Red White & Bloom Brands Inc.

Condensed Interim Consolidated Financial Statements

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

CSE: RWB

RED WHITE & BLOOM BRANDS, INC.
MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

To the Shareholders of Red White & Bloom Brands Inc.:

Management is responsible for the preparation and presentation of the accompanying Condensed Interim Consolidated Financial Statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards. This responsibility includes selecting appropriate accounting principles and methods and making decisions affecting the measurement of transactions in which objective judgment is required. In discharging its responsibilities for the integrity and fairness of the Condensed Interim Consolidated Financial Statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of the Condensed Interim Consolidated Financial Statements.

The Board of Directors is responsible for overseeing management in the performance of its financial reporting responsibilities. The Board has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Board is also responsible for recommending the appointment of the Company's external auditors.

The Company's audited Condensed Interim Consolidated Financial Statements for the relevant periods are available at www.sedarplus.ca ("Sedar+"). The Company remains fully committed to the accuracy, transparency, and integrity of its financial reporting and, to the best of its knowledge, has complied with all necessary revisions to its financial statements in accordance with IFRS and applicable audit standards.

June 1, 2026

/s/ *"Brad Rogers" Director*
/s/ *"Colby De Zen" Director*

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RED WHITE & BLOOM BRANDS, INC.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In thousands of Canadian Dollars, except number of shares and per share amounts)

	Notes	As at 31-Mar-26	As at 31-Dec-25
		$	$
Assets			
Current assets			
Cash and equivalents	6	3,901	4,567
Accounts receivable	7	11,131	8,317
Short-term notes receivable	8	29,817	31,659
Prepaid expenses	9	816	1,051
Deposits	10	10,151	7,605
Inventory	11	45,865	43,438
Biological assets	12	1,893	1,165
Assets held for sale	13	6,307	6,202
Other current assets	-	-	296
Total current assets		**109,881**	**104,300**
Non-current assets			
Property, plant and equipment	14	40,797	40,894
Right-of-use assets	16	17,462	17,749
Intangible assets	15	55,478	54,657
Long-term note receivable	8	2,623	5,789
Investments	17	3,357	3,357
Total non-current assets		**119,717**	**122,446**
Total assets		**229,598**	**226,746**
Liabilities and Shareholders’ Equity			
Current liabilities			
Accounts payable and accrued liabilities	19	16,824	16,199
Short-term notes payable	20	42,648	39,365
Short-term convertible notes	20	53,847	51,572
Short-term lease liabilities	16	948	955
Income taxes payable	-	14,179	13,564
Liabilities held for sale	13	11,846	11,538
Other current liabilities	-	1,431	762
Total current liabilities		**141,723**	**133,955**
Non-current liabilities			
Long-term notes payable	20	316,607	306,240
Long-term lease obligations	16	22,629	22,553
Deferred tax liability	-	5,545	4,842
Other non-current liabilities	-	125	124
Total non-current liabilities		**344,906**	**333,759**
Total liabilities		**486,629**	**467,714**
Shareholders' equity			
Share capital	21	342,124	342,124
Contributed surplus		17,412	17,402
Cumulative translation adjustment		(9,113)	(7,419)
Accumulated deficit		(592,306)	(579,508)
Non-controlling interest	25	(15,148)	(13,567)
Total shareholders' deficit		**(257,031)**	**(240,968)**
Total liabilities and shareholders' equity		**229,598**	**226,746**

Nature of operations and going concern (note 1)
Segmented results (note 29)
Subsequent events (note 32)
Contingencies and commitments and (note 28)

Approved by the Board
/s/ “Brad Rogers” Director
/s/ “Colby De Zen” Director

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

RED WHITE & BLOOM BRANDS, INC.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(In thousands of Canadian Dollars, except number of shares and per share amounts)

	Notes	3 months ended 31-Mar-26	3 months ended 31-Mar-25
		$	**$**
Revenue			
Sales revenue	23	13,942	19,192
Cost of goods sold, before fair value adjustments	-	10,737	11,889
Gross Profit before fair market value adjustments		3,206	7,303
Unrealized changes in fair value of biological assets	12	1,123	174
Realized fair value amounts included in inventory sold	-	(489)	(3,197)
Gross profit after fair market value adjustments		**3,840**	**4,280**
Operating Expenses			
General and administration	24	5,248	6,461
Marketing expenses	-	1,274	1,295
Share-based compensation	21	10	21
Depreciation	14	780	611
Bad debt expense	8	(775)	606
Total Operating Expenses		**6,537**	8,994
Loss from operations before other expenses (income)		**(2,697)**	(4,714)
Other expense (income)			
Interest earned on promissory notes	9	(679)	(724)
Other income	-	(10)	(5,803)
Finance expense	20	12,504	10,580
Acquisition costs	-	-	5
Business transaction costs	-	165	39
Loss on disposal of assets	14	(34)	
(Gain) loss on investment	-	-	340
(Gain) loss on foreign exchange	-	(1,376)	204
Total other expenses (income)		**10,571**	**4,641**
Loss before income taxes		**(13,268)**	**(9,355)**
Current income tax expense	-	380	2,145
Deferred income tax recovery	-	611	(295)
Net loss from continuing operations		**(14,259)**	**(11,205)**
Profit (loss) from discontinued operations	30	(117)	17,849
Net profit (loss) for the period		(14,375)	6,644
Translation adjustment	-	(1,694)	(570)
Net income and Comprehensive income		**(16,069)**	**6,074**
Net loss attributable to:			
Shareholders on continuing operations		(12,678)	(9,787)
Shareholders on discontinued operations		(117)	(570)
Non-controlling interests		(1,581)	(1,418)
Net loss and comprehensive loss attributable to:			
Shareholders		(14,813)	8,062
Non-controlling		(1,581)	(1,418)
Net loss per share, basic and diluted			
Continuing operations		(0.03)	(0.02)
Discontinued operations		(0.00)	(0.00)
Weighted average number of outstanding common shares, basic and diluted		470,596,901	470,221,901

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(In thousands of Canadian Dollars, except number of shares and per share amounts)

3 months ended 31-Dec-25	Common Shares	Common Shares	Non-Controlling Interests	Contributed surplus	Cumulative translation adjustment	Accumulated Deficit	Total equity
	#	$	$	$	$	$	$
Balance, January 1, 2025	470,221,901	342,111	567	17,315	(21,888)	(511,134)	(173,029)
Stock based compensation (note 21)	-	-	-	21	-	-	21
Currency translation adjustments	-	-	-	-	570	-	570
Net loss from continuing operations	-	-	(1,418)	-	-	(9,787)	(11,205)
Net loss from discontinued operations (note 31)	-	-	-	-	-	17,850	17,850
Stock based compensation (note 21)	470,221,901	342,111	(851)	17,336	(21,318)	(503,072)	(165,794)
Balance, March 31, 2025	**470,221,901**	**342,111**	**567**	**17,315**	**(21,888)**	**(511,134)**	**(173,029)**

3 months ended 31-Mar-26	Common Shares	Common Shares	Non-Controlling Interests	Contributed surplus	Cumulative translation adjustment	Accumulated Deficit	Total equity
	#	$	$	$	$	$	$
Balance, January 1, 2026	**470,596,901**	**342,124**	**(13,567)**	**17,402**	**(7,419)**	**(579,511)**	**(240,972)**
Stock based compensation (note 21)	-	-	-	10	-	-	10
Cumulative translation adjustments	-	-	-	-	(1,694)	-	(1,694)
Net loss from discontinued operations (note 31)	-	-	-	-	-	(117)	(117)
Net loss from continuing operations	-	-	(1,581)	-	-	(12,678)	(14,259)
Balance, March 31, 2026	**470,596,901**	**342,124**	**(15,148)**	**17,412**	**(9,113)**	**(592,306)**	**(257,031)**

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

RED WHITE & BLOOM BRANDS, INC.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

(In thousands of Canadian Dollars, except number of shares and per share amounts)

	Note	For the period ended 31-Mar-26	For the period ended 31-Mar-25
Cash flow from operating activities:			
Net loss for the period		**(14,375)**	**6,646**
Items not involving cash:		**15,168**	**(466)**
Changes in non-cash working capital items:			
Accounts receivable	8	(3,359)	(288)
Prepaid expenses	9	151	(193)
Deposits	10	(2,999)	1,606
Inventory	11	1,391	(401)
Biological Assets	12	(158)	420
Accounts payable and accrued liabilities	19	1,956	(11,298)
Current Income tax payable	-	1,484	1,454
Deferred income taxes	-	1,605	(296)
Other assets	-	279	260
Other current liabilities	-	-	45
Net cash provided by (used in) operating activities		**1,142**	**(2,511)**
Cash flows from investing activities			
Acquisition of property, plant and equipment	14	(400)	(2,185)
Sale of property, plant and equipment, held for sale	14	-	(312)
Advances on notes receivable	8	(1,067)	(1,615)
Interest receipts on notes receivable	8	45	71
Principal receipts on notes receivable	8	2,115	499
Net cash provided by (used in) investing activities		**693**	**(3,541)**
Cash flow from financing activities:			
Advances on notes payable	20	6,397	4,373
Interest payments on notes payable	20	(25)	(88)
Principal payments on notes payable	20	(4,209)	(529)
Settlement of credit facility in discontinued operations	-	-	312
Principal payments on lease obligations	16	(1,656)	(44)
Interest payments on lease obligations	16	(643)	(687)
Net cash provided by (used in) financing activities		**(136)**	**3,337**
Foreign exchange affecting cash equivalents		(2,365)	512
Change in cash during the period		(665)	(2,203)
Cash equivalents, beginning of year		4,567	7,285
Cash, end of period		**3,902**	**5,083**

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Red White & Bloom Brands Inc., (the "Company" or "RWB") is publicly traded, with its common shares currently trading on the Canadian Securities Exchange (the "CSE") under the trading symbol "RWB". The Company was incorporated on March 12, 1980, pursuant to the Business Corporations Act, British Columbia, with its registered office located at 1890-1075 West Georgia Street, Vancouver, British Columbia, V6E 3C9.

RWB is a multi-jurisdictional, vertically integrated cannabis operator with a presence in established legal markets across the United States, Canada, and international territories.

The Condensed Interim Consolidated Financial Statements for the three months ended March 31, 2026, and 2025 (the "Financial Statements"), have been prepared under the assumption of a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at March 31, 2026, the Company incurred accumulated net comprehensive losses of $592,306(2025; $579,508) since inception, including non-cash impairments of $55,084 realized in fiscal year ended 2025 ($41,864 intangibles and $13,220 goodwill), $141 realized in fiscal year ended 2024, and $329,800 realized in prior years, totaling $385,025 in non-cash impairments. For the three months ended March 31, 2026, the Company incurred a comprehensive net loss of $16,069 (2025; net loss of $6,074). Working capital deficit (current assets less current liabilities) as at March 31, 2026, was $2,187 (2025; $29,655). Net cash provided by operations was $1,142 (2025; $2,511 used). These circumstances cast doubt on the Company's ability to continue as a going concern.

The Company has traditionally relied on debt and equity financing to support its operations. However, due to the current challenges in the global cannabis capital markets, access to equity financing sources remains more limited. Debt as a source of financing remains accessible based on its current arrangements with its strategic lenders. As the Company continues to invest in and execute its strategic initiatives, the Company may face cash flow shortages that could impact its ability to sustain ongoing operations or meet ongoing cash debt obligations. Despite these challenges, the Company has been successful in obtaining financing to date and recently negotiated favorable terms with its key lenders to renew and (as applicable) restructure issued and outstanding debt that had otherwise matured within the reporting period (Note 20). Having secured the extension of maturity dates and the mutually agreed upon deferral of cash debt service to the next applicable maturity dates for these debts, the Company has been provided with additional cash flow availability, enhancing its ability to manage financial commitments tied to its operations more effectively. If further funding is not accessible through debt instruments or equity capital, delays, postponements, or reductions in certain operational activities may occur.

In evaluating the appropriateness of the going concern assumption, the Company has considered all relevant information available for the twelve-month period following this reporting period. To address its ongoing financial requirements, the Company is actively pursuing several strategies, including securing financing through existing or prospective sources of debt to support both organic and acquisitive growth initiatives, monetizing captive assets, both tangible and intangible, and a continuing program of reducing operating costs through the streamlining of operations and support functions. The Company's ability to continue as a going concern is dependent upon its ability to generate sufficient cash flows from operations, obtain additional financing, and successfully execute the strategies described above.

There can be no assurance that the Company will achieve profitability. If the going concern assumption were not appropriate for these Financial Statements, then adjustments would be necessary to the carrying values of assets and liabilities, the reported expenses, and the consolidated statements of financial position classifications used; such adjustments could be material.

2. BASIS OF PRESENTATION

A. STATEMENT OF COMPLIANCE

The Company's Condensed Interim Consolidated Financial Statements ("Financial Statements") have been prepared in accordance with and using accounting policies consistent with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and the interpretations of the IFRS Interpretations Committee ("IFRIC"), effective for the Company's reporting For the three months ended March 31, 2026, and 2025.

These Financial Statements were authorized for issuance by the Company's Board of Directors and Audit Committee on May 29, 2026.

B. BASIS OF MEASUREMENT

These Financial Statements have been prepared on a historical cost basis except for biological assets and certain financial instruments classified as fair value through profit or loss, which are measured at fair value (Note 5). In addition, these Financial Statements have been prepared using the accrual basis of accounting, except for cash flow information.

C. FUNCTIONAL AND PRESENTATION CURRENCY

All figures presented in these Financial Statements are reflected in thousands (000's) of Canadian dollars, unless otherwise noted; Canadian dollars being the functional currency of the Company. Foreign currency transactions and translation into Canadian dollars is computed in accordance with the Company's foreign currency translation accounting policies found in Note 5. Functional currencies of subsidiaries included in these Financial Statements can be found in Note 3.

3. BASIS OF CONSOLIDATION

The Financial Statements include the accounts of the Company and its subsidiaries. In accordance with IFRS 10 *Condensed Interim Consolidated Financial Statements*, control exists when the Company has power over the investee, is exposed to variable returns from its involvement with the investee and has the ability to use its power to affect those returns. Investees over which the Company has significant influence, being the power to participate in the financial and operating policy decisions of the investee without controlling or jointly controlling those policies, are accounted for as associates under IAS 28 *Investments in Associates and Joint Ventures*. The results of consolidated entities are included from the date control is obtained until the date control ceases.

(In thousands of Canadian Dollars, except number of shares and per share amounts)

Subsidiaries with controlling interest within these Financial Statements include the following:

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				
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%

1 Incorporated August 15, 2025

4. 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 statements.

5. MATERIAL ACCOUNTING POLICIES AND KEY ESTIMATES

The preparation of these Financial Statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues, and expenses. Actual results may differ from these estimates. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(In thousands of Canadian Dollars, except number of shares and per share amounts)

Significant estimates and judgments used in the preparation of these Financial Statements are described in note 5 of the Company's most recently filed Audited Consolidated Financial Statements for the year ended December 31, 2025, which can be found on the Company's profile on Sedar+.

6. CASH AND EQUIVALENTS

Cash and equivalents consists of the following:

	As at 31-Mar-26	As at 31-Dec-25
	$	$
Cash in bank	2,475	3,883
Cash on hand	817	114
Cash in transit	213	328
Restricted cash	396	242
Total cash	**3,901**	**4,567**

- **Cash on Hand:** Comprised of currency maintained at retail locations and petty cash funds utilized for immediate operational requirements.
- **Cash in Bank:** Represents balances held in deposit accounts at the Company's authorized financial institutions.
- **Cash in Transit:** Consists of retail location deposits in process of being transferred to the Company's financial institution. These deposits typically require twenty-four to forty-eight hours to be recognized and credited to the Company's accounts.
- **Restricted Cash:** Includes funds held in a 24-month guaranteed investment certificate ("GIC") maturing on August 29, 2027. This GIC bears an effective interest rate of 3.7% with monthly compounding.

7. ACCOUNTS RECEIVABLE

The Company's accounts receivable consists of the following:

	As at 31-Mar-26	As at 31-Dec-25
	$	$
Trade receivables	12,463	9,945
Expected credit loss – trade receivables	(2,682)	(3,417)
Trade receivables, net	**9,781**	**6,528**
Other receivables	46	481
Sales tax receivable	1,305	1,308
Ending Balance	**11,131**	**8,317**

The Company assessed the carrying amount of trade receivables at March 31, 2026, for expected credit loss ("ECL") and included an ECL of $2,682 (2025; $3,417). In the three months ended March 31, 2025, the Company did not realize any bad debt, however recorded 775 to ECL (March 31, 2025; $nil and $606, respectively).

(In thousands of Canadian Dollars, except number of shares and per share amounts)

The aging of the Company's trade receivables and the corresponding ECL is as follows:

As at 31-Mar-26							
Aging classification (days)	**Current**	**1-30**	**31-60**	**61-90**	**91-120**	**121+**	**Total**
Rate of expected loss	0%	0%	1%	5%	3%	60%	
Trade receivables	3,623	1,623	2,017	710	542	3,947	12,462
Expected credit loss – trade receivables	-	-	(16)	(38)	(15)	(2,614)	(2,683)
Trade receivables, net	**3,623**	**1,623**	**2,001**	**672**	**527**	**1,333**	**9,779**
Other receivables							46
Sales tax receivable							1,306
Balance, March 31, 2026	**3,623**	**1,623**	**2,001**	**672**	**527**	**1,333**	**11,131**

As at 31-Dec-25							
Aging classification (days)	**Current**	**1-30**	**31-60**	**61-90**	**91-120**	**121+**	**Total**
Rate of expected loss	6.4%	8.0%	15.5%	7.1%	26.5%	83.1%	
Trade receivables	3,302	1,007	650	556	616	3,814	9,945
Expected credit loss – trade receivables	(88)	(42)	(110)	(14)	(34)	(3,129)	(3,417)
Trade receivables, net	**3,214**	**965**	**540**	**542**	**582**	**685**	**6,528**
Other receivables							481
Sales tax receivable							1,308
Balance, December 31, 2025							**8,317**

During the three months ended March 31, 2026, the Company had two significant customers representing 22% and 11% of total revenues earned by the Company (December 31, 2025; 25% and 13%).

8. NOTES RECEIVABLE

The Company's notes receivable are measured at amortized cost and subject to the IFRS 9 expected credit loss model, except for the PD Note, which is measured at fair value through profit or loss. The terms, security and measurement basis of each note are described in Note 8 to the Company's annual financial statements for the year ended December 31, 2025. There were no significant changes to these arrangements during the three months ended March 31, 2026, other than the settlement of the OPRC Note.

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 thousands of Canadian Dollars, except number of shares and per share amounts)

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.

9. PREPAID EXPENSES

The Company's prepaid expenses are comprised of the following amounts:

	As at 31-Mar-26	As at 31-Dec-25
	$	$
Prepaid operating licenses	480	742
Prepaid taxes	23	-
Prepaid dues and subscriptions	86	20
Other prepaid fees	227	258
Total prepaid expenses	**816**	**1,051**

Prepaid operating licenses include licenses held by the Company's various subsidiaries that allow for the legal conduct of cultivation, processing, distribution, and medical and adult-use retail sales by these entities. These licenses are regulated by the respective authorities in each state or province across the United States and Canada.

10. DEPOSITS

The Company's deposits are comprised of the following amounts:

	As at 31-Mar-26	As at 31-Dec-25
	$	$
Vendor deposits	8,342	7,067
Security deposits	1,140	369
Other deposits	671	169
Total deposits	**10,153**	**7,605**

Vendor deposits represent advance deposits placed with independent licensed producers under crop commitments that reserve production capacity for cannabis biomass meeting the Company's product specifications, including cannabinoid profile, terpene composition and quality standards for its branded portfolio. The commitments remain active at the reporting date. Management assessed the recoverability of the vendor deposits at March 31, 2026, and considers the amounts to be fully recoverable through future product (cannabis) deliveries. Deposits also include an amount held in trust with a Canadian government institution on account of Emblem Cannabis Corporation, a licensed entity acquired by the Company.

(In thousands of Canadian Dollars, except number of shares and per share amounts)

11. INVENTORY

The Company's inventory consists of the following:

	As at 31-Mar-26	As at 31-Dec-25
	$	$
Raw materials	8,516	7,123
Work in process	31,407	32,926
Finished goods	6,736	5,131
Inventory provisions	(793)	(1,742)
Total inventory	**45,865**	**43,438**

During the three months ended March 31, 2026, the total inventory included in cost of sales was $10,737 (March 31, 2025; $11,383), which includes an allocation for salaries and wages amounting to $1,735 (March 31, 2025; $1,453).

12. BIOLOGICAL ASSETS

The Company's biological assets, consisting of cannabis plants, are measured at fair value less costs to sell using a combination of a Level 2 input (expected selling price) and Level 3 unobservable inputs. The valuation methodology, the significant inputs applied for each cultivating subsidiary, the principal sources of estimation uncertainty and the related sensitivity analysis are described in Note 13 of the Company's annual financial statements for the year ended December 31, 2025, and have not changed materially during the three months ended March 31, 2026.

As at March 31, 2026, the Company's biological assets consisted of 8,081 plants (December 31, 2025; 9,521).

The continuity of biological assets is as follows:

	As at 31-Mar-26	As at 31-Dec-25
	$	$
Carrying amount, beginning of year	1,165	1728
Capitalized cost	3,966	8,263
Unrealized changes in fair value of biological assets	-	128
Transferred to inventory	(3,238)	(9,019)
Effects of foreign exchange	-	65
Carrying value, end of year	**1,893**	**1,165**

(In thousands of Canadian Dollars, except number of shares and per share amounts)

ASSETS & LIABILITIES HELD FOR SALE

The assets and liabilities of the Company's discontinued operations are presented as held for sale in accordance with IFRS 5. Background and basis of this classification are described in Note 5 and 14 of the Company's annual financial statements for the year ended December 31, 2025. There were no significant changes to this classification during the three months ended March 31, 2026.

The carrying amounts of the assets and liabilities of all Discontinued Operations as at March 31, 2026, and 2025 are as follows:

	As at 31-Mar-26	As at 31-Dec-25
	$	$
Current assets		
Deposits	140	138
Non-current assets		
Property, plant and equipment, net	6,167	6,064
Assets classified as held for sale	**6,307**	**6,202**
Current liabilities		
Accounts payable and accrued liabilities	3,119	3,069
Promissory notes	-	784
Tax payables	8,727	7,684
Liabilities classified as held for sale	**11,846**	**11,537**

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(In thousands of Canadian Dollars, except number of shares and per share amounts)

13. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment as of March 31, 2026, and December 31, 2025 consists of the following:

	Land	Land Improvements	Building	Building Improvements	Leasehold Improvements	Vehicles	Furniture & Fixtures	Machinery & Equipment	Computer Hardware	Construction In Progress	Total
	$	$	$	$	$	$	$	$	$	$	$
Cost											
Balance, January 1, 2025	7,199	1,302	18,087	4,179	8,335	204	640	12,293	95	3,388	55,722
Additions				1	3	292	-	20	483	11	2,222
Disposals								(159)	-	-	(159)
Foreign currency movement	(34)	(62)	(386)	52	802	(10)	(163)	(430)	-	(1,404)	(1,635)
Balance, December 31, 2025	7,166	1,240	17,701	4,235	9,429	194	496	12,186	107	4,206	56,960
Additions cost				32	-	-	32	203	32	101	400
Disposals											
Foreign currency movement	11	21	165	-	160	3	8	950	-	(405)	913
Balance, March 31, 2026	7,177	1,261	17,867	4,267	9,589	197	641	13,339	139	3,903	58,380
Accumulated depreciation											
Balance, January 1, 2025	-	38	1,396	418	4,658	27	314	5,195	33	-	12,079
Depreciation		14	692	404	1,346	40	77	1,983	32	-	4,588
Disposals		-	-	-	-	-	-	-	-	-	-
Foreign currency movement		(2)	(51)	6	(247)	(2)	(28)	(276)	-	-	(600)
Balance, December 31, 2025		50	2,038	828	5,757	64	363	6,902	65	-	16,067
Depreciation this period	-	3	172	100	364	10	19	480	10	-	1,158
Foreign currency movement	-	1	23	-	104	1	6	121	-	-	256
Balance, March 31, 2026	-	54	2,231	929	6,224	75	389	7,503	75	-	17,480
Net book value											
Balance, December 31, 2025	7,166	1,191	15,663	3,407	3,672	130	133	5,284	42	4,206	40,894
Balance, March 31, 2026	7,177	1,207	15,635	3,339	3,365	122	148	5,836	65	3,903	40,797

The Company capitalized $785 in depreciation expense to inventory within three months ended March 31, 2026 (December 31, 2025; $3,683).

(In thousands of Canadian Dollars, except number of shares and per share amounts)

14. INTANGIBLE ASSETS

A continuity of the intangible assets is as follows:

	Brand	Licenses	Total
	$	$	$
Balance, January 1, 2025	**39,250**	**61,459**	**100,709**
Impairment	(14,706)	(27,158)	(41,864)
Foreign exchange movement	(1,660)	(2,527)	(4,187)
Balance, December 31, 2025	**22,884**	**31,773**	**54,657**
Foreign exchange movement	353	468	821
Balance, March 31, 2026	**23,237**	**32,241**	**55,478**

The Company's accounting policy and impairment-testing approach for intangible assets are described in Note 5 to the Company's annual financial statements for the year ended December 31, 2025. The impairment losses recognized during the year ended December 31, 2025 in respect of the Platinum Vape brand and the Florida CGU, including the valuation methodologies and key assumptions applied, are described in that note. The Company assesses for indicators of impairment at each reporting date; no indicators of impairment were identified during the three months ended March 31, 2026.

15. RIGHT OF USE ASSETS AND LEASE OBLIGATIONS

A continuity of the Company’s right-of-use assets is as follows:

	As at 31-Mar-26	As at 31-Dec-25
	$	$
Opening balance	17,749	17,976
Additions	-	2,373
Depreciation	(411)	(1,740)
Disposals – cost	(232)	(720)
Disposals - accumulated depreciation	93	-
Gain on Disposals	(34)	-
Effects of foreign exchange	297	(140)
Balance, December 31, 2025	17,462	**17,749**

A continuity of the Company’s lease obligations related to right-of-use assets is as follows:

	As at 31-Mar-26	As at 31-Dec-25
	$	$
Opening balance	22,728	20,503
Additions/(Disposals)	1,957	415
Adjustments	(58)	-
Interest accretion	643	2,577
Interest payments	(643)	(2,824)
Principal payments	(1,656)	(149)
Ending balance	**22,971**	**20,522**
Effects of foreign exchange	606	2,207
Less: Short-term lease obligations	(948)	(701)
Long-term lease obligation	**22,629**	**22,028**

(In thousands of Canadian Dollars, except number of shares and per share amounts)

16. MINORITY INTEREST IN INVESTMENT

The Company holds an 8.94% equity interest in One Plant (Retail) Corp. ("OPRC"). The Company does not exercise significant influence under IAS 28, so the investment is classified as a financial asset measured at fair value through profit or loss and is fair valued using a Level 3 valuation. The basis of classification, the valuation methodology and the unobservable inputs applied are described in Note 18 to the Company's annual financial statements for the year ended December 31, 2025, and have not changed during the three months ended March 31, 2026. The continuity of the Company's investment in OPRC is set out below:

	$
Balance, January 1, 2025	**-**
Gain on fair value adjustment	878
Balance, December 31, 2025	**3,357**
Balance, March 31, 2026	**3,357**

The Company maintained its 8.94% equity interest throughout the reporting period, and management's assessment of fair value at March 31, 2026 indicated no material change from the fair value determined as at December 31, 2025. Accordingly, no fair value adjustment was recognized during the three months ended March 31, 2026.

17. GOODWILL

The Company's goodwill was fully impaired during the year ended December 31, 2025. The reader is referred to Note 19 of the Company’s annual financial statements for the year ended December 31, 2025. The carrying amount of goodwill was $nil at March 31, 2026 and December 31, 2025.

18. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company had the following accounts payable and accrued liabilities at March 31, 2026, and 2025:

	As at 31-Mar-26	As at 31-Dec-25
	$	**$**
Trade payables	9,598	7,257
Accrued liabilities and other	4,168	4,598
Sales and excise tax payable	3,058	3,532
Customer deposits	-	812
Total	**16,824**	**16,199**

During the period, the Company had two significant vendors representing 15% and 10% of its trade payables (2025: 18% and 12%).

(In thousands of Canadian Dollars, except number of shares and per share amounts)

19. DEBT

A reconciliation of Finance Expenses for the three months ended March 31, 2026, and 2025 is as follows:

	3 months ended 31 Mar-26	3 months ended 31-Mar-25
	$	$
Accreted interest, leases	696	687
Interest on notes payable	10,423	8,141
Interest on convertible debt	1,375	1,715
Other finance fees	10	37
Total finance expense	**12,504**	**724**

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

[1] Related party
[2] Matured debt

(In thousands of Canadian Dollars, except number of shares and per share amounts)

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.

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.

C. OFF BALANCE SHEET ARRANGEMENTS

The Company did not enter any off-balance sheet arrangements during period ending December 31, 2025 (2024; nil).

During the years ended December 31, 2025 and December 31, 2024, the Company satisfied all financial and operating covenants associated with its debt obligations, with the exception of the scheduled payment obligations under the Oakshire Note. The note provides for a series of scheduled principal payments, with the final scheduled payment having been originally due on February 28, 2025. As at March 31, 2026, the remaining balance owing was $1,413, which represents the outstanding portion of the original obligation. The Company has been engaged in active and ongoing discussions with the noteholder regarding the remaining balance and is working collaboratively toward a mutually acceptable resolution. The Company has continued to recognize the obligation in accordance with IFRS 9 — *Financial Instruments*, and the full carrying amount has been classified as a current liability in the consolidated statement of financial position to reflect the noteholder's contractual right to demand payment. Default interest at a rate of 18% per annum accrues on the outstanding balance in accordance with the terms of the note and is recognized as a finance cost in the period in which it is incurred.

The Company does not consider the remaining obligation under the Oakshire Note to have a material adverse effect on its operations, liquidity position, or ability to execute its strategic plan, and continues to engage in good-faith negotiations toward resolution. The Oakshire Note relates to a single legacy commercial arrangement and is not representative of the Company's broader credit standing or its compliance posture across its remaining note payable portfolio.

20. SHARE CAPITAL AND RESERVES

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.

(In thousands of Canadian Dollars, except number of shares and per share amounts)

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 three months ended March 31, 2026, the Company had share-based compensation expenses relating to stock options amounting to $9 (2025; $21).

21. EARNINGS (LOSS) PER SHARE ON CONTINUING OPERATIONS

Earnings/loss per share for the three months ended March 31, 2026, and 2025 is as follows:

	3 months ended 31-Mar-26	3 months ended 31-Mar-25
Outstanding common shares	470,596,901	470,221,901
Loss from continuing operations attributable to RWB shares ($)	(12,678)	(9,787)
Weighted average number of shares outstanding, basic and dilutive	470,596,901	470,221,901
Earnings/loss per share, basic and diluted ($)	**(0.03)**	(0.02)

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

22. REVENUES

The Company generates revenue through three distinct channels: Retail, Distribution and Licensing. Revenues by channel for the three months ended March 31, 2026, and 2025 are as follows:

	3 months ended 31-Mar-26	3 months ended 31-Mar-25
	$	$
Distribution	10,734	13,263
Licensing	-	845
Retail	3,208	5,084
Total revenue	**13,942**	**19,192**

(In thousands of Canadian Dollars, except number of shares and per share amounts)

Revenue as a percentage of total sales for the three months ended March 31, 2026, and 2025 are as follows:

	3 months ended 31-Mar-26	3 months ended 31-Mar-25
	%	%
Distribution	77%	68%
Licensing	-	2%
Retail	23%	30%
Total revenue	**100%**	**100%**

During the three months ended March 31, 2026, and 2025, the Company did not have any contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceeds one year. As a result, the Company has not adjusted any of the transaction prices for the time value of money.

23. GENERAL AND ADMINISTRATIVE EXPENSES

The Company's general and administrative expenses for three months ended March 31, 2026, and 2025 were as follows:

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

24. NON-CONTROLLING INTERESTS

The Company holds a controlling interest in RWB Florida, LLC and its subsidiary Red White & Bloom Florida Inc. (together, "RWB Florida"), which conduct the Company's Florida cannabis operations and in which non-controlling interests hold a 23% economic interest. The membership structure and the basis of the non-controlling interests are described in Note 27 to the Company's annual financial statements for the year ended December 31, 2025.

The following summarizes the financial results before intragroup eliminations for non-wholly owned subsidiaries for the three months ended March 31, 2026, and 2025:

	For the 3 months ended 31-Mar-26	For the 3 months ended 31-Mar-25
Net Income (loss) for the period from continuing operations	(14,375)	6,644
Interests		
Attributed to controlling interests – 77%	(12,794)	(4,791)
Attributed to non-controlling interests – 23%	**(1,581)**	**(1,418)**

(In thousands of Canadian Dollars, except number of shares and per share amounts)

In connection with the proposed divestiture of RWB Florida described in Note 32, the Company expects to lose control of RWB Florida within the meaning of IFRS 10 (on closing which remains subject to regulatory approval) and to derecognize the related non-controlling interests at that date.

25. 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).

26. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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 $11,131 at March 31, 2026 (December 31, 2025; $8,317), net of an expected credit loss provision of $2,682(December 31, 2025; 3,417). Notes receivable were $32,440 (December 31, 2025; $37,448) (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.

27. CONTINGENCIES AND COMMITMENTS

A. CLAIMS AND LITIGATION

On April 1, 2025, RWB Michigan, LLC ("RWBM") was served a summons by Skybar Vapor, LLC ("Skybar"), an entity representing a former vendor of RWBM. The summons addresses a contractual dispute, raised by Skybar, between RWBM and Skybar relating to the supply of raw materials to RWBM by Skybar. The summons details damages in excess of $1,000 being sought by Skybar regarding the contractual dispute. On September 11, 2025, RWBM agreed to damages of US$100 to fully resolve all issues between itself and Skybar. As a result of the mutual settlement, Skybar filed a dismissal of its case against RWBM with the Oakland Country Circuit Court on September 12, 2025.

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 Condensed Interim Consolidated Financial Statements. Management believes that the resolutions of these proceedings will not have a material unfavorable effect on the Company's Condensed Interim Consolidated Financial Statements.

B. 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 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.

(In thousands of Canadian Dollars, except number of shares and per share amounts)

28. SEGMENTED RESULTS

The Company's reportable segments — Corporate, Distribution, Licensing, Retail and Other — and the basis on which the chief operating decision maker assesses performance and allocates resources (revenues, gross profit and net income (loss)) are described in Note 31 to the Company's annual financial statements for the year ended December 31, 2025. There were no changes to the basis of segmentation or measurement during the three months ended March 31, 2026.

Year ended March 31, 2026	Corporate	Distribution	Licensing	Retail	Other	Consolidated
Sales revenue	-	10,734		3,208	-	13,942
Cost of goods sold	-	9,123	-	1,614	-	10,737
Gross profit before fair value adjustments	-	1,611	-	1,594	-	3,205
Gross profit % before fair value adjustments	0%	15%	0%	50%	0%	23%
Unrealized changes in fair value of biological assets	-	105	-	1,018	-	1,123
Realized fair value amounts included in inventory sold	-	121	-	(610)	-	(489)
Total Gross Profit (loss)	-	1,837	-	2,002	-	3,839
Total gross Profit (%)	0%	17%	0%	62%	0%	28%
Total operating expenses	1,172	2,600	30	2,585	150	6,537
Total other expenses (income)	7,195	(578)	-	3,231	722	10,570
Profit (loss) before Income Taxes	(8,367)	(185)	(30)	(3,814)	(872)	(13,268)
Income tax	-	(679)		(311)	(1)	(991)
Net profit (loss) from continuing operations	(8,367)	(864)	(30)	(4,125)	(873)	(14,259)
Loss from discontinued operations	-	-	-	-	(117)	(117)
Net loss for the year	(8,367)	(864)	(30)	(4,125)	(990)	(14,376)
Net profit (loss) from continuing operations attributed to:						
Red White and Bloom	(8,367)	(864)	(30)	(2,544)	(873)	(12,678)
Non-controlling interests	-	-	-	(1,581)	-	(1,581)

Year ended March 31, 2026	Corporate	Distribution	Licensing	Retail	Other	Consolidated
Sales revenue	-	13,263	845	5,085	-	19,193
Cost of goods sold	-	8,474	56	3,359	-	11,889
Gross profit before fair value adjustments	-	4,789	789	1,726	-	7,304
Gross profit % before fair value adjustments	0%	36%	93%	34%	0%	38%
Unrealized changes in fair value of biological assets	-	(50)	-	224	-	174
Realized fair value amounts included in inventory sold	-	(2,412)	-	(785)	-	(3,197)
Total Gross Profit (loss)	-	2,327	789	1,165	-	4,281
Total gross Profit (%)	0%	18%	93%	23%	0%	22%
Total operating expenses	1,257	4,365	320	2,926	126	8,994
Total other expenses (income)	1,402	(547)	3	3,153	629	4,640
Profit (loss) before Income Taxes	(2,659)	(1,491)	466	(4,914)	(755)	(9,353)
Income tax	-	(1,229)	41	66	(727)	(1,849)
Net profit (loss) from continuing operations	(2,659)	(2,720)	507	(4,848)	(1,482)	(11,202)
Loss from discontinued operations	-	-	-	-	17,850	17,850
Net loss for the year	(2,659)	(2,720)	507	(4,848)	16,368	6,648
Net profit (loss) from continuing operations attributed to:						
Red White and Bloom	(2,659)	(2,720)	507	(3,433)	(1,482)	(9,787)
Non-controlling interests	-	-	-	(1,418)	-	(1,418)

(In thousands of Canadian Dollars, except number of shares and per share amounts)

29. DISCONTINUED OPERATIONS

he Company's discontinued operations comprise its wholly owned subsidiaries Mid-American Growers, Inc., Real World Business Integration, LLC, Vista Prime Management, LLC, GC Ventures 2, LLC, Vista Prime 3, Inc., Royalty USA Corp., RWB Illinois, Inc. and Pharmaco Inc. These operations were disposed of or wound down in prior periods and continue to be presented separately from continuing operations. Residual activity during the three months ended March 31, 2026, was limited to the run-off of remaining obligations and wind-down costs and resulted in a net loss from discontinued operations of $117 (2025; 1,275). As the residual loss is immaterial to the Company's results and financial position, a detailed breakdown of the components of discontinued operations has not been presented for the current period.

30. SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Changes in items not involving cash are as follows:

Items not involving cash:		
Accreted interest on leases	643	687
Depreciation of right-of-use assets	411	428
Depreciation of property, plant and equipment	1,158	1,125
Disposal of right-of-use assets	139	-
Accrued interest on notes payable	10,421	8,141
Accrued interest on convertible debentures	591	1,715
Accrued interest on credit facility held for sale	-	13
Finance Fees	-	37
Accrued interest on interest receivable	(673)	(724)
Loan forgiveness on notes payable	-	(5,804)
Gain/(Loss) on disposal of ROU assets	34	-
Stock based compensation	10	21
Realized fair value (gain) loss in cost of goods sold	489	3,197
Fair value adjustment on biological assets	(1,123)	(174)
Gain on discharge of credit facility in discontinued operation	-	(9,128)
Gain on payables on receivership in discontinued operation	1,093	-
Addition to leases	1,975	-
Items not involving cash:	**15,168**	**(466)**

31. SUBSEQUENT EVENTS

A. 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$5,004,200, payable at closing from facilities generally available to Emblem.

The assets to be acquired include 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 these Condensed Interim Consolidated Financial Statements, 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.

B. Divestiture of Florida Operations

On March 12, 2026, subsequent to the reporting period, 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 senior secured lender to RWB Florida, LLC, providing for the divestiture of the Company's Florida cannabis operations, including its subsidiaries RWB Florida, LLC and Red White & Bloom Florida Inc. (collectively, "RWB Florida"), to M&V (the "Proposed Transaction"). The LOI constitutes a binding legal commitment of the parties, with definitive agreements to be negotiated and executed as promptly as reasonably practicable.

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 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, Condensed Interim Consolidated Financial Statements. On the date on which control is lost, the Company will derecognize the assets and liabilities of RWB Florida at their carrying amounts, derecognize any previously recognized non-controlling interests, recognize the fair value of any consideration received (including the present value of brand licence 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 securing OMMU regulatory approval prior to the closing date.

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 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, 2026given 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.

C. Board of Director Changes

Effective January 12, 2026, a founding director of the Company tendered his resignation from the Board of Directors to pursue other business interests. Concurrent with the resignation, and confirmed by the Company on January 13, 2026, the Board appointed a new director effective January 12, 2026, ensuring continuity of governance and uninterrupted Board oversight through the transition.

D. 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 Condensed Interim 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 Condensed Interim 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 Condensed Interim Consolidated Financial Statements as at and for the quarter ended March 31, 2026.

E. Financing and investing activities

Advances on existing notes

Subsequent to December 31, 2025, the Company received advances of USD $24,954 and CAD $1,700 under the RGR USD Grid Note and the RGR CAD Grid Note, respectively. 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, 2025, One Plant (Retail) Corp. ("OPRC") settled in full its $3,000 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.

F. Status as an US Exchange Act Registrant and US Trading in our Common Stock

In September 2023, the U.S. Securities and Exchange Commission (SEC) initiated proceedings to de-register the Company's common stock under Section 12(j) of the Securities Exchange Act of 1934 due to historical filing deficiencies under prior management. As the Company does not trade on exchanges requiring SEC registration and does not intend to pursue such listings in the near term, it elected to settle rather than contest the proceedings. The SEC order suspending trading became effective November 7, 2023.

On March 18, 2024, the Company finalized a settlement with its former auditors addressing the underlying matters that had prevented resolution of the filing deficiencies. The Company subsequently engaged a new audit services provider to complete the outstanding audit engagements, which remain in progress as of the date of these financial statements.

Upon completion of these audits and satisfaction of the related SEC consent requirements, the Section 12(j) order will be lifted and the Company intends to re-file a registration statement on Form 20-F, concurrent with reactivating its OTC marketplace listing. Once SEC and OTC compliance matters are fully resolved, the Company intends to seek cancellation of its SEC registration, as registration is not required to maintain its status as a foreign private issuer on OTC Markets. The Company will continue to provide shareholders with updates as these matters progress.