Premium Flower Program** - Carefully cultivated packaged flower and various sophisticated pre-roll formats

DESCRIPTION OF THE BUSINESS

Distribution

The Company is committed to the production, sale, and distribution of both adult-use and medical cannabis products to licensed retailers.

In Michigan, operations are anchored by a multifunctional facility primarily distributing its premium Platinum and PV branded cannabis products in addition to DIVVY branded cannabis products, across both adult-use and medical markets, serving a multitude of licensed retailers throughout the state. This solidifies the Company's position as a leading supplier within Michigan's first-mover cannabis market.

In California, the Company distributes a full line of Platinum and PV branded cannabis products through partnerships with local, best-in-class contract manufacturers, distributors, and sales agents. The Company's focus in California remains the distribution of primarily Platinum branded adult-use cannabis products to licensed retailers in one of the United States' largest cannabis markets.

The Company's Canadian operations, established through the Aleafia Acquisition completed in early 2024, have become an integral component of our North American cannabis platform. Our Canadian assets include two licensed cultivation and processing facilities located in Ontario, featuring one of Canada's largest outdoor cannabis cultivation operations. These facilities have significantly enhanced our cultivation, processing, and extraction capabilities, supporting expanded distribution of both adult-use and medical cannabis products to licensed retailers, with over 86 in-market product listings across multiple provincial jurisdictions, and registered patients throughout Canada's federally regulated marketplace.

The Company continues to focus on optimizing commercial and operational initiatives across our combined Canadian and U.S. operations to capture material synergies. This strategic coordination has enabled us to continue to capitalize on best practices, streamline operational processes, leverage our supply chain for competitive pricing on product inputs, and capitalize on commercial opportunities through mutual branded product offerings.

Licensing

The Company complements its core distribution operations with an asset-light licensing model. It partners with third-party, strategic, licensed distributors in target U.S. markets, supplying non-THC branded inputs such as packaging, hardware, and terpenes, and granting exploitation rights associated with the use of the non-THC inputs which permits licensees with established distribution networks to manufacture, market, and distribute Platinum or PV branded products within these defined territories. These arrangements focus on the distribution of PV branded vape cartridges, disposable vapes, and edibles, allowing the Company to expand its brand presence in influencer states without the capital requirements associated with established in-state licensed operations. This strategy supports revenue diversification and leverages the strong reputation of the Platinum and PV brands.

Retail

As of the date of this report, the Company has secured an additional four (4) “white box” retail leases bringing the Company’s projected total of retail dispensaries in the state of Florida to thirteen (13) with six (6) of these locations currently active. More recently, state and municipal approvals have been secured on a profile retail dispensary in South Miami Beach, with activation expected in 2026-Q2.

Our Florida retail operations are supported by a processing, extraction, and packaging facility in Sanderson, Florida, that also houses edibles manufacturing, ongoing research and product development and administration functions in addition to a scalable cultivation facility in Apopka, Florida. The Apopka facility's cannabis biomass outputs are wholly committed to the Company, ensuring the highest standards of quality control and consistent product fulfilment across our captive Florida retail network; the primary means to sell-through finished goods under the current state licensing regime.

Subsequent to year-end, the Company entered into a binding letter of intent to divest its Florida operations (see ‘*Recent Developments’*). As a result, the Company’s strategic focus with respect to its Florida retail platform is evolving.

The Company's Canadian medical cannabis operations, first established through the Aleafia Acquisition in early 2024, serve over 12,797 registered patients across Canada. We are recognized for our extensive range of high-quality cannabis products, delivered under our EMBLEM and DIVVY brands, including cultivar-specific bottled oils, topicals, and capsules, and have expanded our offerings to include Platinum and PV branded edibles and vape products. Patients can access these products at their convenience through our ecommerce platform, with home delivery available across Canada. Our medical cannabis operations are supported by a dedicated patient care team with extensive years of experience, providing tailored patient support, education, and personalized treatment plans through a network of specialized physicians and nurse practitioners. We continuously align our product development initiatives with evolving patient needs, ensuring our medical cannabis offerings meet the highest standards of quality and therapeutic efficacy while serving the diverse requirements of our growing patient base across Canada.

The table below provides an overview of the Company's subsidiaries and their respective ownership as of the date of this MD&A:

Subsidiary	Source Currency	Jurisdiction	% Ownership As at 31-Mar-26	% Ownership As at 31-Dec-25
Continuing Operations				
Red White & Bloom Brands Inc. (Parent)	**CAD**	**British Columbia, Canada**	**100%**	**100%**
RWB (PV) Canada, Inc.	CAD	Alberta and Ontario, Canada	100%	100%
RWB Licensing Inc.	CAD	British Columbia, Canada	100%	100%
Aleafia Inc.	CAD	Ontario, Canada	100%	100%
Aleafia Farms Inc.	CAD	Ontario, Canada	100%	100%
Aleafia Retail Inc.	CAD	Ontario, Canada	100%	100%
Canabo Medical Corporation	CAD	Ontario, Canada	100%	100%
Emblem Cannabis Corporation	CAD	Ontario, Canada	100%	100%
Emblem Lands LP	CAD	Ontario, Canada	100%	100%
Emblem Lands GP	CAD	Ontario, Canada	100%	100%
MichiCann Medical Inc.	CAD	Ontario, Canada	100%	100%
PV CBD, LLC	USD	California, United States	100%	100%
RWB California, Inc.	USD	California, United States	100%	100%
RWB Platinum Vape Inc.	USD	California, United States	100%	100%
RWB Florida, LLC	USD	Florida, United States	77%	77%
Red White & Bloom Florida, Inc.	USD	Florida, United States	77%	77%
[1]MPV Wellness Inc.	USD	Michigan, United States	100%	100%
Red White & Bloom Michigan (2024), Inc.	USD	Michigan, United States	100%	100%
RWB Michigan LLC	USD	Michigan, United States	100%	100%
RWB (PV) Licensing, LLC	USD	Nevada, United States	100%	100%
Discontinued Operations				
[2]Growwise Health Ltd.	CAD	Ontario, Canada	100%	100%
Vista Prime Management, LLC	USD	California, United States	100%	100%
Mid-American Growers, Inc.	USD	Delaware, United States	100%	100%
Pharmaco, Inc.	USD	Michigan, United States	100%	100%
RLTY USA Corp.	USD	Delaware, United States	100%	100%
RWB Illinois, Inc.	USD	Delaware, United States	100%	100%
Real World Business Integration, LLC	USD	Illinois, United States	100%	100%
GC Ventures 2, LLC	USD	Michigan, United States	100%	100%

OUTLOOK

The Company continues to execute strategic growth initiatives designed to strengthen market leadership, drive operational excellence, and expand our product portfolio across core operating markets. Our strategic roadmap centres on several key value-creation opportunities:

- **Optimizing Canadian Operations:** Following the successful integration of the Aleafia Group of companies, the Company is now positioned as a leading national licensed producer with enhanced cultivation capacity, expanded distribution capabilities, and broader consumer access points. This integrated platform serves as a cornerstone for capturing North American cannabis market opportunities while remaining responsive to potential shifts in U.S. federal legalization policy. Management continues to realize meaningful synergies across research and development, supply chain management, channel optimization, and corporate functions. The pending acquisition of Ayurcann, described in the *Recent*

[1] Incorporated August 15, 2025
[2] Dissolved December 31, 2025

Developments section below, is expected to further strengthen this platform by expanding the Company's value-added manufacturing capabilities, broadening its branded product portfolio, and enhancing operational scale within Canada's regulated cannabis framework.

- **Manufacturing Innovation:** Continued investment in state-of-the-art agricultural, processing and production infrastructure in Michigan and Canada - encompassing leading extraction and manufacturing technologies, in addition to cultivation optimization - will enable portfolio diversification and capture growing demand across emerging product segments while driving operational efficiencies. These investments further reinforce our vertically integrated operations and support long-term sustainability.
- **Expanding Licensing Footprint:** Building on our proven licensing model, we are actively pursuing strategic partnerships across high-growth North American and international markets. Through these selective partnerships with integrated operators, we can continue to build diversified revenue streams while maintaining our capital-efficient approach to market expansion.

The Company remains focused on expanding our premium cannabis brand portfolio across all operational territories. Our innovation pipeline emphasizes high-quality concentrate products, including infused pre-roll offerings, artisanal edible offerings such as our distinctive gummy coin products, and next-generation All-In-One (AIO) vape platforms.

RECENT DEVELOPMENTS

Acquisition of Ayurcann Inc.

On April 12, 2026, Emblem Cannabis Corporation ("Emblem"), a wholly-owned subsidiary of the Company, was selected as the successful bidder in the Court-supervised sale and investment solicitation process (the "SISP") approved by the Ontario Superior Court of Justice (Commercial List) (the "Court") in connection with the insolvency proceedings of Ayurcann Holdings Corp. and Ayurcann Inc. (together, "Ayurcann") under the Companies' Creditors Arrangement Act (Canada) ("CCAA"). Ayurcann obtained creditor protection under the CCAA on January 30, 2026, with Alvarez & Marsal Canada Inc. appointed as Court-appointed monitor. The Court issued the Sale Process Approval Order on February 13, 2026.

The acquisition is structured as a share purchase implemented through a reverse vesting order, pursuant to which Emblem will indirectly acquire Ayurcann's business, operations and licences through ownership of 100% of the newly issued shares of Ayurcann Inc. Certain excluded assets and liabilities of Ayurcann will be vested in an affiliate and are not being assumed by Emblem. Total cash consideration is C$5 million, payable at closing from facilities generally available to Emblem.

The assets to be acquired include access to Ayurcann's Health Canada-licensed formulation, manufacturing and packaging facility in Pickering, Ontario; the Fuego, Xplor and Happy & Stoned brand portfolio and related intellectual property; retained commercial contracts and related national distribution arrangements; and the licences required to operate the acquired business.

Closing remains subject to final Court approval and the satisfaction of customary closing conditions including, but not limited to, regulatory approval which was secured effective June 1, 2026.

Upon closing, the transaction will be accounted for as a business combination in accordance with IFRS 3, Business Combinations, with Emblem identified as the acquirer. As the transaction had not closed as at the date of approval of the MD&A, the initial acquisition accounting, including the allocation of the purchase consideration to the identifiable assets acquired and liabilities assumed and the determination of any resulting goodwill or bargain purchase gain, has not been performed, and the financial effect on the Company cannot be reasonably estimated at this time.

Divestiture of Florida Operations

On March 12, 2026, the Company entered into a binding letter of intent (the "LOI") with M&V Investment One LLC ("M&V") and Royal Group Resources Ltd. ("RGR"), a third-party senior secured lender to RWB Florida, LLC, providing for the divestiture of the Company's Florida cannabis operations, including equity interests in its subsidiaries RWB Florida, LLC and Red White & Bloom Florida Inc. (collectively, "RWB Florida"), to M&V (the "Proposed Transaction").

The Proposed Transaction is structured around the following principal components: (i) the extension by M&V of a revolving senior secured credit facility of up to US$1.5 million to RWB Florida for operational funding purposes, bearing interest at 12% per annum and secured by a first-priority lien on all equity and assets of RWB Florida; (ii) the acquisition by M&V from RGR of all debt instruments and related security interests held in respect of RWB Florida, including a senior secured promissory note held by RGR, together with all intercompany debt instruments held by the Company and its affiliates (collectively, the "Assumed Debt"); (iii) the transfer by the Company of all equity interests in RWB Florida to M&V, with equity transfer documentation to be held in escrow pending regulatory approval from the Florida Office of Medical Marijuana Use ("OMMU") to the extent such approval has not been obtained by the closing date; and (iv) a transitional brand license agreement permitting RWB Florida to continue use of the Company's brand portfolio through December 31, 2026, with royalties payable at five percent (5%) of applicable revenues, subject to a minimum monthly royalty of US$25 thousand. On closing, M&V will assume and fully release all guarantees previously provided by the Company and its affiliates on behalf of RWB Florida, including retail lease guarantees, the surety bond related to the Florida MMTC licence, and all guarantees relating to the Assumed Debt.

Upon closing of the Proposed Transaction, the Company expects to lose control of RWB Florida within the meaning of IFRS 10, Consolidated Financial Statements. On the date which control is lost, the Company will derecognize all assets and liabilities of RWB Florida at their carrying amounts including the Assumed Debt, derecognize any previously recognized non-controlling interests, recognize the fair value of any consideration received (including the present value of brand license royalties and the release of guarantee obligations), and recognize the resulting gain or loss on disposal in profit or loss. The determination of the date on which control is lost for purposes of IFRS 10 will be contingent on OMMU regulatory approval.

On March 24, 2026, M&V completed the acquisition of all debt instruments and related security interests held in respect of RWB Florida, including a senior secured promissory note held by RGR, specifically RGR Note C (Note 21), together with all intercompany debt instruments held by the Company and its affiliates (collectively, the "Assumed Debt"). Terms of the transaction, which were negotiated separately by M&V and RGR, were in alignment with those agreed to per the LOI executed on March 12, 2026. All terms of the acquired debt remained unchanged after the acquisition by M&V and, as such, the Company was not materially impacted by the transaction.

Management did not consider RWB Florida to have met the criteria for classification as held for sale under IFRS 5, Non-current Assets Held for Sale and Discontinued Operations, as at March 31, 2026, given that it had not secured regulatory approval for the transaction; a primary closing condition of the transaction. Although the Company is not currently aware of any factors that would deny approval of the transaction, it cannot reasonably predict what the regulatory body will ultimately conclude.

Appointment of Michael DiBrina as Director

On January 13, 2026, the Company confirmed the appointment, effective January 12, 2026, of Mr. Michael Di Brina as a director of the Company. Mr. Michael Di Brina is a distinguished Canadian entrepreneur, philanthropist, and community leader whose career spans more than thirty-five years in the financial services and business sectors. As President of Di Brina Family Holdings, Mr. Michael Di Brina oversees a diverse portfolio of companies, including Gold Leaf Financial Group, that has approximately $1.1 billion assets under management, and Northern Skyline Developments, each reflecting his vision of combining business excellence with community impact. Mr. Michael Di Brina is a lifetime member of the prestigious Million Dollar Round Table and qualifies annually for the Top of the Table, a distinction achieved by fewer than one percent of financial advisors worldwide. He holds the designation of Trust & Estate Practitioner (TEP) and has received the highest honours available to Life Underwriters, underscoring his expertise and commitment to excellence in financial services. In 2013, Mr. Di Brina was recognized as a recipient of the Bell Business Excellence award by the Sudbury Chamber of Commerce. Mr. Micheal Di Brina’s accomplishments in business are matched by his dedication to community. A passionate philanthropist and civic leader, he has championed causes across healthcare, education, recreation, and elder care. In recognition of his decades of service, he was also awarded the King Charles III Coronation Medal in 2025, one of Canada's distinguished national honours.

Effective January 12, 2026, Mr. Michael Marchese, a founding director of RWB, tendered his resignation from the Company's Board of Directors to pursue other business interests.

Restructuring of Michigan Distribution Operations

RWB Michigan, LLC ("RWB Michigan"), an affiliate of the Company, has been the subject of a state-sponsored receivership since October 15, 2025, as a result of a complaint filed by Royal Group Resources Ltd. with the Oakland County Circuit Court on October 14, 2025. The genesis of the complaint was a default by RWB Michigan under the terms of the RGR USD Grid Note.

The Company completed a court-approved restructuring of its Michigan distribution operations through a series of related transactions, as follows:

On November 19, 2025, the Oakland County Circuit Court approved the terms of a sale of select assets of RWB Michigan, pursuant to a court-approved purchase and sale agreement, to MPV Wellness Inc., ("MPV"), a newly incorporated, wholly owned affiliate of the Company. Total consideration for the purchase was US$3.0 million. Funding of the purchase was completed after the expiry of a 30-day receiver-mandated waiting period. The assets acquired in this initial tranche included inventory and the assumption of lease contracts. No other liabilities of RWB Michigan were assumed by MPV as part of this or any subsequent transaction.

On March 13, 2026, MPV executed the purchase of the balance of select RWB Michigan assets, including accounts receivable, notes receivable and fixed assets, for total cash consideration of US$20.4 million. Court approval for the sale was secured by the court-appointed receiver on March 26, 2026.

On April 28, 2026, upon expiry of a receiver-mandated clearing period, MPV funded the aforementioned purchase and completed the Michigan restructuring initiative.

On the closing of the second tranche noted above, RWB Michigan will be in a position to exit the state-sponsored receivership. The final court order secured by the appointed receiver confirming the exit of the receivership will confirm the extinguishment of liabilities held by RWB Michigan as of the date of filing of the receivership. As at the date of approval of these Condensed Interim Consolidated Financial Statements, although the sale of the assets had been completed, the receivership discharge had not been formally filed by the appointed receiver. The effect of the restructuring on the Company's consolidated financial statements, including the impact of the settlement of RWB Michigan's remaining liabilities realized by virtue of the authority of the court approved receivership, will be reflected in the Company's second quarter (2026-Q2) interim financial statements.

The transactions between the Company and MPV represent transfers of assets between entities under common control. Management has elected to account for these transfers at carrying value in the consolidated financial statements, consistent with the Company's accounting policy for common control transactions.

This is a non-adjusting event after the reporting period within the meaning of IAS 10, Events after the Reporting Period, and accordingly no adjustments have been made to the consolidated financial statements as at and for the quarter ended March 31, 2026.

Pharmaco Receivership

Pharmaco, which was acquired by the Company in February 2022 and classified as a disposal group as of December 31, 2024, was placed under receivership in December 2024 following defaults under its senior secured loan agreement with Royal Group Resources Ltd. ("RGR") under the RGR Credit Facility (see *Liquidity and Capital Resources*). On March 5, 2025, the Company's subsidiary, Red White & Bloom Michigan (2024), Inc., was confirmed as the successful bidder for certain assets of Pharmaco at a purchase price of US $8.9 million (C$ 12.7 million), with court approval formally confirmed on March 28, 2025. A Release and Discharge Agreement executed on March 29, 2025, facilitated the settlement of debt obligations, with RGR agreeing to terminate the credit facility and release all security interests in consideration of receiving the aforementioned US $8.9 million (C$ 12.7 million) sale proceeds to be applied against the amounts owing on the RGR Credit Facility, with all excess owing by Pharmaco being discharged and released. The excess, US $6.8 million (C$ 9.8 million), was recorded by the Company as a gain on debt settlement and included in the (gain) loss from discontinued operations (see *Discontinued Operations*). Proceeds owing to RGR were settled by the Company on April 30, 2025. The court order terminating the receivership was filed on July 2, 2025. The final discharge of the receivership is pending execution by RGR as of the date of the publication of these financials.

Advances on existing notes payable

The Company received advances under the RGR USD Grid Note and the RGR CAD Grid Note, respectively during the quarter ended March 31, 2026. Proceeds were used to fund the acquisition of select assets of RWB Michigan and the acquisition of Ayurcann Inc. through the investment solicitation process described above, with the balance applied to working capital and general corporate purposes.

Settlement of OPRC Note Receivable

On January 31, 2026, One Plant (Retail) Corp. ("OPRC") settled in full its $3 million promissory note dated May 17, 2024, payable to Aleafia Retail Inc., a wholly owned subsidiary of the Company. The note bore interest at 8.00% per annum and was scheduled to mature on May 31, 2027. OPRC elected to repay all outstanding principal and accrued interest in advance of the maturity date, having secured more favourable financing terms. Upon receipt of payment, the note and all related security were discharged in accordance with the terms of the note.

Status as a US Exchange Act Registrant and US Trading:

In September 2023, the SEC commenced proceedings to de-register the Company's common stock under Section 12(j) due to historical filing deficiencies, resulting in a settlement and trading suspension order effective November 7, 2023, which prohibits U.S. resident shareholders from trading on OTCQX. Following a March 2024 settlement with the Company's former auditors and their subsequent alleged non-compliance with settlement terms, the Company engaged a new audit services provider to complete outstanding audit engagements. As of the report date, audit work is underway with targeted completion, including SEC consent requirements necessary to lift the Section 12(j) order, in early to mid-2026. The Company is concurrently working to reactivate its OTC marketplace listing and, upon resolution of compliance issues, intends to seek cancellation of its SEC registration as the Company does not require it to trade on the OTC given what will be its foreign private issuer status.

CONSOLIDATED FINANCIAL HIGHLIGHTS

The following summarizes results from operations for 2026-Q1 and 2025-Q1:

	2026-Q1	2025-Q1	Variance
	$	$	$
Revenue	13,942	19,192	(5,250)
Cost of goods sold, before fair value adjustments	10,737	11,889	(1,152)
Gross profit before fair value adjustments	**3,205**	**7,303**	**(4,098)**
Gross profit before fair value adjustments (%)	23%	38%	-15%
Unrealized changes in fair value of biological assets	1,123	174	949
Realized fair value amounts included in inventory sold	(489)	(3,197)	2,708
Gross Profit after fair value adjustments	**3,839**	**4,280**	**(441)**
Gross profit (%) after fair value adjustments	28%	22%	5%
General and administration	5,248	6,461	- 1,213
Marketing expenses	1,274	1,295	(21)
Share-based compensation	10	21	(11)
Depreciation and amortization	780	611	169
Bad debt expense	(775)	606	(1,381)
Total operating expenses	**6,537**	**8,994**	**(2,457)**
Loss from operations before other expenses or income	**(2,698)**	**(4,714)**	**2,016**
Total other (income) expenses	10,570	4,641	5,929
Loss before income taxes	**(13,268)**	**(9,355)**	**(3,913)**
Current income tax expense	(380)	(2,145)	1,765
Deferred income tax recovery	(611)	295	(906)
Net loss from continuing operations	**(14,259)**	**(11,205)**	**(3,054)**
Profit (loss) from discontinued operations	(117)	17,849	(17,966)
Loss for the period	**(14,376)**	**6,644**	**(21,020)**
EBITDA	(780)	18,958	(19,738)
Adjusted EBITDA	(2,034)	1,787	(3,821)

- Revenues were $13.9 million for 2026-Q1, a $5.3 million decrease from 2025-Q1 revenues of $19.2 million.
- Gross profit, before fair value adjustments, was $3.2 million for 2026-Q1, a $4.1 million decrease from 2025-Q1 gross profit before fair value adjustments of $7.3 million.
- Gross profit, after fair value adjustments, was $3.8 million for 2026-Q1, an decrease) of $0.5 million from 2025-Q1 gross profit after fair value adjustments of $4.3 million.
- Operating expenses were $6.5 million for 2026-Q1, a decrease of $2.5million compared to 2025-Q1 operating expenses of $9.0 million.
- Adjusted EBITDA (loss) was $2.0 million for 2026-Q1, compared to $1.8 million compared to 2025-Q1 (refer to Adjusted EBITDA).

RESULTS OF OPERATIONS

The Company's reportable segments, organized based on channels to end-user markets serviced by the Company, are as follows:

(1) ***Corporate segment*** includes the publicly traded parent company which operates as a cost center for related public reporting and administrative costs amongst other captive functions that benefit its subsidiaries.

(2) ***Distribution segment*** includes subsidiaries that are licensed to cultivate, manufacture, process and/or distribute Company branded and non-branded cannabis and non-cannabis products directly to licensed retailers in the legal U.S. states of Michigan and California, and throughout Canada and internationally.

(3) ***Licensing segment*** includes subsidiaries that own intellectual property associated with the Company's PV and Platinum trademarks and brands, that are engaged in the sale of non-THC branded products which are incorporated in licensed Company cannabis product offerings. The Company also contracts with distributor partners in legal states to license the use of its premium brands in the above-noted, non-THC inputs as well as branded product offerings within their territory.

(4) ***Retail segment*** sells both captive and third party branded cannabis products and accessories to the adult-use and medical use markets in the legal U.S. states of Florida and Michigan[1], and across Canada through its online medical platform.

(5) All other non-reporting operations to a fifth segment; '***Other***'.

Segmented revenues to gross profit for 2026-Q1 and 2025-Q1, are as follows:

2026-Q1	Corporate	Distribution	Licensing	Retail	Consolidated
	$	$	$	$	$
Revenue					
Sales revenue	-	10,734	-	3,210	13,944
Cost of goods sold before fair value adjustments	-	9,123	-	1,614	10,737
Gross profit before fair value adjustments	-	1,611	-	1,596	3,207
Unrealized gains (losses) in fair value of biological assets	-	105	-	1,018	1,123
Realized fair value gains (losses) included in inventory sold	-	120	-	(610)	(490)
Gross profit after fair market value adjustments	-	1,836	-	2,004	3,840
% of consolidated revenue	0%	77%	0%	23%	100%
% of consolidated cost of goods sold before fair value adjustments	0%	85%	0%	15%	100%
Gross profit before fair value adjustments (%)	0%	15%	0%	50%	23%
Gross profit after fair value adjustments (%)	0%	17%	0%	62%	28%
2025-Q1	**Corporate**	**Distribution**	**Licensing**	**Retail**	**Consolidated**
Revenue					
Sales revenue	-	13,263	845	5,085	19,193
Cost of goods sold before fair value adjustments	-	8,474	56	3,359	11,889
Gross profit before fair value adjustments	-	4,789	789	1,726	7,304
Unrealized gains (losses) in fair value of biological assets	-	(51)	-	224	173
Realized fair value gains (losses) included in inventory sold	-	(2,413)	-	(785)	(3,198)
Gross profit after fair market value adjustments	-	2,325	789	1,165	4,279
% of consolidated revenue	0%	69%	4%	26%	100%
% of consolidated cost of goods sold before fair value adjustments	0%	71%	0%	28%	100%
Gross profit before fair value adjustments (%)	0%	36%	0%	34%	38%
Gross profit (%)	0%	18%	0%	23%	22%
Variance	**Corporate**	**Distribution**	**Licensing**	**Retail**	**Consolidated**
Change in revenue	-	(2,529)	(845)	(1,875)	(5,249)
Change in cost of goods sold before fair value adjustment	-	649	(56)	(1,745)	(1,152)
Change in gross profit before fair value adjustment	-	(3,178)	(789)	(130)	(4,097)
Change in gross profit after fair market value adjustments	-	(489)	(789)	839	(439)

[1] Through fiscal 2025, the Company undertook an orderly exit from retail operations in the state of Michigan, As of December 31, 2025, the Company had exited all retail operations in the state.

Revenue

The Company's three main revenue streams are (1) Distribution, (2) Licensing and (3) Retail.

- **Distribution Revenue**: Revenue from sales to customers through the Company's distribution channel is recognized, net of promotional discounts, estimated returns, and sales or excise taxes, when control of the goods has transferred to the customer. Where the Company arranges the shipping of goods, revenue is recognized on the date the goods are shipped from the Company's warehouse or third-party distribution partners. Where the customer arranges for the pickup of finished goods, revenue is recognized at the time the goods are transferred to the customer's carrier. Costs of shipping orders to customers, as applicable, are included as an expense in the cost of goods sold.

- **Licensing Revenue**: Revenue from sales to distributors of non-THC, branded inputs and through licensing of its brand to third party distribution partners.

- **Retail Revenue**: Revenue from sales through the Company's various retail or dispensary channels is revenue that is recognized, net of promotional discounts, and sales taxes, on the date the goods are sold to the consumer.

Sales of products are in cash or credit, in the case of retail revenues, or for otherwise agreed-upon credit terms, in the case of distribution and licensing revenues. The Company's payment terms for distribution customers vary by location and customer and are tailored in accordance with the Company's strategic objectives in each of its respective markets. The Company offers promotional discounts on its products at point of sale (Retail). The Company does not offer a warranty on its products in any channel.

Revenue for 2026-Q1

Consolidated revenue for 2026-Q1 was $13.9 million, representing a decrease of $5.3 million compared to $19.2 million for 2025-Q1. The year-over-year revenue decline was driven primarily by a decline in the Distribution segment, reflecting intensified competitive pricing conditions in Michigan and the impact of the Michigan Restructuring (refer to *Recent Developments),* together with a quarterly contraction in the Licensing segment.

- ***Distribution revenue for 2026-Q1*** was $10.7 million, representing a decrease of $2.6 million compared to $13.3 million for 2025-Q1. The decline is primarily attributable to continuing challenging market conditions in the state of Michigan and the Michigan Restructuring. The decline was partially offset by contributions from the Company's Canadian distribution operations and California distribution channels.

- ***Licensing revenue for 2026-Q1*** was nil, compared to $0.8 million for 2025-Q1, representing a decrease of 0.8 million.

- ***Retail revenue for 2026-Q1*** was $3.2 million, representing a decrease of $1.8 million compared to $5.0 million for 2025-Q1. The decline primarily reflects the wind-down of the Company's Michigan retail operations partially offset by the continued positive contribution from the Florida medical market and Canadian medical operations.

Gross profit before fair market value adjustments

Consolidated Gross profit before fair market value adjustments for 2026-Q1 was $3.2 million, compared to $7.3 million for 2025-Q1. The quarterly variance was driven primarily by the timing of inventory cost flows in the Distribution segment.

OPERATING EXPENSES

Operating Expenses for 2026-Q1 and 2025-Q1 are as follows:

2026-Q1	Corporate	Distribution	Licensing	Retail	Other	Consolidated
	$	**$**	**$**	**$**	**$**	**$**
General and administration	1,155	2,318	38	1,587	150	5,248
Marketing expenses	5	1,123	-	146	-	1,274
Share-based compensation	10	-	-	-	-	10
Depreciation and amortization	2	153	-	625	-	780
Bad debt expense (recovery)	-	(766)	(8)	(1)	-	(775)
Total operating Expenses	1,172	2,828	30	2,357	150	6,537
2025-Q1	Corporate	Distribution	Licensing	Retail	Other	Consolidated
	$	$	$	$	$	$
General and administration	1,234	3,041	23	2,073	91	6,461
Marketing expenses	2	800	151	342	-	1,295
Share-based compensation	21	-	-	-	-	21
Depreciation and amortization	-	52	-	526	33	611
Bad debt expense (recovery)	-	475	146	(15)	-	606
Total operating expenses	1,257	4,367	320	2,927	125	8,994
Variances	Corporate	Distribution	Licensing	Retail	Other	Consolidated
	$	$	$	$	$	$
Change in General and administration	(79)	(723)	15	(486)	59	(1,213)
Change in marketing expenses	3	323	(151)	(196)	-	(21)
Change in share-based compensation	(11)	-	-	-	-	(11)
Change in depreciation and amortization	2	101	-	99	(33)	169
Change in in bad debt expense	-	(1,241)	(154)	14	-	(1,381)
Change in total operating expenses	(85)	(1,539)	(290)	(570)	25	(2,459)

Consolidated operating expenses for 2026-Q1 were $6.5 million, representing a decrease of $2.5 million compared to $9.0 million for 2025-Q1. The most significant drivers of the reduction in consolidated operating expenses were a $1.4 million favorable variance in bad debt expense, which moved to a net recovery of $0.8 million in 2026-Q1 from a charge of $0.6 million in 2025-Q1, and a $1.2 million decrease in general and administrative expenses. The reduction in bad debt expense primarily reflects the Company actualizing bad debt expense and aligning expected credit loss provisions in the Distribution operations while the reduction in general and administrative expenses reflects the Company's continued focus on cost optimization and return on investment. These savings were partially offset by a $0.2 million increase in consolidated depreciation and amortization.

For more detail on the Company's expected credit loss provisions, refer to the Company's Unaudited Consolidated Interim Financial Statements for the period ended March 31, 2026 found on SEDAR+ at www.sedarplus.ca.

General and administrative expenses ("G&A")

General and Administrative ("G&A") expenses encompass a range of costs essential to the operation and management of the Company that are not directly tied to production or indirect costs of production. These expenses include burdened headcount costs, which cover salaries and related employee expenses for personnel whose roles are not allocated to specific production activities. Additionally, G&A expenses cover non-inventoriable facility-related costs, such as rent and utilities, and expenses associated with maintaining dedicated security personnel at our retail locations. The Company also incurs regional cannabis licensing fees across its active U.S. and Canadian operations. Professional and advisory fees, both operating and non-recurring, including legal, accounting, and consulting services, form a significant part of G&A expenses, alongside insurance premiums incurred to mitigate operational, product and asset liability, and general corporate risks. Finally, corporate costs associated with the oversight and strategic management of the Company's operations are also included within G&A expenses.

The Company's general and administrative expenses for 2026-Q1 and 2025-Q1 were as follows:

	3 months ended 31-Mar-26	3 months ended 31-Mar-25	Variance
	$	$	$
Salaries and wages	3,044	3,671	(627)
Facilities expense	554	231	323
Professional fees	706	1,169	(463)
Office and administrative fees	485	665	(180)
Travel expense	20	87	(67)
Licenses and permits	358	192	166
Insurance	54	417	(363)
Penalty and late fees	27	29	(2)
Total general and administrative expenses	**5,248**	**6,461**	**(1,213)**

General and Administrative for 2026-Q1

Total G&A expenses for 2026-Q1 were $5.2 million, a decrease of $1.2 million from total G&A expenses of $6.5 million for 2025-Q1, demonstrating disciplined cost management across the consolidated platform.

- ***Salaries and wages for 2026-Q1*** amounted to $3.0 million, representing an decrease of $0.7 million compared to $3.7 million for 2025-Q1. The decrease primarily reflects the impact of the cessation of retail activities in Michigan.
- ***Facilities expenses for 2026-Q1*** totaled $0.6 million, representing an increase) of $1.4 million compared to $0.2 million for 2025-Q1.
- ***Professional fees for 2026-Q1*** totaled $0.7 million, representing a decrease of $0.5 million compared to $1.2 million for 2025-Q1. The decrease) reflects a reduction in ongoing legal, audit, and consulting costs associated with the Company's multi-jurisdictional footprint.
- ***Office and administrative fees for 2026-Q1*** totaled $0.5 million, representing an decrease) of $0.2 million compared to $0.7 million for 2025-Q1.
- ***Licenses and permits costs for 2026-Q1*** were $0.4 million, representing an increase of $0.2 million compared to $0.2 million for 2025-Q1.

OTHER EXPENSES (INCOME)

Other expenses (income) for 2026-Q1 and 2025-Q1 are as follows:

	2026-Q1	2025-Q1	Variance
	$	$	$
Other expense (income)			
Interest earned on promissory notes	(679)	(724)	45
Other income	(10)	(5,803)	5,790
Finance expense	12,504	9,893	2,611
Acquisition costs	-	5	(5)
Accreted interest, leases	-	687	(687)
Business transaction costs	165	39	126
(Gain) loss on disposal of assets	(34)	-	(34)
Gain on investments	-	340	(340)
Foreign exchange	(1,376)	204	(1,580)
Total other expenses (income)	**10,571**	**4,641**	**5,930**

Consolidated other expenses (income) for 2026-Q1 were $10.6 million of net expense, representing an unfavourable change of $6.0 million compared to net expense of $4.6 million for 2025-Q1. The change was driven primarily by a $5.7 million unfavourable swing in other income and an increase of $1.9 million in finance expense, offset by a $1.6 million favourable swing in foreign exchange.

- ***Interest earned on promissory notes for 2026-Q1*** was income of $0.7 million compared to income of $0.7 million for 2024-Q4. The PD Note continued as the principal income generator on a quarterly basis, with OPRC contributing steady accrued interest at 8.00% per annum. (refer to *Liquidity and Capital Resources for more details on Notes Receivable*).

- ***Finance expense for 2026-Q1*** was $12.5 million, representing a increase of $2.6 million compared to $9.9 million for 2025-Q1. The change is driven by:

ADJUSTED EBITDA

Below is a reconciliation net loss and Adjusted EBITDA for 2026-Q1 and 2025-Q1:

	2026-Q1	2025-Q1	Variance
	$	$	$
Net Income (Loss) for the Period	(14,376)	6,644	(21,020)
Depreciation and amortization	780	611	169
Interest earned on promissory notes	(679)	(724)	45
Accreted interest, leases	-	687	(687)
Current income tax expense/(recovery)	380	2,145	(1,765)
Deferred income tax expense/(recovery)	611	(295)	906
Finance expenses	12,504	9,893	2,611
Interest income	-	(3)	3
Bad debt expense	(775)	606	(1,381)
Acquisition costs	-	5	(5)
Business transaction costs	165	39	126
(Gain) Loss on disposal of assets	(34)	-	(34)
Foreign exchange	(1,376)	204	(1,580)
Unrealized changes in fair value of biological assets	(1,123)	(174)	(949)
Realized fair value amounts included in inventory sold	489	3,197	(2,708)
Gain on investment	-	340	(340)
Other expenses (income)	(10)	(5,800)	5,790
Share based compensation	10	21	(11)
Nonrecurring expenses	1,283	2,240	(957)
(Gain) loss on discontinued operations	117	(17,849)	17,966
Adjusted EBITDA	**(2,034)**	**1,787**	**(3,821)**

Adjusted EBITDA is a non-IFRS measure. The reader is referred to disclosure regarding *Non-IFRS and Supplementary Financial or Operating Measures* on page 5 of this MD&A for further details.

STATEMENT OF FINANCIAL POSITION

Assets

As at 2026-Q1, and 2025-YE, the Company held the following assets:

As at	2026-Q1	2025-YE	Variance
	$	$	$
Assets			
Current assets			
Cash and cash equivalents	3,901	4,567	(666)
Accounts receivable	11,131	8,317	2,814
Notes receivable	29,817	31,659	(1,842)
Prepaid expenses	816	1,051	(235)
Deposits	10,151	7,605	2,546
Inventory	45,865	43,438	2,427
Biological assets	1,893	1,165	728
Assets held for Sale	6,307	6,202	105
Other assets	-	296	(296)
Total current assets	**109,881**	**104,300**	**5,581**
Non-current assets			
Property, plant and equipment, net	40,797	40,894	(97)
Intangible assets, net	55,478	54,657	821
Right-of-use assets, net	17,462	17,749	(287)
Long-term notes receivable	2,623	5,789	(3,166)
Investments	3,357	3,357	-
Goodwill	-	-	-
Total non-current assets	**119,717**	**122,446**	**(2,729)**
Total assets	**229,598**	**226,746**	**2,852**

Total assets increased to $229.7 million at 2026-Q1, compared to $227.0 million at 2025-YE, representing a $2.7 million increase. This overall asset increase was primarily driven by increases in accounts receivable, deposits, inventory, and assets held for sale, partially offset by a reduction in long-term note receivable as discussed below.

- ***Cash and equivalents as at 2026-Q1*** were $3.9 million, representing a decrease of $0.7 million compared to $4.6 million at 2025-YE.
- ***Accounts receivable as at 2026-Q1*** were $11.1 million, representing an increase of $2.8 million compared to $8.3 million at 2025-YE. The expected credit loss allowance against trade receivables decreased to $2.7 million from $3.4 million as at December 31, 2025.
- ***Inventory as at 2026-Q1*** was $46.0 million, representing an increase of $2.6 million compared to $43.4 million at 2025-YE.
- ***Right-of-use assets as at 2026-Q1*** were $17.5 million, representing a marginal decrease of $0.2 million compared to $17.7 million at 2025-YE.

Liabilities

A summary of the Company's liabilities as at 2026-Q1 and as at 2025-YE is as follows:

As at	2026-Q1	2025-YE	Variance
	$	**$**	**$**
Current liabilities			
Accounts payable and accrued liabilities	16,825	16,199	626
Short-term notes payable	42,648	39,365	3,283
Short-term convertible notes	53,847	51,572	2,275
Short-term lease obligations	948	955	(7)
Income taxes payable	14,179	13,564	615
Liabilities held for sale	11,846	11,538	308
Other current liabilities	1,431	762	669
Total current liabilities	141,724	133,955	7,769
Non-current liabilities			
Long-term notes payable	316,607	306,240	10,367
Long-term convertible notes	-	-	-
Long-term lease obligations	22,629	22,553	76
Deferred tax liability	5,545	4,842	703
Other non-current liabilities	125	124	1
Total non-current liabilities	344,906	333,759	11,147
Total liabilities	486,630	467,714	18,916

Total liabilities at 2026-Q1 were $487.0 million versus $467.7 million at 2025-YE, representing an increase of $19.3 million.

- ***Accounts payable and accrued liabilities as at 2026-Q1*** were $16.8 million, representing a marginal increase of $0.6 million compared to $16.2 million at 2025-YE.
- ***Short-term and long-term notes payable as at 2026-Q1*** were $359.3 million, representing a net increase of $13.7 million compared to $345.6 million at 2025-YE. The net increase reflects interest accruals and principal draws across the debt portfolio during the period.
- ***Short-term and long-term convertible debt as at 2026-Q1*** were $53.8 million, representing a net increase of $2.2 million compared to $51.6 million at 2025-YE. The increase reflects the impact of interest accruals across the convertible note portfolio during the period. The full balance is presented as a current obligation as at 2025-YE as the maturity dates of the underlying instruments fall within the next twelve months (refer to *Liquidity and Capital Resources*).

Shareholders' Equity

As at 2026-Q1, total shareholders' equity reflected a deficit of $257 million, compared to a deficit of $241.0 million as at 2025-YE. It is important to contextualize this deficit that includes the cumulative impact of non-cash intangible and goodwill impairment charges totaling $385.0 million realized in fiscal years 2021 through 2025, including the $55.1 million of impairment charges recognized during fiscal 2025 in respect of the Platinum Vape brand intangible asset and the goodwill and licenses allocated to the Florida CGU (refer to Notes 16 and 19 of the 2025-YE Audited Consolidated Financial Statements).

SUMMARY OF QUARTERLY RESULTS

The net income and losses realized by the Company over the last eight quarters, as set out below, reflect the impact of a number of recurring and non-recurring factors, including: changes in the fair value of biological assets (realized and unrealized); changes in the fair value of convertible debentures; share-based compensation movements derived from the underlying trading share price and associated volatility; non-cash impairment charges related to adjustments in the carrying value of tangible assets, indefinite-life intangible assets, and goodwill; net gains and losses on investments arising from fair value adjustments; ongoing and non-recurring professional fees tied to public company compliance and executed and ongoing transactions; marketing expenses attributed to brand awareness initiatives executed across the Company's existing and target legal markets; and debt service and finance expenses (net) associated with the Company's various debt issuances and restructuring activities. Operating results have also varied over the past eight quarters as a result of the competitive nature, operating performance and seasonal characteristics of the legal cannabis markets in which the Company operates. Background on these specific items is set out in the *Results from Operations* section.

A summary of the quarterly results for the past eight quarters is as follows:

Quarter	Revenue	Cost of Goods Sold	Gross profit before FMV adjustments	Gross profit after FMV adjustments	Net loss	Earnings per share
	$	$	$	$	$	$
31-Mar-26	13,942	10,737	3,205	3,839	(14,376)	(0.03)
31-Dec-25	12,448	13,824	(1,376)	6,844	(51,731)	(0.10)
30-Sep-25	16,783	10,274	6,509	8,487	(17,818)	(0.03)
30-Jun-25	16,405	8,702	7,703	2,966	(19,601)	(0.05)
31-Mar-25	19,192	11,889	7,303	4,280	6,644	(0.02)
31-Dec-24	18,584	17,941	643	5,588	(13,474)	(0.01)
30-Sep-24	21,290	14,413	6,877	10,157	(2,883)	(0.01)
30-Jun-24	20,757	14,808	5,949	9,998	(10,650)	(0.02)

SUMMARY OF OUTSTANDING SHARE DATA

A. Authorized

Unlimited common shares without par value, and an unlimited number of non-voting preferred shares issuable in series without par value, each with special rights and restrictions, as described in Note 22 to the Company's annual financial statements for the year ended December 31, 2025.

B. Issued and Outstanding

At March 31, 2026, 470,596,901 common shares were issued and outstanding, with share capital of $342,124 (December 31, 2025 – 470,596,901 shares; $342,124). There were no transactions affecting share capital during the three months ended March 31, 2026.

C. Stock Options

The terms of the Company's 20% rolling stock option plan and the assumptions used to value outstanding options are described in Note 22 to the annual financial statements.

The number of stock options and weighted average exercise prices as at March 31, 2026, and December 31, 2025, are as follows:

	Options	Weighted average exercise price
	#	$
Balance Outstanding, January 1, 2025	**15,586,429**	**0.80**
Expired	(4,986,429)	0.71
Balance Outstanding, December 31, 2025	**10,600,000**	**0.16**
Balance Outstanding, March 31, 2026	**10,600,000**	**0.16**
Exercisable		
Exercisable As at March 31, 2026	9,565,628	0.16
Exercisable as at December 31, 2025	9,220,836	0.16

For the 2026-Q1, the Company had nominal expenses relating to share-based compensation expenses (2025; nominal).

EARNINGS (LOSS) PER SHARE

Earnings/loss per share for 2025-Q4 and 2025-YTD, and 2024-Q4 and 2024-YTD is as follows:

	3 months ended 2025-Q4	3 months ended 2024-Q4	12 months ended 2025-YTD	12 months ended 2024-YTD
Net loss attributable to:				
Shareholders on continuing operations	(46,264)	(2,300)	(90,172)	(19,162)
Shareholders on discontinued operations	4,227	(4,724)	21,798	(7,054)
Non-controlling interests	(9,694)	(3,196)	(14,134)	(6,883)
Net loss and comprehensive loss attributable to:				
Shareholders	(46,399)	9,330	(53,905)	(51,075)
Non-controlling interests	(9,694)	(3,196)	(14,134)	(6,883)
Earnings (loss) per share, basic and diluted				
Net loss per share - continuing operations	(0.10)	(0.00)	(0.19)	(0.04)
Net loss per share - discontinued operations	0.01	(0.01)	0.05	(0.02)
Weighted average no. of outstanding common shares, basic and diluted	**470,246,559**	**470,221,901**	**470,246,559**	**470,221,901**

No stock options have been included in the computation of diluted loss per share as their effect would be anti-dilutive.

Related Party Transactions

A. Key Management

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of certain executive members of the Company's Board of Directors and corporate officers. Remuneration attributed to key management personnel for the year ended March 31, 2026, and 2025, is as follows:

	3 months ending 31-Mar-26	3 months ending 31-Mar-25
	$	**$**
Management salaries, bonuses, and other benefits	263	265
Consulting Fees Paid to a company controlled by a director of the company	-	15
Share-based payments – officers	4	4
Total	**266,968**	**284**

B. Amounts due to/from Related parties

Included in accounts payable and accrued liabilities is $1,531 of key management compensation to be paid in future periods (December 31, 2025 – $1,092). A portion of the Company's notes payable and convertible debentures is owed to related parties — including the CPIL Note (an entity controlled by the Company's President) and the VMOS Convertible Note (an entity controlled by a director) — together with notes held by close family members of key management personnel and the related-party Matured Debt renewed on February 1, 2025. The terms of these instruments are described in the Notes Payable and Convertible Debentures notes and in Note 20 to the Company's annual financial statements for the year ended December 31, 2025.

C. Related Party Transactions

During the three months ended March 31, 2026, the Company recognized $4 of share-based compensation on options held by directors and officers (three months ended March 31, 2025 – $4) and paid no directors' fees (three months ended March 31, 2025 – $15). At March 31, 2026, directors and officers held 31,060 common shares and 4,450 stock options, of which 3,721 were vested (December 31, 2025 – 37,220 shares and 6,450 options, of which 4,033 vested).

The ELL Note is supported by a guarantee provided by DICL, a related party, for a fee based on a percentage of the note's principal (see Notes 20).

Refer to *Liquidity and Capital Resources* for details relating to notes payable and convertible debt due by the Company to lenders deemed to be related parties.

Commitments and Contingencies

Claims and Litigation

Pharmaco Inc. "(Pharmaco"), previously acquired by the Company on February 7, 2022, and classified as a disposal group as of December 31, 2024, was placed under receivership on December 26, 2024, following uncured defaults under its senior secured loan agreement with Royal Group Resources Ltd. ("RGR"). On March 5, 2025, the Company's subsidiary, Red White & Bloom Michigan (2024), Inc., was confirmed by the presiding court authority as the successful bidder for the assets of Pharmaco. The purchase price for the assets was $8,850. On March 28, 2025, the court approval of the bid for the assets was formally confirmed with the expiry of a mandated appeal period for the benefit of all unsecured creditors of Pharmaco. A Release and Discharge Agreement was executed on March 29, 2025, which facilitated the settlement of debt obligations, being the RGR Credit Facility, between RGR and Pharmaco. In consideration of the receipt of the asset sale proceeds of $8,850, RGR agreed to terminate the RGR Credit Facility, release all borrowers from their repayment obligations, and discharge all security interests, with the understanding that Pharmaco's capacity to repay was limited to the $8,850 in sale proceeds. On June 9, 2025, a motion to terminate the Pharmaco receivership was filed with the presiding court authority by the receiver-in-charge confirming that the receiver had, in its opinion, completed its mandate of liquidating substantially all of Pharmaco's assets with the proceeds distributed to RGR. In addition, as of the motion filing date, substantially all of Pharmaco's contracts and agreements had been terminated and the interests of unsecured creditors addressed to the fullest extent possible. On June 25, 2025, formal approval of the motion to terminate was issued by the presiding court. As of the date of these financial statements, a final discharge of the receivership remains pending with RGR.

In the normal course of business, the Company is involved in various legal proceedings, the outcomes of which cannot be determined at this time, and, accordingly, no provision has been recorded in these consolidated financial statements. Management believes that the resolutions of these proceedings will not have a material unfavorable effect on the Company's consolidated financial statements.

Contingencies

The Company may be contingently liable with respect to claims incidental to the ordinary course of its operations. In the opinion of management, as of the date of the financial statements, and based on management's consultation with legal counsel, the ultimate outcome of any such matters will not have a material adverse effect on the Company. Accordingly, no provision has been made in these condensed interim Condensed Interim Consolidated Financial Statements for losses, if any, which might result from the ultimate disposition of these matters should they arise. The Company continues to proactively monitor risks in this regard to ensure it has accounted for any and all material liabilities that may arise.

The Company's operations are subject to a variety of local and state regulations. Failure to comply with one or more of those regulations could result in fines, sanctions, restrictions on its operations, or losses of licenses and permits that could result in the Company ceasing operations in that specific state or local jurisdiction. While management believes that the Company is in compliance with presiding municipal and state regulations, these regulations continue to evolve and are subject to differing interpretations. As a result, the Company may be subject to costs associated with a potential breach of the aforementioned regulations that could include but are not limited to fines, penalties, taxes, or operating restrictions.

LIQUIDITY AND CAPITAL RESOURCES

Going Concern

The Company’s Audited Consolidated Financial Statements for the year ended December 31, 2025 (found on Sedar+) have been prepared on a going concern basis, which assumes the Company will continue operations for the foreseeable future, realizing assets and discharging liabilities in the ordinary course of business.

The Company's ability to continue as a going concern is supported by the meaningful structural improvements achieved during the year, the successful execution of the Company's strategic plan, and Management's continued focus on revenue growth, cost discipline, cash flow improvement, and access to debt and capital market resources.

The Company's financial instruments and its objectives, policies and processes for managing credit, liquidity, interest rate, foreign currency and capital risk are described in Note 29 to the Company's annual financial statements for the year ended December 31, 2025. There were no significant changes to the Company's risk management objectives or policies during the three months ended March 31, 2026. The Company's quantitative exposures as at March 31, 2026 are summarized below.

Fair value. The carrying values of accounts receivable, accounts payable and accrued liabilities, notes receivable and notes payable approximate their fair values due to their short maturities. The Company's investment in One Plant and the PD Note are measured at fair value using Level 3 inputs (see Note 8).

Credit risk. Accounts receivable were $11.1 million at March 31, 2026 (December 31, 2025; $8.3 millions), net of an expected credit loss provision of $2,7 million (December 31, 2025; $3.4 million). Notes receivable were $32.4 million (December 31, 2025; $37.4 million) (Note 8).

Liquidity risk. At March 31, 2026, the Company held cash and cash equivalents of $3,901 (December 31, 2025; $4,567) against current liabilities of $141,723 (December 31, 2025; $133,955).

Interest rate risk. Interest rates on the Company's notes payable and convertible debentures are fixed under the respective contracts, so the Company's interest rate risk exposure is limited.

Foreign currency risk. The Company is exposed to foreign currency risk on financial assets and liabilities denominated in a currency other than the relevant entity's functional currency, principally the U.S. dollar, arising mainly through U.S.-dollar cash, receivables and notes payable held by its subsidiaries. These result in a net U.S.-dollar liability position as at March 31, 2026 (December 31, 2025 – net liability position). The Company does not use derivatives to manage this exposure. Based on the net monetary position at the reporting date, a strengthening of the U.S. dollar against the Canadian dollar would increase net loss for the period, and a weakening would have an equal and opposite effect; the comparative period is affected consistently.

Capital management. At March 31, 2026, the Company had a shareholders' deficit of $240,968 (December 31, 2025; $240,968), including an accumulated deficit of $592,306. The Company's capital management policies were unchanged during the period, and the Company is not subject to externally imposed capital requirements.

Cash flow Highlights

Below is the cash flow from operating, investing, and financing activities by the Company for 2026-Q1, and 2025-Q1:

	2026-Q1	2025-Q1	Variance
	$	**$**	**$**
Cash provided by operating activities before changes in non-cash working capital	349	(123)	472
Net change in non-cash working capital items	793	(9,442)	10,235
Net cash provided by (used in) operating activities	1,142	(9,565)	10,707
Net cash used in investing activities	693	(22,328)	23,021
Net cash provided by financing activities	(136)	21,186	(21,322)

Net cash used by operating activities for 2026-Q1 was $1.1 million, representing an improvement of $10.7 million compared to $9.6 million for 2025-Q1.

Net cash used in investing activities for 2026-Q1 was $0.7 million, compared to $22.3 million used in 2025-Q1, representing a favorable variance of $23 million.

Net cash provided by financing activities for 2026-Q1 was $0.1 million, compared to $21.2 million in 2025-Q1, representing a $21.3 million decrease.

Notes Receivable

Continuity of the Company's notes receivable for March 31, 2026, and December 31, 2025, is as follows:

	Balance, 01-Dec-25	Additions	Accrued Interest	Interest Payments	Principal Payments	FX (Gain)/Loss	Balance, 31-Mar-26
	$	$	$	$	$	$	$
Battlecreek Note	268	-	-	-	(41)	4	231
Gratiot Note A	413	-	7	(5)	(25)	6	396
Gratiot Note B	828	-	13	(10)	(69)	12	774
KMI Note	1,253	204	46	(10)	(15)	16	1,494
Lighthouse Note	954	-	-	-	-	-	954
OPRC Note	3,020	-	-	(20)	(3,000)	-	-
PD Note	28,991	863	586	-	(4,110)	489	26,819
Stateline Note	1,721	-	21	-	-	30	1,772
Total	**37,448**	**1,067**	**673**	**(45)**	**(7,260)**	**557**	**32,440**

During the three months ended March 31, 2026, the OPRC Note was repaid and settled in full. The Company received cash of $3,020 representing the outstanding principal and accrued interest to the settlement date and derecognized the note. No gain or loss was recognized on settlement.

In accordance with the payment-in-kind provisions of the First Amendment to the PD Note described in Note 8 to the annual financial statements, the Company forgave accrued and unpaid interest of $819 (US$595) on Compliant Product deliveries within the annual cap during the three months ended March 31, 2026. The forgiven interest was netted against interest income earned on the note.

No expected credit loss allowance was required at March 31, 2026 (December 31, 2025 – nil), as each note measured at amortized cost remains supported by collateral with a realizable value equal to or exceeding its gross carrying amount. Credit risk on the PD Note continues to be reflected in its fair value at the reporting date. Credit risk will continue to be assessed each reporting period to ensure compliance with ECL provisions under IFRS.

Finance Expenses

The Company incurred the below finance expenses for 2026-Q1 and 2025-Q1E:

	2025-YTD	2024-YTD
	$	**$**
Interest on notes payable	36,691	25,266
Interest on convertible debt	5,855	7,651
Interest on credit facilities	-	1,082
Other finance fees	32	3,125
Accreted interest on notes payable	-	248
Accreted interest on convertible debt	-	2,639
Gain) loss on valuation of financial instruments	-	(691)
(Gain) on Loan forgiveness	(5,804)	-
(Gain) loss on debt extinguishment	-	167
Total finance expense	**36,774**	**39,487**

Notes Payable

A. Notes Payable

The terms of the Company's notes payable — principal amounts, interest rates, maturities and security — and the February 1, 2025 amendment of the Matured Debt (maturities extended to September 12, 2027 at 12% per annum, principal and interest deferred to maturity, convertible features removed, and $5,803 of accrued interest forgiven by related-party lenders) are described in Note 21 to the Company's annual financial statements for the year ended December 31, 2025.

Note	Purpose:	Note/ Amended Value:	Note currency:	Execution Date:	Maturity Date:	Interest Rate per annum:	Balance, 31-Mar-26	Balance, 31-Dec-25
[1,]BJSD Note	Debt restructure	3,065	CAD	1-Feb-25	12-Sep-27	12.00%	3,524	3,420
[1]CPIL Note	Debt restructure	20,644	CAD	1-Feb-25	12-Sep-27	12.00%	23,730	23,032
[1]DCIL Note	Debt restructure	7,120	CAD	1-Feb-25	12-Sep-27	12.00%	11,408	10,887
ELL Note	Mortgage	5,750	CAD	5-Jun-24	1-Jul-29	6.72%	5,622	5,647
[1]RGR CAD Grid Note	Debt restructure	59,022	CAD	1-Feb-25	12-Sep-27	12.00%	3,237	1,757
MV Ops Note	Operations	1,130	USD	4-Jun-24	4-Dec-25	12.00%	1,491	1,413
Oakshire Note	Debt settlement	3,000	USD	19-Jul-24	On Demand	0.00%	73,750	71,096
[1]RGR Note A	Debt restructure	33,418	USD	1-Feb-25	12-Sep-27	12.00%	53,544	51,100
[2]RGR Note C	Debt restructure	21,742	USD	29-Nov-24	30-Nov-26	12.00%	37,785	36,060
[1]RGR USD Grid Note	Operations & acquisitions	53,779	USD	1-Feb-25	12-Sep-27	12.00%	117,199	114,502
[1]SDIL Note A	Debt restructure	6,901	USD	1-Feb-25	12-Sep-27	12.00%	10,576	10,093
[1]SDIL Note B	Debt restructure	7,120	USD	1-Feb-25	12-Sep-27	12.00%	11,408	10,887
SIL Note	Debt restructure	347	USD	1-Feb-25	12-Sep-27	12.00%	557	531
TAII Note	Debt restructure	3,387	USD	1-Feb-25	12-Sep-27	12.00%	5,427	5,179
Total notes payable							**359,255**	**306,240**
Short-term								39,365
Long-term								306,240

The MV Ops Note and RGR Note C relate to the Company's Florida operations and form part of the debt instruments to be assigned to M&V Investment One LLC ("M&V") in connection with the proposed divestiture of the Company's Florida operations described in Note 32. Under the terms of that transaction, M&V is to acquire from Royal Group Resources Ltd. ("RGR") the senior secured promissory note (RGR Note C) and related security held in respect of RWB Florida, and to assume the MV Ops Note, as part of the Assumed Debt, with all related guarantees provided by the Company and its affiliates to be released on closing. The MV Ops Note matured on December 4, 2025, and remained outstanding at March 31, 2026. As at the date of these financial statements, no notice of default, demand for repayment, or notice of acceleration has been issued in respect of the note. The Company continues to accrue interest on these notes pending completion of the transaction, which remains subject to regulatory approval. The reader is referred to Note 32 for updates on the aforementioned transaction.

On March 24, 2026, M&V completed the acquisition of all debt instruments and related security interests held in respect of RWB Florida, including a senior secured promissory note held by RGR, specifically RGR Note C (the "Assumed Debt"). Terms of the transaction, which were negotiated separately by M&V and RGR, were in alignment with those agreed to per the LOI executed on March 12, 2026. All terms of the acquired debt remained unchanged after the acquisition by M&V and, as such, the Company was not materially impacted by the transaction.

During the three months ended March 31, 2026, interest continued to accrue at the applicable rates and, where provided under the amended terms, was deferred to the respective maturity dates; balances also reflect foreign exchange movements on the USD-denominated notes. A significant portion of the notes payable is held by related parties (Note 26).

B. Convertible debentures

The terms of the Company's convertible debentures, the valuation approach for the embedded conversion features, and the February 1, 2025, amendment of the Matured Convertible Debt into promissory notes (see Note Payable above) are described in Note 21 to the Company's annual financial statements for the year ended December 31, 2025. Consistent with the prior year, the Company determined that no derivative liability was associated with the embedded conversion features of the outstanding convertible debentures at March 31, 2026.

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[1] Related party
[2] Matured debt

A continuity of convertible debentures is as follows:

Balance, 31-Dec-31	Additions	Accrued interest	FX (gain) loss	Balance, 31-Mar-26
	$	$	$	$
AB Convertible Note	1,545	32	27	1,604
FCC Convertible Note	3,089	64	54	3,207
IBGL Convertible Note	3,089	64	54	3,207
VMOS Convertible Note	2,163	45	38	2,246
MV Convertible Note	41,685	1,170	728	43,583
Short-term	**51,572**	**1,375**	**899**	**53,846**
Long-term	**-**	**-**	**-**	

During the three months ended March 31, 2026, interest continued to accrue on the debentures and, where provided under the amended terms, was deferred to the respective maturity dates; balances also reflect foreign exchange movements on the USD-denominated debentures.

The Company's outstanding convertible debentures relate to the Florida operations and form part of the debt instruments to be assumed in connection with the proposed divestiture of RWB Florida described in Note 32. Under the terms of that transaction, M&V is to acquire and/or assume the convertible debentures and related security as part of the Assumed Debt, and to release all related guarantees provided by the Company and its affiliates, on closing. As at the date of these financial statements, no notice of default, demand for repayment, or notice of acceleration has been issued by the holders, including in respect of debentures that have passed their stated maturity date. Closing of the transaction remains subject to regulatory approval. The reader is referred to Note 32 for updates on the aforementioned transaction.

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not enter any off-balance sheet arrangements during 2025-YTD (2024-YTD; nil).

SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Financial Statements requires management to select accounting policies and make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, and expenses. These estimates and assumptions are based on management's best knowledge of current events and actions the Company may undertake in the future and are subject to revision as new information becomes available.

The critical accounting estimates and judgments applied in preparing the Financial Statements are consistent with those disclosed in the Company's audited consolidated financial statements for 2025-YE, available on SEDAR+ (www.sedarplus.ca). The Company has not early adopted any standard, interpretation, or amendment that has been issued but is not yet effective.

Management believes the estimates reflected in these Financial Statements are reasonable and appropriate in the circumstances.

OTHER RISKS AND UNCERTAINTIES

For a discussion of other risks and uncertainties, please refer to the Company's MD&A for the year ended 2025-YE, which can be found on Sedar+.

MANAGEMENT'S REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Chief Executive Officer ("CEO"), President, and Chief Financial Officer ("CFO") are responsible for designing and maintaining effective internal controls over financial reporting. These controls are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS"). As of the date of this MD&A, management has completed its assessment of the Company's internal control framework. While continued improvement in the control environment has been observed, certain deficiencies remain that, while not material to the integrity of financial disclosures, require ongoing attention.

ACCOUNTING PRONOUNCEMENTS

The Company has reviewed all new and amended IFRS Accounting Standards and interpretations issued by the IASB that are effective, or that have been issued but are not yet effective, as at the reporting date. Only those pronouncements that are relevant to, or that management has assessed may have an effect on, the Company's Condensed Interim Consolidated Financial Statements are disclosed in this note. New or pending pronouncements that have been determined to have no effect on the Company's operations, financial position, or disclosures have not been listed.

A. Accounting Pronouncements Recently Adopted

Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments

On May 30, 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to address diversity in accounting practice identified during the post-implementation review of IFRS 9. The amendments clarify the date of recognition and derecognition of financial assets and financial liabilities, including an option to derecognize certain financial liabilities settled through an electronic payment system before the settlement date, and provide additional guidance on the assessment of the contractual cash flow characteristics of financial assets. The amendments are of particular relevance for financial assets with environmental, social and governance ("ESG")-linked features, contractually linked instruments, and financial assets with non-recourse features. The amendments also introduce new disclosure requirements in IFRS 7 for investments in equity instruments designated at fair value through other comprehensive income and for financial instruments with contingent features. The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted.

Annual Improvements to IFRS Accounting Standards – Volume 11

On July 18, 2024, the IASB issued Annual Improvements to IFRS Accounting Standards – Volume 11, which makes narrow-scope amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Condensed Interim Consolidated Financial Statements, and IAS 7 Statement of Cash Flows. The amendments clarify wording, correct minor unintended consequences and oversights, and improve consistency between certain IFRS Accounting Standards. The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted.

B. Standards, Amendments, and Interpretations not yet effective

New and amended accounting standards are effective for the Company for annual periods beginning on or after January 1, 2027, and earlier application is permitted. The Company has not early adopted new or amended standards in preparing these Financial Statements. The Company has not yet determined the impact of these amendments on its Financial Statements. The following are relevant new and amended standards under review by the Company.

IFRS 18 Presentation and Disclosure in Financial Statements

The IASB has published IFRS 18 Presentation and Disclosure in Financial Statements, which will replace IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for the presentation of the statement of profit or loss, including defined categories (operating, investing, and financing) and required subtotals such as operating profit or loss and profit or loss before financing and income taxes. The new standard also requires disclosure of management-defined performance measures and sets out enhanced principles for the aggregation and disaggregation of information. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. Retrospective application is required.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19 Subsidiaries without Public Accountability: Disclosures, which permits eligible subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements. A subsidiary is eligible if it does not have public accountability and its ultimate or intermediate parent produces Condensed Interim Consolidated Financial Statements available for public use that comply with IFRS Accounting Standards. IFRS 19 is effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. As the Company is a publicly traded entity with public accountability, IFRS 19 is not expected to apply to the Company; however, eligible subsidiaries of the Company may elect to apply the standard in their own standalone financial statement.