



RedWhite&Bloom



CSE: RWB

**RED WHITE & BLOOM BRANDS' SUBSIDIARY, EMBLEM CANNABIS CORPORATION,
ASSUMES DEBTOR-IN-POSSESSION FINANCING FOR AYURCANN FOLLOWING
ASSIGNMENT FROM AUXLY CANNABIS GROUP**

*Emblem Cannabis Corporation, a wholly owned subsidiary, assumes DIP lending role from
Auxly Cannabis Group in connection with the CCAA proceedings of Ayurcann*

TORONTO, June 3, 2026 (GLOBE NEWSWIRE) -- Red White & Bloom Brands Inc. (CSE: RWB) ("RWB" or the "Company") is providing an update in connection with the ongoing insolvency proceedings of Ayurcann Inc. ("Ayurcann") and its parent, Ayurcann Holdings Corp. (collectively, the "Ayurcann Entities") under the *Companies' Creditors Arrangement Act* (the "CCAA Proceedings") and the previously announced sale transaction involving the Company's wholly-owned subsidiary, Emblem Cannabis Corporation ("Emblem").

Assignment of DIP Facility from Auxly

Effective June 2, 2026, Emblem has completed the assignment and assumption of the debtor-in-possession facility (the "DIP Facility") previously provided by Auxly Cannabis Group Inc. ("Auxly") to Ayurcann pursuant to a DIP facility commitment letter dated February 8, 2026, as amended (the "Original DIP Commitment Letter"). The assignment was effected pursuant to an assignment of indebtedness and security agreement dated June 1, 2026 (the "Assignment Agreement") among Auxly, as assignor, Emblem, as assignee, Ayurcann, as borrower, and Ayurcann Holdings Corp., as guarantor.

As consideration for the assignment, Emblem paid to Auxly the amount of CDN\$1,603,964.00, representing the full amount of all indebtedness owing by Ayurcann to Auxly under the Original DIP Commitment Letter as of June 2, 2026. The indebtedness, the DIP Lender's Charge (as defined in the second amended and restated initial order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated February 13, 2026 made in the CCAA Proceedings, (as further amended and restated on June 1, 2026 the "CCAA Initial Order")), and all related loan and security documents have been assigned absolutely and irrevocably to Emblem, effective as of the date of the Assignment Agreement.

Amended and Restated DIP Commitment Letter

In connection with the assignment, Emblem and the Ayurcann Entities have entered into an amended and restated debtor-in-possession facility commitment letter dated June 1, 2026 (the "Amended DIP Commitment Letter"), which amends and restates the Original DIP Commitment Letter in its entirety. Under the Amended DIP Commitment Letter, Emblem, as lender, has committed to provide a non-revolving DIP Facility to Ayurcann in the maximum principal amount of CDN\$3,000,000. The continued availability of the DIP Facility is conditional upon, among other things, certain conditions being satisfied, including the CCAA Initial Order remaining in effect and compliance by the Ayurcann Entities with the terms of the Amended DIP Commitment Letter.

Amounts drawn under the DIP Facility bear interest at a rate of 12% per annum, capitalized monthly in arrears and payable on the DIP Termination Date (as defined below). The proceeds of the DIP Facility are to be used to fund the working capital and restructuring expenses of the Ayurcann Entities during the CCAA Proceedings, professional fees and disbursements associated with the CCAA Proceedings, interest, fees, and other amounts payable under the Amended DIP Commitment Letter.

The DIP Facility will terminate upon the earliest to occur of, among other things: (i) the closing of the purchase and sale of all or substantially all of the assets or shares of Ayurcann; (ii) the effective date of any plan of arrangement; (iii) early termination by the lender upon an event of default; (iv) June 30, 2026, unless otherwise consented to by the lender; (v) the termination or conversion of the CCAA Proceedings; or (vi) payment in full of all amounts owing under the DIP Facility (the "DIP Termination Date").

Strategic Rationale

As previously announced on April 13, 2026, Emblem was selected as the successful bidder in the Court-supervised sale and investment solicitation process approved by the Court in connection with the CCAA Proceedings. The assumption of the DIP lending role by Emblem facilitates the continued operations of the Ayurcann business pending the closing of the previously announced transaction and is consistent with RWB's strategic objective of acquiring Ayurcann's comprehensive processing and manufacturing platform, established brand portfolio, and national distribution capabilities.

The closing of the transaction is currently anticipated to take place on or about June 5, 2026, and in any event no later than June 30, 2026, subject to Court approval and the satisfaction of customary closing conditions.

About Red White & Bloom Brands Inc.

Red White & Bloom Brands is a multi-jurisdictional cannabis operator and house of premium brands operating in the United States, Canada and select international jurisdictions.

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FORWARD LOOKING INFORMATION

Certain information contained in this news release may constitute "forward-looking information" or "forward-looking statements" within the meaning of applicable Canadian securities legislation. Forward-looking information is often identified by the use of words such as "plans," "expects," "may," "should," "could," "will," "intends," "anticipates," "believes," "estimates," "forecasts," or variations of such words and phrases, including the negative forms thereof, as well as terms such as "pro forma" and "scheduled," and similar expressions that refer to future events or outcomes.

Forward-looking statements in this release, including, without limitation, statements regarding: the continued availability of DIP financing from Emblem under the Amended DIP Commitment Letter and the terms thereof; the completion of the previously announced transaction and the anticipated timing thereof; the receipt of court, regulatory and other required approvals; Emblem's ability to complete the acquisition and finance the purchase price; the transfer, maintenance or renewal of licences required to operate the Ayurcann business; the anticipated benefits of the transaction, including expected synergies, scale, processing capacity, cost efficiencies and expanded distribution; the integration of the acquired business and operations; the combined entity's anticipated market position, growth prospects and strategic objectives in the Canadian cannabis market; and the Company's strategic objectives and growth plans, involve known and unknown risks, uncertainties, and other factors that may cause actual results or events to differ materially from those expressed or implied by such statements.

Forward-looking information is based on a number of assumptions, including, without limitation, assumptions regarding the continued availability of DIP financing on the terms contemplated, satisfaction of the conditions to closing of the transaction, the receipt of required approvals, availability of financing on acceptable terms, the continued validity and transferability of required licences, the successful integration of the acquired business, and the ability of the Company to realize the anticipated benefits of the transaction.

Forward-looking information is subject to known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company, which may cause actual results or events to differ materially from those expressed or implied by such forward-looking information. Such factors include, without limitation, the risk that the DIP Facility may not continue to be available on the terms contemplated; the risk that the transaction may not be completed on the terms contemplated, or at all; the risk that required court, regulatory or other approvals may not be obtained in a timely manner or at all; the risk that financing may not be available on acceptable terms; risks relating to the transfer, maintenance or renewal of licences; integration risks; the risk that anticipated synergies or other benefits of the transaction may not be realized as expected or at all; changes in market conditions, including in the Canadian cannabis industry; and other risks and uncertainties applicable to the Company and its business.

Although the Company believes that the expectations reflected in the forward-looking information contained in this news release are reasonable as of the date hereof, there can be no assurance that such expectations will prove to be correct. Readers are therefore cautioned not to place undue reliance on forward-looking information. Forward-looking information contained in this news release is made as of the date hereof, and the Company undertakes no obligation to update or revise any such forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law.