Red White & Bloom Brands Inc.

Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2025, and 2024

Filed December 1, 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.

December 1, 2025

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

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RED WHITE & BLOOM BRANDS, INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	Notes	As at 30-Sep-25	As at 31-Dec-24
		$	$
Current assets			
Cash and cash equivalents	8	4,425	7,285
Accounts receivable	9	10,111	16,112
Short-term notes receivable	10	27,306	11,397
Prepaid expenses	11	1,535	1,993
Deposits	12	5,485	11,186
Inventory	13	44,572	47,556
Biological assets	14	2,630	1,728
Assets held for Sale	15	10,630	13,192
Other current assets		1,029	913
Total current assets		**107,723**	**111,362**
Non-current assets			
Property, plant and equipment, net	16	41,272	43,644
Intangible assets, net	17	97,640	100,709
Right-of-use assets, net	18	18,793	17,976
Long-term notes receivable	10	3,162	4,439
Investment	7	2,479	2,479
Goodwill	20	13,334	13,782
Other non-current assets		1,270	-
Total non-current assets		**177,950**	**183,029**
Total assets		**285,673**	**294,391**
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and accrued liabilities	21	17,499	24,074
Short-term notes payable	22	3,058	207,419
Short-term convertible notes	22	4,610	45,187
Short-term lease obligations	18	945	701
Income taxes payable		19,958	18,313
Liabilities held for sale	15	14,511	46,199
Other current liabilities		1,294	1,140
Total current liabilities		**61,875**	**343,033**
Non-current liabilities			
Long-term notes payable	20	329,467	39,157
Long-term convertible notes	20	46,349	44,071
Long-term lease obligations	18	23,136	22,028
Deferred tax liability		18,309	19,009
Other non-current liabilities		158	122
Total non-current liabilities		**417,419**	**124,387**
Total liabilities		**479,294**	**467,420**
Shareholders' equity			
Share capital	23	342,111	342,111
Contributed surplus		17,380	17,315
Currency translation adjustment (OCI)		(11,776)	(21,888)
Accumulated deficit		(537,848)	(511,134)
Non-controlling interest	27	(3,488)	567
Total shareholders' equity (deficit)		**(193,621)**	**(173,029)**
Total liabilities and shareholders' equity		**285,673**	**294,391**

Nature of operations and going concern (note 1)
Segmented results (note 31)
Reclassifications (note 34)
Subsequent events (note 35)
Commitments and contingencies (note 30)

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.

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

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

	Notes	3 months ended 30-Sep-25	3 months ended 30-Sep-24	9 months ended 30-Sep-25	9 months ended 30-Sep-24
		$	$	$	$
Revenue					
Sales revenue	25	16,783	21,290	52,381	61,581
Cost of goods sold, before fair value adjustments		10,274	14,413	30,866	41,915
Gross Profit before fair market value adjustments		**6,509**	**6,877**	**21,515**	**19,666**
Unrealized changes in fair value of biological assets		2,135	(186)	2,010	(99)
Realized fair value amounts included in inventory sold		(157)	3,466	(7,791)	3,428
Gross profit after fair market value adjustments		**8,487**	**10,157**	**15,734**	**22,995**
Operating Expenses					
General and administration	26	8,112	7,911	21,467	21,866
Marketing expenses		1,587	1,202	4,230	3,545
Share-based compensation	23	22	59	65	165
Depreciation	16	695	1,190	1,930	2,666
Bad debt expense	9	1,442	861	2,626	3,079
Total Operating Expenses		**11,858**	**11,222**	**30,318**	**31,321**
Loss from operations before other expenses (income)		**(3,371)**	**(1,065)**	**(14,584)**	**(8,326)**
Other expense (income)					
Interest earned on promissory notes	10	(1,127)	(340)	(2,712)	(578)
Interest income		-	-	(9)	-
Other expenses (income)		250	(26)	(5,725)	-
Finance expense	22	10,917	9,646	30,897	28,466
Accreted interest, leases	18	692	643	2,039	1,925
Acquisition costs	7	-	9	19	175
Business transaction costs		37	110	95	158
(Gain) loss on disposal of assets	16	1,345	127	1,345	354
(Gain) loss on settlement of debt	22	-	640	-	(121)
Gain on investments	7	-	-	340	(7,645)
Inventory write-downs	13	-	-	174	-
Foreign exchange		(2,883)	2,323	5,041	(4,834)
Total other expenses (income)		**9,231**	**13,132**	**31,504**	**17,900**
Loss before income taxes		(12,602)	(14,197)	(46,088)	(26,226)
Current income tax expense (recovery)		(695)	7,520	(2,840)	4,150
Deferred income tax expense (recovery)		(9)	478	590	1,619
Net loss from continuing operations		**(13,306)**	**(6,199)**	**(48,338)**	**(20,457)**
Profit (loss) from discontinued operations		(4,512)	3,316	17,572	832
Net profit (loss) for the period		**(17,818)**	**(2,883)**	**(30,766)**	**(19,625)**
Currency translation adjustment		4,981	(1,266)	(10,113)	13,642
Net income (loss) and Comprehensive income (loss)		**(12,837)**	**(4,149)**	**(40,879)**	**(5,983)**
Net loss attributable to:					
Shareholders on continuing operations		(12,493)	(5,300)	(44,283)	(16,769)
Shareholders on discontinued operations		(4,512)	3,316	17,572	832
Non-controlling interests		(813)	(899)	(4,055)	(3,688)
Net loss and comprehensive loss attributable to:					
Shareholders		(12,024)	(3,250)	(36,824)	(2,295)
Non-controlling interests		(813)	(899)	(4,055)	(3,688)
Earnings (loss) per share, basic and diluted					
From continuing operations		(0.03)	(0.01)	(0.09)	(0.04)
From discontinued operations		(0.01)	0.01	0.04	0.00
Total earnings (loss) per share, basic and diluted		(0.04)	(0.00)	(0.05)	(0.04)
Weighted average number of outstanding common shares, basic and diluted		470,221,901	474,738,811	470,221,901	469,521,901

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

RED WHITE & BLOOM BRANDS, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

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

9 months ended 30-Sep-24	Common Shares	Common Shares	Non-Controlling Interests	Contributed surplus	Cumulative translation adjustment	Accumulated Deficit	Total equity
	#	**$**	**$**	**$**	**$**	**$**	**$**
Balance, January 1, 2024	470,221,901	342,111	7,450	17,120	2,970	(484,920)	(115,269)
Stock based compensation (note 23)	-	-	-	165	-	-	165
Currency translation adjustments (OCI)	-	-	-	-	(24,968)	-	(24,968)
Net loss from continuing operations	-	-	(3,688)	-	-	(16,769)	(20,457)
Net loss from discontinued operations (note 32)	-	-	-	-	-	832	832
Balance, September 30, 2024	**470,221,901**	**342,111**	**3,762**	**17,285**	**(21,998)**	**(500,857)**	**(159,697)**

9 months ended 30-Sep-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	(21,889)	(511,137)	(173,033)
Stock based compensation (note 23)	-	-	-	65	-	-	65
Currency translation adjustments (OCI)	-	-	-	-	10,113	-	10,113
Net loss from continuing operations	-	-	(4,055)	-	-	(44,283)	(48,338)
Net loss from discontinued operations (note 32)	-	-	-	-	-	17,572	17,572
Balance, September 30, 2025	**470,221,901**	**342,111**	**(3,488)**	**17,380**	**(11,776)**	**(537,848)**	**(193,621)**

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)

	Notes	9 months ended 30- Sep-25	9 months ended 30-Sep-24
		$	$
Cash flow from operating activities:			
Net loss for the period		**(30,766)**	**(19,625)**
Items not involving cash:		**15,145**	**28,110**
Changes in non-cash working capital items:			
Accounts receivable	9	5,631	45
Prepaid expenses	11	401	(361)
Deposits	12	5,357	(3,236)
Inventory	13	2,075	(4,648)
Biological Assets	14	(6,727)	(4,700)
Accounts payable and accrued liabilities	21	(6,121)	(1,453)
Current Income tax payable		2,241	(4,161)
Deferred income taxes		(82)	(1,925)
Other assets		(1,410)	(701)
Other liabilities		1,617	(358)
Net cash provided by (used in) operating activities		**(12,639)**	**(13,013)**
Cash flows from investing activities			
Acquisition of property, plant and equipment	16	(1,748)	(2,844)
Acquisition of property, plant and equipment in held for sale	15	974	-
Acquisition of right-of-use assets	18	(2,468)	(303)
Advances on notes receivable	10	(16,164)	(6,732)
Interest receipts on notes receivable	10	231	106
Principal receipts on notes receivable	10	3,617	-
	7	-	1,009
Net cash provided by (used in) investing activities		**(15,558)**	**(8,764)**
Cash flow from financing activities:			
Issuance of promissory note	22	-	5,750
Advances on notes payable	22	32,067	33,267
Interest payments on notes payable	22	(206)	(1,678)
Principal payments on notes payable	22	(1,423)	(5,629)
Amendment of convertible debt	22	-	-
Settlement of credit facility in discontinued operations	22	(12,722)	-
Addition to leases	18	1,921	(302)
Principal payments on lease obligations	18	(256)	(337)
Interest payments on lease obligations	18	(2,039)	(1,925)
Net cash provided by (used in) financing activities		**17,342**	**29,146**
Foreign exchange affecting cash equivalents		7,995	(5,385)
Change in cash during the period		(2,860)	1,982
Cash equivalents, beginning of year		7,285	2,251
Cash, end of period		**4,425**	**4,233**

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 Company's core business activities include:

1. *United States Distribution*: Production and distribution of a diverse portfolio of premium cannabis products sold to licensed cannabis retailers in Michigan and California through established retailer networks.
2. *Canadian Distribution:* Vertically integrated cultivation, production, and distribution facilitating sales of premium medical (wholesale) and recreational cannabis products for both adult-use and medical purposes under a portfolio of distinct brands in Canada including Platinum Vape.
3. *International Distribution:* Wholesale distribution of cannabis biomass to licensed retailers in legal state within the European Union.
4. *Retail Operations*: As of the filing date of these Financial Statements, six (6) licensed medical and adult-use cannabis dispensaries in Michigan and Florida in addition to an online, subscription based medical dispensary platform servicing thousands of patients throughout Canada.
5. *Brand Licensing:* Extension of brand presence through arm's length licensing of flagship Platinum and Platinum Vape product lines in multiple US states.

The Condensed Interim Consolidated Financial Statements for the period ended September 30, 2025, and 2024 (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 September 30, 2025, the Company incurred accumulated net comprehensive losses of $537,848, (December 31, 2024; $511,134) since inception, including non-cash impairments of $257,897 realized in fiscal years 2021 through 2023. For the three and nine months ended September 30, 2025, the Company incurred net loss and other comprehensive loss of $12,837, and $40,878 (2024; $10,257, and $12,091, accordingly), including the impact of unrealized foreign exchange gains and losses on intercompany balances amounting to a$2,993 loss and a $4,978 gain for each period (2024; $2,292 gain and $11,504 gain). These unrealized foreign exchange losses arise from the translation of intercompany monetary balances denominated in foreign currencies between the Company's various subsidiaries with different functional currencies. Under IAS 21, The *Effects of Changes in Foreign Exchange Rates*, exchange differences arising on intercompany monetary items between entities with different functional currencies are recognized in profit or loss and are not eliminated on consolidation, as they represent genuine economic exposure to foreign currency fluctuations. The working capital (current assets less current liabilities) as at September 30, 2025, was $45,848 (December 31, 2024; $231,671 deficit). During the nine months ended September 30, 2025, net cash used in operations was $12,639 (2024; 13,013).

The Company has traditionally relied on debt and equity financing to support operations. Due to current challenges in global cannabis capital markets, access to financing remains limited, potentially impacting the Company's ability to sustain operations, invest in growth initiatives, or meet debt obligations. The Company recently negotiated favorable terms with key lenders to renew and restructure maturing debt (note 22), providing additional cash flow availability. However, if further funding is not accessible, it could lead to material changes in operational activities.

In evaluating going concern appropriateness, the Company considered all relevant information for the twelve-month period following this report. The Company is actively pursuing strategies including securing financing through existing or prospective debt resources, monetizing tangible assets, and reducing operating costs through streamlined operations. There can be no assurance the Company will achieve profitability. If going concern were not appropriate, adjustments to carrying values of assets and liabilities, reported expenses, and statement classifications would be necessary and could be material.

2. BASIS OF PRESENTATION

A. STATEMENT OF COMPLIANCE

The Company's 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 and nine months ended September 30, 2025, and 2024.

Certain comparative amounts have been reclassified to conform with the current year presentation due to Pharmaco Inc. (“Pharmaco”), a wholly owned subsidiary of Red White & Bloom Brands Inc., being classified as discontinued operations. On December 26, 2024, a court-appointed receiver was authorized to manage and divest Pharmaco's assets following loan defaults. The business operations of Pharmaco no longer aligned with the strategic objectives of the Company.

The following amounts have been reclassified from continuing operations to discontinued operations for all periods presented:

- Assets and liabilities of the discontinued subsidiaries have been reclassified and presented separately as assets and liabilities held for sale in the consolidated statement of financial position.
- Revenues and expenses of the discontinued subsidiaries have been removed from their respective line items in the consolidated statements of profit and loss and presented separately as discontinued operations.
- Cash flows of the discontinued subsidiaries have been separately disclosed as discontinued operations in the consolidated statements of cash flows.

Other than the above referenced reclassifications, there are no other material changes to the comparative periods originally presented in the Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2024, filed November 29, 2024. Refer to note 34 for details of amounts reclassified in the comparative period.

These Financial Statements were authorized for issuance by the Company's Board of Directors and Audit Committee on December 1, 2025.

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 6). 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 and foreign currency translation accounting policies found in note 6. Functional currencies of subsidiaries included in these Financial Statements can be found in note 3.

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

3. BASIS OF CONSOLIDATION

SUBSIDIARIES

Subsidiaries are those entities which the Company has power over the investee, is exposed to or has rights to variable returns from its involvement with an investee and has the ability to affect these returns through its power over the investee. The Company has applied the full consolidation method for entities that meet the criteria for consolidation.

Consequently, all significant balances and effects of any transactions taking place between them have been eliminated in the consolidation process. If necessary, adjustments are made to the financial statements of the subsidiaries to adapt the accounting policies used to those used by the Company.

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

Subsidiary	Source Currency	Jurisdiction	% Ownership As at 30-September-25	% Ownership As at 31-Dec-24
Continuing Operations				
Red White & Bloom Brands Inc. (Parent)	**CAD**	**British Columbia, Canada**	**100%**	**100%**
[1]RWB (PV) Canada, Inc.	CAD	Alberta and Ontario, Canada	100%	100%
RWB Licensing Inc.	CAD	British Columbia, Canada	100%	100%
[2]Aleafia Inc.	CAD	Ontario, Canada	100%	100%
[2]Aleafia Farms Inc.	CAD	Ontario, Canada	100%	100%
[2]Aleafia Retail Inc.	CAD	Ontario, Canada	100%	100%
[2]Canabo Medical Corporation	CAD	Ontario, Canada	100%	100%
[2]Emblem Cannabis Corporation	CAD	Ontario, Canada	100%	100%
[2]Growwise Health Ltd.	CAD	Ontario, Canada	100%	100%
[3]Emblem Lands LP	CAD	Ontario, Canada	100%	100%
[4]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%
[5]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%
[6]MPV Wellness Inc.	USD	Michigan, United States	100%	-
[7]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%
[8]Vista Prime 3, Inc.	USD	California, United States	100%	100%
[9]Vista Prime 2, Inc.	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%
[10]GC Ventures 2, LLC	USD	Michigan, United States	100%	100%

[1]Incorporated March 7, 2023
[2]Acquired January 12, 2024 (note 7)
[3] Established April 29, 2024
[4]Incorporated April 29, 2024
[5]Incorporated February 7, 2023
6 Formed August 15, 2025
[7] Incorporated December 17, 2024
[8] Dissolved November 6, 2024
[9] Dissolved November 6, 2024
[10] Dissolved November 19, 2024

4. ACCOUNTING PRONOUNCEMENTS

A. ACCOUNTING PRONOUNCEMENTS RECENTLY ADOPTED

Amendments to IAS 1 Presentation of Financial Statements ("IAS 1")

In January 2020, the IASB issued an amendment to IAS 1, which affects the presentation of liabilities in the statement of financial position and not the amount or timing of their recognition. The amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the right to defer settlement by at least twelve (12) months. That classification is unaffected by the likelihood that an entity will exercise its deferral right. The amendments were effective for annual periods beginning on or after January 1, 2023, and are to be applied retrospectively.

In October 2022, the IASB issued another amendment to IAS 1, which affects the classification of liabilities as current or non-current, clarifying requirements for the classification of liabilities as non-current which is effective for annual periods beginning on or after January 1, 2024.

The amendments do not have a material impact on the Financial Statements.

Amendments to Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements ("IAS 7")

On 25 May 2023, the IASB issued Supplier Finance Arrangements to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. The amendments are effective for reporting periods beginning on or after 1 January 2024.

The amendments do not have a material impact on the Financial Statements.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8")

In February 2021, the IASB issued "Definition of Accounting Estimates," which amends IAS 8. The amendment replaces the definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty." The amendment provides clarification to help entities distinguish between accounting policies and accounting estimates. The amendments are effective for annual reporting periods beginning on or after January 1, 2023.

The amendments do not have a material impact on the Financial Statements.

Amendments to IFRS 16, Lease liability in a Sale and Leaseback

The amendment specifies the requirements that a seller-lessee should use in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains that is effective for annual periods beginning on or after January 1, 2024. The Company is currently evaluating the potential impact of these amendments on the Company's Financial Statements. The amendments do not have an impact on the Financial Statements.

Amendments to IAS 1, Non-current Liabilities with Covenants

In October 2022, the IASB issued amendments to IAS 1, which specifies that covenants whose compliance is assessed after the reporting date do not affect the classification of debt as a current or non-current at the reporting date. Instead, the amendment requires disclosure of information about these covenants in the notes to the financials statements. The amendments are effective for annual reporting periods belonging to January 1, 2024, with early adoption 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, 2025, 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.

Amendments to IAS 21, Lack of Exchangeability

On 15 August 2023, the IASB issued Lack of Exchangeability to provide guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments are effective for reporting periods beginning on or after January 1, 2025.

New standard, IFRS 18 Presentation and Disclosures in Financial Statements replacing IAS 1 'Presentation of Financial Statements.

The IASB has published its new standard IFRS 18 'Presentation and Disclosures in Financial Statements' that will replace IAS 1 'Presentation of Financial Statements'. The new standard is the result of the so-called primary financial statements project, which aims at improving how entities communicate in their financial statements and will be effective for annual periods beginning on or after January 1, 2027.

5. CRITICAL ASSUMPTIONS AND SOURCES OF UNCERTAINITY

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.

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, 2024, which can be found on the Company's profile on Sedar+.

6. MATERIAL ACCOUNTING POLICIES

The accounting policies adopted in these Financial Statements are consistent with those followed in preparation of the Company's most recently filed Audited Consolidated Financial Statements for the year ended December 31, 2024, which can be found on Sedar+, which were prepared in accordance with IFRS as issued by the IASB.

7. ACQUISITIONS

ALEAFIA ACQUISITION

On January 12, 2024 (the "Acquisition Date"), the Company, through its subsidiary RWB (PV) Canada, Inc., acquired 100% of a newly created class of common shares of Emblem Cannabis Corporation ("ECC"), Canabo Medical Corporation ("CMC"), and Aleafia Retail Inc. ("ARI") (collectively, the "Purchased Entities"). This acquisition (the "Aleafia Acquisition") was executed in connection with proceedings under the Companies' Creditors Arrangement Act (the "CCAA Proceedings") involving Aleafia Health Inc. and certain of its subsidiaries (collectively, the "Aleafia Group").

Upon completion of the Aleafia Acquisition, the Company became the sole shareholder of the Purchased Entities and their respective subsidiaries.

The total consideration for the Aleafia Acquisition was $30,565, comprising:

- $24,195 through the release of debt obligations payable by the Aleafia Group under the AH Note Receivable and the AH DIP Note (refer to Note 10); and
- $6,370 in cash consideration, funded through a combination of existing cash reserves held by the Purchased Entities and a drawdown under the Company's CAD RGR Grid Note (refer to note 22). These funds were allocated to discharge outstanding obligations under a pre-existing credit agreement and to finance closing costs and post-closing expenses incurred by the Monitor and respective legal counsel.

All identifiable net assets held by the Purchase Entities, including inventory, biological assets, property, plant and equipment, investments, intangible assets and goodwill, have been recorded at their respective fair market values as assessed on Acquisition Date.

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

The purchase price allocation for the Aleafia Acquisition is as follows:

	$
AH DIP Note allocated to purchase of shares	7,241
AH Note Receivable allocated to purchase of shares	16,954
Cash consideration	6,370
Total consideration	**30,565**
Identifiable assets (liabilities) acquired	
Cash and equivalents	1,009
Receivables	2,230
Prepaids and deposits	1,722
Inventory	7,267
Biological assets	692
Land	11,700
Property, plant and equipment	9,686
Right of use assets	36
Intangible assets	4,681
Investments	1,837
Payables	(2,360)
Taxes payable	(72)
Accrued liabilities	(843)
Other payables	(65)
Lease obligations	(41)
Total identifiable net assets	**37,479**
[1]Excess consideration over net identifiable assets	**(6,914)**
Total consideration	**30,565**

During the three and nine months ended September 30, 2024, the Company expensed $9, and $175, respectively, in acquisition costs relating to the Aleafia Acquisition. Revenue of the Purchased Entities post-acquisition for the three and nine months ended September 30, 2024, amounted to $5,368 and $12,990, respectively, and net loss totalled was $56, and $3,070, respectively.

If the Aleafia Acquisition had closed on January 1, 2024, the Company estimates it would have recorded consolidated revenues of $62,113 and a consolidated net loss of $20,129 for the nine months ended September 30, 2024, resulting in an increase in revenue of $532 and an increase in net loss of $504 for nine months ended September 30, 2024, including the impact of a bargain purchase amounting to $7,645 recorded by the Company to gain on investments.

During the year ended December 31, 2024, the Company completed a final assessment of the purchase price allocation related to the Aleafia Transaction. The assessment was completed within the measurement period as prescribed under IFRS 3, Business Combinations, and reflects management's refined estimates of the fair values of the acquired assets based on additional information obtained subsequent to the acquisition date.

[1] During the year ended December 31, 2024, the Company completed its reassessment of the purchase price allocation related to the Aleafia Transaction. This reassessment resulted in the following adjustments to the fair values of acquired assets:

- An increase of $267 in inventory
- A decrease of $444 in biological assets
- A decrease of $554 in investments

These purchase price allocation adjustments resulted in a corresponding adjustment to the bargain purchase gain initially recorded. The bargain purchase gain decreased from $7,645, as previously reported in the Company's interim consolidated financial statements for the three and nine months ended September 30, 2024, to $6,914, representing a net reduction of $700. The reassessment was completed within the measurement period as prescribed under IFRS 3, Business Combinations, and reflects management's refined estimates of the fair values of the acquired assets based on additional information obtained subsequent to the acquisition date.

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

8. CASH AND EQUIVALENTS

Cash as at September 30, 2025, and December 31, 2024, includes the following:

	As at 30-Sep-25	As at 31-Dec-24
	$	**$**
Cash in bank	3,710	6,622
Cash on hand	365	116
Cash in transit	111	229
Restricted cash	239	318
Total cash	**4,425**	**7,285**

- **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 non-redeemable 24-month guaranteed investment certificate ("GIC") maturing on August 29, 2027. This GIC bears an effective interest rate of 3.7% with monthly compounding.

The Company received cash advances throughout the year under the CAD and USD RGR Grid Notes (note 22). Net proceeds from these advances are included in cash and cash equivalents as at September 30, 2025.

9. ACCOUNTS RECEIVABLE

The Company's trade accounts receivable are incurred as a result of sales through its Distribution and Licensing segments. The Company extends credit terms to customers at its sole discretion based on the customers' creditworthiness. The Company's typical credit terms, for customers who have met the Company's creditworthiness criteria particular to their business attributes, range between 15 and 60 days.

As at September 30, 2025, and December 31, 2024, accounts receivable consists of the following:

	As at 30-Sep-25	As at 31-Dec-24
	$	**$**
Trade receivables	17,867	22,466
Sales tax recoverable	1,168	1,106
Other receivables	2,168	1,726
Total receivables before expected credit losses	**21,203**	**25,298**
Provision for expected credit losses	(11,092)	(9,186)
Ending Balance	**10,111**	**16,112**

Sales tax recoverable represents input tax credits on purchased goods or services.

The Company assessed the carrying amount of trade receivables at September 30, 2025, for expected credit loss ("ECL") and included an ECL of $11,092 (December 31, 2024; $9,186) against receivables. In the three and nine months ended September 30, 2025, the Company expensed $1,444 and $2,518, respectively, to ECL and bad debt expense on its condensed interim consolidated statement of loss and other comprehensive income (loss) (2024; $861 and $3,079, respectively).

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

The aging of the Company's trade receivables and the corresponding ECL as at September 30, 2025, is as follows:

Rate of expected credit loss:	0.4%	12.5%	17.7%	45.3%	62.1%	95.4%	Total
Aging classification	Current	1-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	
	$	$	$	$	$	$	$
Trade receivables	4,374	777	1,987	632	340	9,757	17,867
Expected credit losses – trade receivables	(19)	(97)	(351)	(286)	(211)	(9,308)	(10,272)
Net trade receivables	**4,355**	**680**	**1,636**	**346**	**129**	**449**	**7,595**
Other receivables							2,168
Expected Credit Losses on Other Receivables							(821)
Sales tax recoverable							1,169
Balance, September 30, 2025							**10,111**

The aging of the Company's trade receivables and the corresponding ECL as at December 31, 2024, is as follows:

Rate of expected credit loss:	1.0%	17.1%	9.4%	28.1%	25.0%	81.5%	Total
Aging classification	Current	1-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	
	$	$	$	$	$	$	$
Trade Receivables	6,492	3,399	593	1,804	771	9,407	22,466
Expected Credit Losses	(33)	(141)	(96)	(215)	(239)	(7,587)	(8,311)
Net Trade Receivables	**6,459**	**3,258**	**497**	**1,589**	**532**	**1,820**	**14,155**
Other receivables							1,726
Sales tax recoverable							1,106
Expected credit losses – other receivables							**(679)**
Provision for credit disputes							**(196)**
Balance, December 31, 2024							**16,112**

The Company does not include sales tax recoverable within its ECL calculations as management deems this as fully collectible as of the date of these Financial Statements.

10. NOTES RECEIVABLE

Continuity of the outstanding notes receivable owed to the Company as at September 30, 2025, is as follows:

	Balance 24-Dec-31	Additions	Accrued Interest	Interest Payments	Principal Payments	FX (Gain)/Loss	Balance 25-Sep 30
	$	$	$	$	$	$	$
Battlecreek Note	-	314	-	-	-	-	314
OPRC Note	3,000	-	120	(120)	-	-	3,000
PD Note	12,093	15,255	2,487	(36)	(3,424)	(337)	26,038
KMI Note	743	595	75	(75)	(193)	(29)	1,116
Total	**15,836**	**16,164**	**2,682**	**(231)**	**(3,617)**	**(366)**	**30,468**
Short-term	11,397						27,306
Long-term	4,439						3,162

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

Continuity of the outstanding notes receivable owed to the Company as at December 31, 2024, is as follows:

	Balance 31-Jan-24	Additions	Accrued interest	Accreted Interest	Interest Payments	Principal Payments	Acquisitions	FX (Gain)/Loss	Balance 31-Dec-24
	$	$	$	$	$	$	$	$	$
AH Note	16,778	-	117	59	-	-	(16,954)	-	-
AH DIP Note	7,927	7,330	33	-	-	-	(15,290)	-	-
OPRC Note	-	3,000	149	-	(149)	-	-	-	3,000
PD Note	-	10,973	805	-	-	(149)	-	464	12,093
KMI Note	-	724	19	-	-	-	-	-	743
Total	**24,705**	**22,027**	**1,123**	**59**	**(149)**	**(149)**	**(32,244)**	**464**	**15,836**
Short-term	24,705								11,397
Long-term	-								4,439

On September 17, 2025, the Company entered into a land contract for the sale of commercial real estate properties located in Battle Creek, Michigan. The total purchase price was $240, of which $14 was received at execution, resulting in a note receivable balance of $226 (the “Battlecreek Note. The note is non-interest-bearing, with monthly principal payments of $10 commencing October 17, 2025. The note matures on September 17, 2027, at which time any remaining balance becomes due. The receivable is secured by the underlying real property, with a warranty deed held in escrow by a third-party agent pending full and final repayment of the note receivable. The note may be prepaid without penalty. The Company retains legal title to the properties until full satisfaction of all amounts owing under the agreement.

For terms of the Company’s notes receivable issued in periods prior to December 31, 2024, refer to the Company’s most recently filed audited consolidated financial statements for the period ended December 31, 2024, found on Sedar+.

11. PREPAID EXPENSES

As at September 30, 2025, and December 31, 2024, prepaid expenses are comprised of the following amounts:

	As at 30-Sep-25	As at 31-Dec-24
	$	$
Prepaid operating licenses	1,053	1,741
Prepaid taxes	92	4
Prepaid dues and subscriptions	3	129
Other prepaid fees	387	119
Total prepaid expenses	**1,535**	**1,993**

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.

12. DEPOSITS

As at September 30, 2025, and December 31, 2024, the Company had the following deposits:

	As at 30-Sep-25	As at 31-Dec-24
	$	$
Vendor deposits	4,758	10,202
Security deposits	382	333
Other deposits	345	651
Total deposits	**5,485**	**11,186**

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

Substantially all of the vendor deposits are comprised of advances to arm's length vendors for crop commitments for cannabis biomass. Under the agreed upon terms of the crop commitment, the vendor must maintain select product parameters for the harvest as defined by the Company. As at September 30, 2025, select vendors have not fulfilled their remaining committed balances. The Company continues to work collaboratively with the arm's length vendor towards settlement of their commitment under this contract. These deposits ensure supply chain security, stabilize prices, maintain operational continuity, and mitigate risks associated with supply disruptions.

Concurrent with the closing of the Aleafia Acquisition (note 7), the Company also deposited $748 with a Canadian government institution to be held, in trust by the institution, on the account of Emblem Cannabis Corporation; one of the licensed Purchased Entities.

13. INVENTORY

The Company's inventory as at September 30, 2025, and December 31, 2024, consists of the following:

	As at 30-Sep-25	As at 31-Dec-24
	$	**$**
Cannabis and CBD derivative finished goods	2,204	5,376
Raw materials	12,402	5,493
Cannabis and CBD derivative work in process	31,541	38,965
Consumables and non-cannabis merchandise	64	443
Inventory provisions	(1,639)	(2,721)
Total	**44,572**	**47,556**

During the period ended September 30, 2025, the total inventory included in cost of sales was $29,460 (2024; $53,136), which includes an allocation for salaries and wages amounting to $3,884 (2024; $5,701). $1,639 of provisions at September 30, 2025, relate to inventory held by entities acquired as part of the Aleafia Acquisition (December 31, 2024; $2,721) (note 7).

14. BIOLOGICAL ASSETS

The Company's biological assets consist of 83,895 plants growing as at September 30, 2025 (2024; 6,879). The continuity of biological assets is as follows:

	As at 30-Sep-25	As at 31-Dec-24
	$	**$**
Carrying amount, beginning of year	1,728	829
Acquired from Aleafia Acquisition (note 7)	-	1,136
Capitalized cost	6,991	11,940
Unrealized changes in fair value of biological assets	500	856
Transferred to inventory	(6,545)	(13,092)
Effects of foreign exchange	(44)	59
Carrying value, end of year	**2,630**	**1,728**

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

Sensitivity Analysis

Significant unobservable assumptions used in the valuation of biological assets, including the sensitivities on changes in these assumptions and their effect on the fair value of biological assets, are as follows:

	For the period ended 30-Sep-25			For the period ended 31-Dec-24		
	Weighted average assumption	10% Change of inputs	Effect on Biological Asset balance	Weighted average assumption	10% Change of inputs	Effect on Biological Asset balance
Selling price ($/gram)	$2.50	$2.75	$1,151	$2.90	$3.18	$7,240
Yield by plant (grams)	68	75	$1,113	359	395	$6,490
Post-harvest costs ($/gram)	$1.20	$1.32	$1,167	$1.11	$1.22	$5,017

15. ASSETS & LIABILITIES HELD FOR SALE

Assets and liabilities held by the Company's discontinued operations as outlined in note 3 (the "Discontinued Operations"), have been included in assets held for sale and liabilities held for sale on the statement of financial position.

Pharmaco Inc. ("Pharmaco"), a wholly owned subsidiary of the Company, operated licensed medical and adult-use retail outlets and conducted limited cultivation operations in Michigan since its acquisition by the Company on February 7, 2022. During the year ended December 31, 2024, management determined that Pharmaco's operations no longer aligned with the Company's core business objectives.

On December 26, 2024, following defaults under a senior secured loan agreement, the senior secured lender, Royal Group Resources, Ltd. ("RGR")[1] submitted a Receivership Order to the Circuit Court in Pontiac, Michigan, requesting the appointment of a receiver to oversee the sale of all of Pharmaco's assets. The court approved the Receivership Order, authorizing the Receiver to manage and/or divest Pharmaco's assets, with the senior secured lender retaining its senior lien position and entitlement to proceeds from any sale.

The initiation of the receivership proceedings led to the classification of Pharmaco's assets and liabilities as a disposal group under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Revenue and expenses for the fiscal period ended December 31, 2024, and its restated 2023 comparative period, related to the Pharmaco operations have been eliminated from the Company's continuing operations and are shown as discontinued operations (note 32) in the consolidated statement of profit or loss.

On March 5, 2025, the Company's wholly-owned subsidiary, Red White & Bloom Michigan (2024), Inc., was confirmed by the court as the successful bidder for select tangible assets of Pharmaco through a court-supervised receivership process. The court-approved purchase price was US$8,850 (C$12,722), subject to an appeal period, mandated by the appointed receiver, permitting objections for consideration by the court from unsecured creditors.

The court's approval became final on March 28, 2025, following expiry of the aforementioned appeal period during which no creditor objections were filed, thereby confirming the validity and enforceability of the asset purchase agreement.

On March 29, 2025, RGR executed a Release and Discharge Agreement with Pharmaco whereby RGR agreed to terminate the RGR Credit Facility (note 22), release Pharmaco and its affiliated parties from all repayment obligations and discharge all related security

[1] Related party (note 28)

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

interests. In consideration for this release and discharge, RGR accepted the US$8,850 in proceeds from the court-approved asset sale as settlement in full.

Upon execution of the discharge agreement, the US$8,850 purchase price owed by Red White & Bloom Michigan (2024), Inc., the successful court approved bidder, became payable directly to RGR for settlement of the RGR Credit Facility. The Company recognized a gain on debt settlement of US$6,804 (C$9,770) in discontinued operations (note 32), representing the excess of the facility's carrying value over the settlement amount. Amounts owing to RGR were settled by the Company on April 30, 2025. Assets acquired by Red White & Bloom Michigan (2024), Inc. remain in property, plant and equipment for sale.

The carrying amounts of assets and liabilities held by the Company's Discontinued Operations as at September 30, 2025, and December 31, 2024, are as follows:

	As at 30-Sep-25	As at 31-Dec-24
	$	**$**
Current assets		
Accounts receivable	-	4
Deposits	-	42
Lease receivables	75	1,617
Non-current assets		
Property, plant and equipment, net	10,555	11,529
Assets classified as held for sale	**10,630**	**13,192**
Current liabilities		
Accounts payable and accrued liabilities	6,027	8,358
Credit facility	-	21,851
Promissory notes	785	798
Tax payables	7,699	15,192
Liabilities classified as held for sale	**14,511**	**46,199**

During the period ended December 31, 2024, the Company recognized an impairment loss of $141 on a property, plant and equipment related to Discontinued Operations. These impairments stem from a re-assessment of the recoverable value of the acquired operations' property, plant and equipment. The balance of carrying value of property, plant and equipment, represents management's best estimate of the aforementioned assets' value in use as of September 30, 2025, and December 31, 2024.

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

16. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment as at September 30, 2025, and December 31, 2024 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, December 31, 2023 restated	**651**	**1,197**	**7,482**	**-**	**6,453**	**16**	**477**	**11,706**	**-**	**2,056**	**30,038**
Additions	-	-	1,829	175	78	180	101	675	4	2,456	5,498
Additions through business combinations (note 7)	6,491	-	9,947	4,161	-	-	87	605	95	-	21,386
Disposals	-	-	-	-	(110)	(2)	(67)	(634)	-	(1,212)	(2,025)
Foreign currency movement	57	105	(1,170)	(157)	1,914	10	42	(59)	(4)	88	826
Balance, December 31, 2024	**7,199**	**1,302**	**18,088**	**4,179**	**8,335**	**204**	**640**	**12,293**	**95**	**3,388**	**55,723**
Additions	-	-	-	-	292	-	20	251	-	1,187	1,750
Foreign currency movement	(23)	(42)	(266)	53	950	(7)	(156)	(261)	-	(1,353)	(1,105)
Balance, September 30, 2025	**7,176**	**1,260**	**17,822**	**4,232**	**9,577**	**197**	**504**	**12,283**	**95**	**3,222**	**56,368**
Accumulated depreciation											
Balance, December 31, 2023 restated	**-**	**21**	**631**	**-**	**2,402**	**9**	**197**	**3,745**	**-**	**-**	**7,005**
Depreciation this period	-	14	724	434	1,304	17	96	1,953	34	-	4,576
Disposals	-	-	(528)	(116)	(13)	(1)	-	(273)	(3)	-	(934)
Foreign currency movement	-	3	569	100	965	2	21	(230)	2	-	1,432
Balance, December 31, 2024	**-**	**38**	**1,396**	**418**	**4,658**	**27**	**314**	**5,195**	**33**	**-**	**12,079**
Depreciation this period	-	11	519	303	968	30	56	1,483	24	-	3,394
Foreign currency movement	-	(2)	(32)	7	(156)	(2)	(22)	(170)	-	-	(377)
Balance, September 30, 2025	**-**	**47**	**1,883**	**728**	**5,470**	**55**	**348**	**6,508**	**57**	**-**	**15,096**
Net book value											
Balance, December 31, 2024	7,199	1,264	16,692	3,761	3,677	177	326	7,098	62	3,388	43,644
Balance, September 30, 2025	**7,176**	**1,213**	**15,939**	**3,504**	**4,107**	**142**	**156**	**5,775**	**38**	**3,222**	**41,272**

During the period ended December 31, 2024, $21,386 in property, plant and equipment was acquired by the Company as a result of the Aleafia Acquisition (note 7). The Company capitalized $2,743 in depreciation expense to inventory within the period ended September 30, 2025 (December 31, 2024; $3,408).

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

17. INTANGIBLE ASSETS

A continuity of the intangible assets for September 30, 2025, and December 31, 2024, is as follows:

	Brand	Licenses	Total
	$	$	$
Costs			
Balance, January 1, 2024	**34,123**	**52,600**	**86,723**
Additions (note 7)	1,679	-	1,679
Aleafia Acquisition (note 7)	447	4,234	4,681
Foreign exchange movement	3,001	4,625	7,626
Balance, December 31, 2024	**39,250**	**61,459**	**100,709**
Foreign exchange movement	(1,207)	(1,861)	(3,069)
Balance, September 30, 2025	**38,042**	**59,598**	**97,640**

As part of the Aleafia Acquisition (note 7), the Company, through its acquisition of the common shares of select legal entities, acquired all of the operating licenses issued by regulatory authorities in Canada to the acquired group of companies. On acquisition, the fair value of these operating licenses were included in the intangible assets.

Intangible asset impairments

The Company assesses intangible assets for impairment at each annual reporting period by evaluating events or circumstances that may indicate impairment, considering external and internal factors including financial performance. During the periods ended September 30, 2025, and December 31, 2024, no impairment charges were recognized against intangible assets in continuing operations. The Company continues to monitor for impairment indicators that may require interim assessments.

18. RIGHT OF USE ASSETS AND LEASE OBLIGATIONS

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

	As at 30-Sep-25	As at 31-Dec-24
	$	$
Opening balance	**17,976**	**17,191**
Additions from Aleafia acquisition (note 7)	-	121
Accumulated depreciation from Aleafia acquisition (note 7)	-	(85)
Additions during the period	2,468	3,675
Depreciation for the period	(1,280)	(1,576)
Dispositions - ROU Asset	(76)	(3,447)
Dispositions - ROU Accumulated Depreciation	76	936
Gain on Disposals		390
Effects of foreign exchange	(371)	771
Balance, September 30, 2025	**18,793**	**17,976**

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

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

	As at 30-Sep-25	As at 31-Dec-24
	$	$
Opening balance	22,728	20,503
Additions/(Disposals)	1,921	415
Interest accretion	2,039	2,577
Interest payments	(2,039)	(2,824)
Principal payments	(256)	(149)
Ending balance	**24,393**	**20,522**
Effects of foreign exchange	(312)	2,207
Less: Short-term lease obligations	(945)	(701)
Long-term lease obligation	**23,136**	**22,028**

Future minimum lease payments (principal and interest) are as follows:

	As at 30-Sep-25
	$
2025	832
2026	3,397
2027	3,431
2028	3,468
2029	3,689
Thereafter	32,373
Total minimum lease payments	**47,190**
Present value of minimum lease payments	15,810
Effect of discounting	7,299
Current portion lease obligations	945
Long-term lease obligations	**23,136**

19. MINORITY INTEREST EQUITY INVESTMENT

As part of the Aleafia Acquisition (note 7), the Company acquired an 8.94% equity interest in One Plant (Retail) Corp. ("OPRC"), a privately held cannabis retail operator in Canada. The Company does not exercise significant influence over OPRC and has elected to measure this investment at fair value through profit or loss in accordance with IFRS 9. The Company assesses the carrying value of this investment annually. For the year ended December 31, 2024, the Company recorded a $641 fair value gain on this investment.

Below is a continuity of the Company's investment in OPRC:

	$
Balance, January 1, 2024	-
Equity investment as a result of business combinations (note 7)	1,837
Gain on fair value adjustment	642
Balance, December 31, 2024	**2,479**
Balance, September 30, 2025	**2,479**

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

20. GOODWILL

Goodwill as of September 30, 2025, and December 31, 2024, was comprised of the following:

	$
Balance, January 1, 2024	12,668
Foreign exchange movement	1,114
Balance, December 31, 2024	**13,782**
Foreign exchange movement	(448)
Balance, September 30, 2025	**13,334**

Balances in goodwill as at September 30, 2025, and December 31, 2024, is associated with the Company's Retail segment.

Goodwill impairment

The Company assesses goodwill for impairment on an annual basis, by comparing the carrying value of each cash-generating unit ("CGU") to its recoverable amount, being the greater of fair value less costs to sell and value in use. As at September 30, 2025, and December 31, 2024, no material impairment indicators were present, and no impairment charges were recognized. Key assumptions in the 2024 annual impairment assessment included the applicable discount rate and revenue growth rates. Material changes to these assumptions could impact estimated fair value and result in future impairment charges. The Company continues to monitor impairment indicators that may require interim assessments.

21. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company had the following accounts payable and accrued liabilities at September 30, 2025, and December 31, 2024:

	As at 30-Sep-25	As at 31-Dec-24
	$	**$**
Trade payables	8,031	14,761
Accrued liabilities and other	5,185	5,857
Sales and excise tax payable	3,726	3,335
Customer deposits	557	121
Total	**17,499**	**24,074**

During the period ended September 30, 2025, the Company had three significant vendors representing 11%, 13% and 18% of its total trade payables. During the year ended December 31, 2024, the Company had two significant vendors representing 10% and 20% of its total trade payables.

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

22. DEBT AND FINANCE EXPENSES

The Company incurred the below finance expenses for the three and nine months ended September 30, 2025, and 2024.

	3 months ended 30-Sep-25	3 months ended 30-Sep-24	9 months ended 30-Sep-25	9 months ended 30-Sep-24
	$	$	$	$
[13] Interest on notes payable	9,474	6,869	4,430	18,597
[13] Interest on convertible debt	1,407	2,115	26,453	5,214
[13] Interest on credit facilities	-	629	-	1,818
Other finance fees	36	266	14	539
[13] Accreted interest on notes payable	-	82	-	248
[13] Accreted interest on convertible debt	-	311	-	2,641
[13] (Gain) loss on valuation of financial instruments	-	(626)	-	(691)
[13] (Gain) loss on debt extinguishment	-	-	-	100
Total finance expense	**10,917**	**9,646**	**30,897**	**28,466**

A. NOTES PAYABLE

On February 1, 2025, the Company successfully concluded negotiations with various lenders, including related party lenders, to renew multiple previously issued notes payable and convertible debentures that had matured during the fiscal year ended December 31, 2024 (the "Matured Debt"). Originally scheduled to mature on September 12, 2024, the Matured Debt was formally amended on February 1, 2025, with the amendments effective as of September 15, 2024. The renewed debt includes revised terms that align with the Company's growth strategy, allowing management to maintain adequate cash flow while continuing to pursue strategic expansion initiatives in active markets in Canada and the United States.

Terms for notes payable held by the Company as at September 30, 2025, is as follows:

Note	Purpose:	Note/ Amended value:	Note currency:	Execution date:	Maturity date:	Interest rate per annum:
[14]BJSD Note	Debt restructure	3,065	CAD	1-Feb-25	12-Sep-27	12%
[15]CPIL Note	Debt restructure	20,644	CAD	1-Feb-25	12-Sep-27	12%
[15]DCIL Note	Debt restructure	7,120	CAD	1-Feb-25	12-Sep-27	12%
ELL Note	Capital	5,750	CAD	5-Jun-24	1-Jul-29	6.72%
[15]RGR CAD Grid Note	Debt restructure	59,022	CAD	1-Feb-25	12-Sep-27	12%
MV Ops Note	Retail construction	1,130	USD	4-Jun-24	4-Dec-25	12%
Oakshire Note	Debt settlement	3,000	USD	19-Jul-24	On Demand	0%
[15]RGR Note A	Debt restructure	33,418	USD	1-Feb-25	12-Sep-27	12%
[15]RGR Note C	Debt restructure	21,742	USD	29-Nov-24	30-Nov-26	12%
[15]RGR USD Grid Note	Operations & acquisitions	53,779	USD	1-Feb-25	12-Sep-27	12%
[15]SDIL Note A	Debt restructure	6,901	USD	1-Feb-25	12-Sep-27	12%
[15]SDIL Note B	Debt restructure	7,120	USD	1-Feb-25	12-Sep-27	12%
SIL Note	Debt restructure	347	USD	1-Feb-25	12-Sep-27	12%
TAII Note	Debt restructure	3,387	USD	1-Feb-25	12-Sep-27	12%

[13] Includes related party debt (note 28)
[14] Classified as a related party (refer to note 28)

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

A continuity of the Company's notes payable as at September 30, 2025 is as follows:

	Balance, December 31, 2024	Additions	Amendments	Accrued interest	Interest Payments	Principal Payments	(Gain)/Loss on Amendments	FX (Gain)/Loss	Balance, September 30, 2025
	$	$	$	$	$	$	$	$	$
Notes Payable									
ELL Note	5,744	-	-	282	(141)	(213)	-	-	5,672
MV Ops Note	1,638	-	-	149	-	-	-	(50)	1,737
Oakshire Note	1,665	-	-	-	-	(435)	-	(37)	1,193
RGR Note C	33,541	-	-	3,088	-	-	-	(1,104)	35,525
BJSD Note	3,213	-	-	286	-	-	(181)	-	3,318
CPIL Note	-	-	20,644	1,710	-	-	-	-	22,354
RGR Note A	52,038	-	-	4,383	-	-	(4,503)	(1,542)	50,376
RGR CAD Grid Note	56,946	4,000	-	5,588	-	-	-	-	66,534
RGR USD Grid Note	75,902	28,067	-	7,970	-	(774)	-	(2,390)	108,775
SDIL Note A	10,091	-	-	864	-	-	(699)	(306)	9,950
SIL Note	521	-	-	45	-	-	(27)	(16)	523
TAII Note	5,277	-	-	444	(65)	-	(395)	(157)	5,104
DCIL Note	-	-	10,312	822	-	-	-	(402)	10,732
SDIL Note B	-	-	10,312	822	-	-	-	(402)	10,732
Total Notes Payable	**246,576**	**32,067**	**41,268**	**26,453**	**(206)**	**(1,422)**	**(5,805)**	**(6,406)**	**332,525**
Short-term notes payable	207,419								3,058
Long-term notes payable	39,157								329,467

Original terms of the Matured Debt can be found in note 22 of the Company's Audited Consolidated Financial Statements for the year ended December 31, 2024, published on Sedar+.

During the period ended September 30, 2025, and December 31, 2024, the Company satisfied all financial covenants associated with its issued debt.

B. CONVERTIBLE DEBT

Below are the terms of each of the convertible notes held by the Company as at September 30, 2025.

Convertible Note	Purpose	Note/Amended Value	Note currency	Execution Date	Maturity Date	Interest Rate per annum
AB Convertible Note	Florida acquisition	781	USD	22-Apr-21	22-Apr-24	12.00%
FCC Convertible Note	Florida acquisition	1,563	USD	22-Apr-21	22-Apr-24	12.00%
[15]IBGL Convertible Note	Florida acquisition	1,938	USD	31-Dec-24	30-Nov-26	12.00%
VMOS Convertible Note	Florida acquisition	1,356	USD	31-Dec-24	30-Nov-26	12.00%
MV Convertible Note	Florida acquisition	25,340	USD	29-Nov-24	30-Nov-26	12.00%
[16]DICL Convertible Note	Debt restructure	-	USD	4-Oct-21	12-Sep-24	8.00%
[ii]SDIL Convertible Note	Debt restructure	-	USD	4-Oct-21	12-Sep-24	8.00%
[ii]CPIL Convertible Note	Debt restructure	-	CAD	15-Sep-22	12-Sep-24	8.00%

As at the date of these Financial Statements, the Company remained actively engaged in negotiations to renew the AB and FCC Convertible debt that matured on April 22, 2024. As such, the lenders have not provided formal notification of default to the Company despite the expiration of the original maturity dates. The principal renewal terms of the debt instruments have been acknowledged as acceptable by the lenders with current discussions solely focused on collateral arrangements. Given that the original maturity dates

[15] Related party convertible note (note 28)
[16] Convertible note was amended into a note payable (note 22a), related party (note 28)

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

have expired, these loan obligations continue to be classified as short-term debt in the Company's Consolidated Statement of Financial Position. Details of the transactions are included in the convertible debenture continuity schedule above.
A continuity of the Company's convertible debt as at September 30, 2025 is as follows:

	Balance, December 31, 2024	Amendments	Accrued interest	FX (Gain)/Loss	Balance, September 30, 2025
	$	$	$	$	$
Convertible Debt					
AB Convertible Note	1,487	-	98	(49)	1,536
FCC Convertible Note	2,974	-	197	(98)	3,073
IBGL Convertible Note	2,974	-	197	(98)	3,073
VMOS Convertible Note	2,082	-	138	(68)	2,152
MV Convertible Note	39,015	-	3,392	(1,282)	41,125
DICL Convertible Note	10,143	(10,312)	102	67	-
SDIL Convertible Note	10,143	(10,312)	102	67	-
CPIL Convertible Note	20,440	(20,644)	204	-	-
Total Convertible Debt	**89,258**	**(41,268)**	**4,430**	**(1,461)**	**50,959**
Short-term convertible notes	45,187				4,610
Long-term convertible notes	44,071				46,349

Original terms of each of the above convertible notes, and details relating to the comparative year ending December 31, 2024, can be found in note 22 of the Company's 2024 Audited Financial Statements published on Sedar+.

During the period ended September 30, 2025, and December 31, 2024, the Company satisfied all financial covenants associated with its issued debt.

C. DERIVATIVE LIABILITIES RELATING TO CONVERTIBLE DEBENTURES

The Company assesses its convertible debentures each reporting period to determine if a derivative liability exists in accordance with IFRS 9 Financial Instruments and IAS 32. When a derivative liability is identified, the Company values its derivative liabilities to fair market value each period, with fair market value gains and losses recorded to the consolidated statement of income (loss) and comprehensive income (loss). As at September 30, 2025, and December 31, 2024, there was no evidence of a derivative liability resulting from the Company's convertible debentures.

D. CREDIT FACILITY

On June 14, 2024, a previously held credit facility between the Company and PWC was terminated as a result of a loan purchase agreement (the "RGR-BFI Loan Purchase Agreement") between Royal Group Resources, Ltd. ("RGR")[17], and existing lender related to the Company, and PWC. As a result of the RGR-BFI Purchase Agreement, the Company recovered $45 in amounts owing to PWC for the amendment fee resulting from the January 30, 2023, extension. There were no material changes to the Credit Facility as a result of the RGR-BFI Loan Purchase Agreement. On December 26, 2024, following defaults under Credit Facility, RGR submitted a Receivership Order to the Circuit Court in Pontiac, Michigan, requesting the appointment of a receiver to oversee the sale of all of Pharmaco's assets. The court approved the Receivership Order, authorizing the Receiver to manage and/or divest Pharmaco's assets, with RGR retaining its senior lien position and entitlement to proceeds from any sale or credit bid (note 15, 32). For additional details on the Pharmaco Receivership, refer to the Company's most recently filed audited financial statements for the period ended December 31, 2024, found on Sedar+.

[17] Related party (note 28)

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

E. DEBT SETTLEMENTS

On July 19, 2024, the Company entered into a settlement agreement between with Oakshire Holdings Inc. and its affiliates (the "Oakshire Parties") to resolve a series of financial obligations and claims, including the extinguishment of $1,123 due under the Due to Oakshire Note (the "Oakshire Settlement Agreement"). Under the terms of the agreement, the Company will pay the Oakshire Parties $3,357 in scheduled installments. The obligations under the Oakshire Settlement Agreement are secured by tangible assets held by the Company, in concert with the Oakshire Note (note 22). Payments made by the Company in connection with the Oakshire Note amounted to $3,005 (see Note 22 a above).

F. OFF BALANCE SHEET ARRANGEMENTS

The Company did not enter any off-balance sheet arrangements during period ending September 30, 2025 (December 31, 2024; nil).

23. SHARE CAPITAL AND RESERVES

A. AUTHORIZED

As at September 30, 2025, the authorized shares were as follows:

- Unlimited number of common shares without par value with special rights and restrictions.
- An unlimited number of preferred shares without par value with special rights and restrictions, which are non-voting except in specific circumstances related to dividend defaults.

B. ISSUED AND OUTSTANDING

Changes in share capital for the period ended September 30, 2025, and December 31, 2024, and the balances outstanding is as follows:

Common Shares	Common Shares	Share Capital
	#	$
Balance, December 31, 2024	470,221,901	342,111
Balance, September 30, 2025	470,221,901	342,111

Share Capital transactions the during the period ended September 30, 2025:

No share capital transactions were undertaken by the Company during the nine months ended September 30, 2025.

Share Capital transactions the during the period ended December 31, 2024:

On June 14, 2024, all authorized Series 1 Convertible Preferred shares and Series II Convertible Preferred shares outstanding, of which none were allotted or issued, were eliminated by approved resolution. On the same date, the Company authorized a new class of preferred shares (the "Preferred Shares"). The Preferred Shares are unlimited, issuable in series, without par value, and have special rights and restrictions, under directors' discretion, which impact (1) dividend entitlements, (2) redemption terms and (3) conversion rights provided that no other preferred shares are issued and outstanding. In the event of liquidation, Preferred shareholders have priority in receiving paid-in capital plus any accrued dividends before any distribution to common shareholders.

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

The Preferred shareholders do not have voting rights or the right to attend general meetings, except in specific circumstances related to dividend defaults.

On June 14, 2024, the common shares were concurrently amended to include the following special rights and restrictions: in the event of the Company's liquidation or dissolution, common shareholders are entitled to share in the remaining assets of the Company after the claims of the Preferred shareholders and any other classes with priority have been satisfied.

C. STOCK OPTIONS

The Company established a 20% rolling stock option plan (the "Option Plan") to provide the Company with a share-related mechanism to attract, retain and motivate directors, employees, and consultants, to reward such persons with the grant of options under the Option Plan from time to time for their contributions toward the long-term goals of the Company and to enable and encourage such persons to acquire shares as long-term investments.

Under the Option Plan, the Board of Directors may from time to time, in its discretion, grant stock options to directors, officers, employees and consultants of the Company. Pursuant to the Option Plan, the Company may issue options for such period and exercise price as may be determined by the Board of Directors, and in any case not exceeding ten (10) years from the date of grant. The minimum exercise price of an option granted under the Option Plan must not be less than the closing price of the common shares on the date preceding the option grant date.

In any 12-month period, and in relation to the number of issued and outstanding common shares of the Company, the total number of options awarded cannot exceed:

- 5% to any one individual as at the grant date
- 2% to any one Consultant as of the grant date
- 2% to employees performing investor relations activities for the Company

The Company uses the Black-Scholes model to establish the fair value of the options on the date of grant by applying the assumptions below. The fair value of the option is expensed over the option's vesting period.

The following assumptions were used by the Company to value the stock options outstanding as at September 30, 2025:

Grant Date	Vesting Start Date	Expiry Date	Share price on Date of Grant	Exercise Price	Volatility	Risk Free Rate	Dividends
			$	$	%	%	$
1-Oct-20	1-Oct-20	1-Oct-25	0.54	0.65	105.27%	0.45%	$nil
1-Oct-20	1-Jan-21	1-Oct-25	0.54	0.65	105.27%	0.45%	$nil
12-Oct-20	12-Oct-20	12-Oct-25	0.60	0.65	105.27%	0.45%	$nil
18-Nov-20	18-Nov-20	18-Nov-25	0.67	0.67	105.27%	0.45%	$nil
3-Dec-20	3-Dec-20	3-Dec-25	0.69	0.75	105.27%	0.45%	$nil
6-Jul-21	6-Jul-21	6-Jul-25	1.10	1.10	105.27%	1.23%	$nil
12-Nov-21	21-Nov-21	26-Nov-26	0.63	0.63	88.00%	1.23%	$nil
12-Nov-21	22-Jan-22	26-Nov-26	0.63	0.63	88.00%	1.23%	$nil
12-Nov-21	8-Nov-21	12-Nov-26	0.63	0.63	88.00%	1.23%	$nil
12-Nov-21	1-Jul-22	12-Nov-26	0.63	0.63	88.00%	1.23%	$nil
12-Nov-21	20-Sep-22	12-Nov-26	0.63	0.63	88.00%	1.23%	$nil
12-Nov-21	4-Oct-22	12-Nov-26	0.63	0.63	88.00%	1.23%	$nil
7-Oct-22	7-Jan-23	7-Oct-27	0.15	0.14	94.35%	3.98%	$nil
7-Oct-22	7-Jan-23	7-Oct-27	0.15	0.20	94.35%	3.98%	$nil
7-Oct-22	7-Jan-23	7-Oct-27	0.15	0.50	94.35%	3.98%	$nil
15-Mar-23	15-Mar-24	15-Mar-33	0.10	0.10	94.35%	3.98%	$nil
3-Oct-24	3-Oct-25	3-Oct-29	0.07	0.10	150.63%	3.28%	$nil

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

Volatility was estimated by using the historical volatility of the Company. The expected life in years represents the period of time that options granted are expected to be outstanding. The risk-free rate was based on the rate prescribed for Canada government bonds as of the date of the Financial Statements with a remaining term equal to the expected life of the options.

The number of stock options and weighted average exercise prices as at September 30, 2025, and December 31, 2024, are as follows:

	Options	Weighted average exercise price
	#	$
Balance Outstanding, January 1, 2024	**16,960,931**	**0.80**
Issued	1,925,000	0.12
Expired	(3,197,002)	2.70
Forfeited	(102,500)	0.21
Balance Outstanding, December 31, 2024	**15,586,429**	**0.33**
Expired	(586,429)	1.00
Balance Outstanding, September 30, 2025	**15,000,000**	**0.31**
Exercisable		
Exercisable as at September 30, 2025	13,276,044	0.33
Exercisable as at December 31, 2024	12,828,097	0.38

Stock Options are measured at fair value at the date of grant and are expensed to share based compensation over the option's vesting period. For the three and nine months ended September 30, 2025, the Company had share-based compensation expenses relating to stock options amounting to $22 and $65, respectively (2024; $59 and $165, respectively).

The following reflects remaining contractual life for outstanding and exercisable options as at September 30, 2025:

Outstanding				Exercisable	
Expiry date	**Exercise price**	**Options**	**Remaining contractual life**	**Options**	**Remaining contractual life**
	$	**#**	**(years)**	**#**	**(years)**
1-Oct-25	0.65	3,400,000	0.00	3,400,000	0.00
12-Oct-25	0.65	50,000	0.03	50,000	0.03
18-Nov-25	0.67	150,000	0.13	150,000	0.13
3-Dec-25	0.75	800,000	0.18	800,000	0.18
12-Nov-26	0.63	400,000	1.12	400,000	1.12
26-Nov-26	0.63	75,000	1.16	75,000	1.16
7-Oct-27	0.14	6,500,000	2.02	6,500,000	2.02
7-Oct-27	0.20	200,000	2.02	200,000	2.02
7-Oct-27	0.50	250,000	2.02	250,000	2.02
3-Oct-29	0.10	1,925,000	4.01	721,875	4.01
15-Mar-33	0.10	1,250,000	7.46	729,169	7.46
		15,000,000	**2.12**	**13,276,044**	**1.74**

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

EARNINGS (LOSS) PER SHARE

Earnings/loss per share for the three and nine months ended September 30, 2025, and 2024 is as follows:

	3 months ended 30-Sep-25	3 months ended 30-Sep-24	9 months ended 30-Sep-25	9months ended 30-Sep-24
Outstanding common shares	470,221,901	474,738,811	470,221,901	469,521,901
Earnings (loss) from continuing operations attributable to RWB shares ($)	(12,493)	(5,300)	(44,283)	(16,769)
Earnings/loss per share, basic and diluted ($)	**(0.03)**	**(0.01)**	**(0.09)**	**(0.04)**
Earnings (loss) from discontinued operations attributable to RWB shares ($)	(0.01)	0.01	0.04	0.00
Total earnings (loss) per share, basic and diluted	**(0.04)**	**(0.00)**	**(0.05)**	**(0.04)**
Weighted average number of shares outstanding, basic and dilutive	470,221,901	474,738,811	470,221,901	469,521,901

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

24. REVENUES

The Company generates revenue through three distinct channels: Retail, Distribution and Licensing. Revenues by channel for the three and nine months ended September 30, 2025, and 2024 is as follows:

	3 months ended 30-Sep-25	3 months ended 30-Sep-24	9 months ended 30-Sep-25	9 months ended 30-Sep-24
	$	**$**	$	$
Distribution	11,469	18,083	35,760	52,132
Licensing	718	162	1,763	431
Retail	4,596	3,045	14,858	9,018
Total revenue	**16,783**	**21,290**	**52,381**	**61,581**

Revenue as a percentage of total sales for the three and nine months ended September 30, 2025, and 2024 is as follows:

	3 months ended 30-Sep-25	3 months ended 30-Sep-24	9 months ended 30-Sep-25	9 months ended 30-Sep-24
	%	**%**	**%**	**%**
Distribution	69%	85%	69%	85%
Licensing	4%	1%	3%	1%
Retail	27%	14%	28%	14%
Total revenue	**100%**	**100%**	**100%**	**100%**

During the three and nine months ended September 30, 2025, and 2024, 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.

During the period ended September 30, 2025, the Company had two significant customers representing 24% and 12% of total revenues earned by the Company (2024; no significant customers).

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

25. GENERAL AND ADMINISTRATIVE EXPENSES

The Company's general and administrative expenses for the three and nine months ended September 30, 2025, and 2024 were as follows:

	3 months ended 30-Sep-25	3 months ended 30-Sep-24	9 months ended 30-Sep-25	9 months ended 30-Sep-24
	$	$	$	$
Salaries and wages	3,260	4,514	10,348	12,880
Facilities expense	1,281	58	1,949	782
Professional fees	1,980	1,522	4,804	4,333
Office and administrative fees	216	704	1,489	1,565
Travel expense	78	122	301	351
Licenses and permits	742	69	1,136	184
Insurance	475	512	1,303	1,262
Penalty and late fees	80	410	137	509
Total general and administrative expenses	**8,112**	**7,911**	**21,467**	**21,866**

26. NON-CONTROLLING INTERESTS

RWB FLORIDA, LLC AND RED WHITE & BLOOM, FLORIDA, INC.

RWB Florida, LLC ("Florida LLC") is a member-managed limited liability company that serves as the sole shareholder of Red White & Bloom Florida Inc. ("Florida Inc"). The Florida Inc. is responsible for all management, operational, and day-to-day commercial activities conducted by the Company in the state of Florida.

Membership Structure

The LLC has issued two classes of membership interests:

- Class A: Held exclusively by RWB
- Class B: RWB maintains a 54% controlling interest, with the remaining 46% held by multiple minority members

Non-Controlling Interests

Several Class B members collectively own 23% of the issued and outstanding Class B membership interests, representing the non-controlling interest in both Florida LLC and Florida Inc. No individual non-controlling Class B member holds an ownership stake exceeding 4.99% of total issued and outstanding interests.

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

The following table presents the summarized financial position before intragroup eliminations for non-wholly owned subsidiaries at three and nine months ended September 30, 2025, and December 31, 2024:

	As at 30-Sep-25	As at 30-Sep-24
	$	$
Assets		
Current	4,842	16,655
Non-current	188,466	95,737
Total assets	**193,308**	**112,392**
Liabilities		
Current	11,464	62,733
Non-current	113,980	31,938
Total liabilities	**125,444**	**94,671**
Net Assets	**67,864**	**17,721**

The following summarizes the financial results before intragroup eliminations for non-wholly owned subsidiaries for three and nine months ended September 30, 2025, and 2024:

	3 months ended 30-Sep-25	3 months ended 30-Sep-24	9 months ended 30-Sep-25	9 months ended 30-Sep-24
Net Income (loss)	(3,561)	(3,938)	(17,755)	(16,146)
Interests				
Controlling interests – 77%	(2,748)	(3,038)	(13,700)	(12,459)
Non-controlling interests – 23%	**(813)**	**(899)**	**(4,055)**	**(3,688)**

27. 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 three and nine months ended September 30, 2025, and 2024, is as follows:

	3 months ended 30-Sep-25	3 months ended 30-Sep-24	9 months ended 30-Sep-25	9 months ended 30-Sep-24
	$	**$**	**$**	**$**
Management salaries, bonuses, and other benefits	46,418	304,490	512,792	913,207
Consulting fees by a company controlled by a director of the company	15,000	51,007	45,000	152,991
Share-based payments – officers	4,237	10,134	12,573	30,147
Share-based payments – directors	-	21,752	-	64,784
Total	**65**	**387**	**571**	**1,161**

B. AMOUNTS DUE TO/FROM RELATED PARTIES

- Included in accounts payable and accrued liabilities is $1,461 in management salaries, bonuses, and other benefits to be paid out in future periods (December 31, 2024; $1,092)
- The CPIL Convertible Note represented an obligation to an entity affiliated with the Company's President. This note was originally issued with a two-year term, scheduled to mature on September 15, 2024, bearing interest at 8% per annum. Upon initial recognition, the Company valued the CPIL Convertible Note using the residual method, allocating $14,893 to long-term convertible debt liability and $2,107 to convertible debt reserve. The liability portion amortized over the two-year loan term at an effective interest rate of 16.43%. At maturity, due to the expiry of the embedded conversion rights, the Company transferred the convertible debt reserve to contributed surplus. The matured debt was formally amended on February 1, 2025, with the amendments retroactively effective as of September 15, 2024, transforming the CPIL Convertible Note into a note payable (the “CPIL Note”). The terms were amended to extend the maturity date to September 12, 2027, adjust and align the annual interest rate to 12%, defer principal and interest payments to the respective maturity dates, and remove convertible features. For details regarding outstanding amounts and terms, refer to note 22.
- The VMOS Convertible Note represents an obligation to an entity affiliated with a member of the Company's Board of Directors. Originally scheduled to mature on April 22, 2024, the note was formally amended on December 31, 2024, with the amendment retroactively effective as of June 4, 2024. The amendment extended the maturity date to November 30, 2026, deferred the payment of interest and principal to the next maturity date, and increased the annual interest rate from 8% to 12%. Upon amendment, the Company reassessed the note's value using the Binomial lattice method based on the Cox-Ross-Rubinstein market model, resulting in no derivative liability. For complete details regarding outstanding amounts and terms of the VMOS Convertible Note, refer to note 22.
- The Company has identified other close family members of key management personnel that currently represent lenders to the Company (note 22) during its ongoing review of related party disclosures in accordance with IFRS and Securities and Exchange Commission protocols. The list of family members is non exhaustive and does not preclude other family members from being considered as close family members. The reader is referred to section D and E below for a continuity schedule of notes payable and convertible debentures payable to the individuals or entities identified during the review.

C. RELATED PARTY TRANSACTIONS

Related party transactions during the nine months ended September 30, 2025

- On March 5, 2025, the Company’s wholly owned subsidiary, Red White & Bloom Michigan (2024), Inc., was confirmed by the presiding court as the successful bidder for the tangible assets of Pharmaco Inc. The approved purchase price for the assets was US$8,850 (C$12,722). Refer to note 15 for details of the transaction.
- On March 29, 2025, a Release and Discharge Agreement was executed between RGR and Pharmaco Inc. under the terms of this agreement, RGR agreed to terminate the RGR Credit Facility. Refer to note 22 for details of the transaction.
- Officers and Directors of the Company held an aggregate of 37,219,510 common shares and 6,450,000 stock options. As at September 30, 2025, 5,929,169 of these stock options are fully vested.
- The Company expensed a nominal amount of stock-based compensation related to stock options held by directors and officers of the Company.
- The ELL Note (note 22) is supported by a guarantee provided by DICL, a related party lender, which was subject to a fee payable to DICL by the Company. The fee was calculated based on a percentage of the principal of the ELL Note as is standard practice within capital markets for a transaction of this nature.
- On February 1, 2025, the Company successfully concluded negotiations with various individuals or entities identified as close family members as interpreted above, to renew multiple previously issued notes payable and convertible debentures, originally scheduled to mature on September 12, 2024. These amendments were made retroactively effective as of

September 15, 2024. The amended related party notes include: (i) CAD$2,710,000 BJMDSD Note (renewed as the "BJSD Note"), (ii) USD$25,885,000 RGR Note (renewed as the "RGR Note A"), (iii) USD$6,349,000 SDIL Note (renewed as the "SDIL Note A"), (iv) USD RGR Grid Note, (v) CAD RGR Grid Note, (vi) CPIL Convertible Note (renewed as the "CPIL Note"), (vii) DICL Convertible Note (renewed as the "DICL Note"), and (viii) SDIL Convertible Note (renewed as the "SDIL Note B"). Each of these instruments was amended to extend the maturity date to September 12, 2027, standardize the annual interest rate to 12%, defer all principal and interest payments to maturity, and remove convertible features where applicable. Details of the terms are disclosed in note 22 of these Financial Statements. To review the previous terms of the aforementioned debts, the reader is referred to the Company's most recently filed audited financial statements for the period ended December 31, 2024. For details on these amendments refer to note 22.

Related party transactions during the year ended December 31, 2024

- Officers and Directors of the Company held an aggregate of 37,220 common shares and 6,450 stock options. As at December 31, 2024, 5,167 of these stock options were fully vested.
- During the period, 22 stock options held by Directors of the Company expired.
- The Company expensed $107 in stock-based compensation related to stock options held by directors and officers.
- The ELL Note (note 22) is supported by a guarantee provided by DICL, a related party lender, which was subject to a fee payable to DICL by the Company. The fee was calculated based on a percentage of the principal of the ELL Note as is standard practice within capital markets. Refer to note 22 for details on the ELL Note.

28. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

A. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of other financial instruments, which include accounts receivable, accounts payable and accrued liabilities, notes receivable, and notes payable, approximate their carrying values due to the relatively short-term maturity of these instruments.

The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability, directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

In determining the fair value of investments, Level 3 input includes subjective estimates in assessing indicators of impairment.

B. CREDIT RISK

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Financial instruments that are subject to such risk include cash and cash equivalents, accounts receivable and notes receivable. Accounts receivable are amounts due by customers purchasing through the Company's distribution channel, who have exhibited a strong credit standing and continued good payment history with the Company. Notes receivable are amounts due from third party debtors (note 10).

The Company limits its exposure to credit loss on cash and cash equivalents by placing its cash with reputable financial institutions. Deposits held with these institutions may exceed the amount of insurance provided on such deposits.

As at September 30, 2025, the Company held an accounts receivable balance of $10,111 (2024; $16,112). Included in this balance is a provision for expected credit losses (“ECL”) in the amount of $11,093 (2024; $9,186). The reader is referred to note 9 for details relating to the Company’s accounts receivable and ECL provision for the period ended September 30, 2025, and 2024.

As at September 30, 2025, the Company held a note receivable balance of $30,468 (2024: $15,836) (note 10).

C. LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. As at September 30, 2025, the Company had a cash and cash equivalents balance of $4,425 (2024; $7,285) available to apply against short-term business requirements and current liabilities of $61,875 (2024; $343,033), including short-term lease obligations (note 18), short term notes and convertible debentures (note 22), and income taxes payable and other current liabilities, noting that included in the current liabilities reported as of September 30, 2025 are short-term notes payable $3,058 (2024; $207,416) and short-term convertible debentures $4,610 (2024; $45,187). In addition, a total of $14,511 is included in Liabilities Held for Sale representing liabilities in discontinued operations (2024; $46,199).

The Company also continues to pursue other means of debt or equity financing to further mitigate its liquidity risk in addition to seeking out opportunities to monetize captive or redundant tangible assets should they present themselves. Finally, the Company maintains a constant vigilance on proactively exploring and implementing ways to improve its cash flow through the prioritization of strategic operating initiatives with greater expected returns and targeting reductions in operating and administrative costs as feasible.

D. INTEREST RATE RISK

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates.

Interest earned on cash is at nominal interest rates, and therefore the Company does not consider the interest rate risk for cash to be significant.

As at September 30, 2025, and 2024, the interest rate on notes payable and convertible debentures are fixed based on the terms agreed to within the respective debt contracts. As such, the Company’s interest rate risk exposure is limited to the aforementioned interest rate terms within the aforementioned contracts.

E. FOREIGN CURRENCY RISK

The Company is exposed to foreign currency risk arising from exchange rate fluctuations and their volatility, primarily affecting the timing and valuation of accounts payable settlements. Management mitigates this risk through prompt creditor payments and active monitoring of currency market movements.

Additional exposure stems from maintaining balances and conducting transactions in currencies different from the Company's functional currency. With operations in jurisdictions using the United States Dollar (USD) and US-based subsidiaries, the Company faces risks from:

- Translation exposure when consolidating US subsidiary financial statements
- Transaction exposure from intercompany loans, dividends, and cross-border transactions
- Economic exposure affecting competitive positioning in US markets

For the three and nine months ended September 30, 2025, the Company incurred net loss and other comprehensive loss of $12,837, and $40,878, respectively (2024; $10,257 income, and $12,097 loss), including the impact of unrealized foreign exchange gains and losses on intercompany balances amounting to a$2,993 loss and a $4,978 gain for each period (2024; $2,292 gain and $11,504 gain). These unrealized foreign exchange losses arise from the translation of intercompany monetary balances denominated in foreign currencies between the Company's various subsidiaries with different functional currencies. Under IAS 21, The *Effects of Changes in Foreign Exchange Rates*, exchange differences arising on intercompany monetary items between entities with different functional currencies are recognized in profit or loss and are not eliminated on consolidation, as they represent genuine economic exposure to foreign currency fluctuations.

Currently, the Company does not utilize derivative financial instruments or hedging strategies to manage these foreign currency risks, which may impact reported earnings and cash flows.

F. CAPITAL RISK MANAGEMENT

The Company monitors its capital structure and adjusts according to market conditions in an effort to continue to meet its financial and strategic objectives. The Company may manage its capital structure by restructuring existing debt, issue new debt or shares (common or preferred), or repurchasing issued and outstanding shares (common or preferred). The capital structure is reviewed by management and the board of directors on an ongoing basis. The Company manages capital through its financial and operational forecasting processes.

The Company's equity is comprised of share capital, contributed surplus, stock option reserves, and accumulated deficit. As at September 30, 2025, the Company has shareholders' deficit of $193,621 (2024; $173,029). Included in the consolidated statements of financial position as of September 30, 2025, is an accumulated deficit of $537,848 (2024; $ 511,134) including the impact of non-cash impairments totaling $257,897 realized in fiscal years 2021 through 2023.

The Company's capital management objectives, policies and processes have remained unchanged during the period ended September 30, 2025. The Company is not subject to any external capital requirements.

29. CONTINGENCIES AND COMMITMENTS

A. CLAIMS AND LITIGATION

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 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 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 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.

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

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.

30. SEGMENTED RESULTS

Operating segments are components of the Company that engage in business activities which generate revenues and incur expenses (including intercompany revenues and expenses related to transactions conducted with other components of the Company). The operations of an operating segment are distinct, and the operating results are regularly reviewed by the chief operating decision maker ("CODM") for the purposes of resource allocation decisions and assessing its performance. Reportable segments are operating segments whose revenues, profit (loss), or total assets exceed ten percent or more of those of the combined entity. Key measures used by the CODM's to assess performance and make resource allocation decisions include revenues, gross profit and net (loss) income.

The Company's operating segments consist of (1) Corporate, (2) Distribution, (3) Licensing, (4) Retail and (5) Other.

Comparative revenues, cost of goods before fair value adjustments, fair value adjustments, operating expenses and other expenses have been reclassified to confirm to the current period's financial statement presentation.

The following exhibits summarize the condensed interim consolidated financial information of the Company's reportable segments for the period ending September 30, 2025, and 2024.

3 months ended 30-Sep-25	Corporate	Distribution	Licensing	Retail	Other	Consolidated
	$	**$**	**$**	**$**	**$**	**$**
Sales revenue	-	11,455	718	4,610	-	16,783
Cost of goods sold	-	7,667	125	2,482	-	10,274
Gross profit before fair value adjustments	-	**3,788**	**593**	**2,128**	**-**	**6,509**
Gross profit % before fair value adjustments	0%	37%	89%	46%	0%	41%
Unrealized changes in fair value of biological assets	-	(1,154)	-	3,289	-	2,135
Realized fair value amounts included in inventory sold	-	1,306	-	(1,463)	-	(157)
Gross profit after fair value adjustments	**-**	**3,940**	**593**	**3,954**	**-**	**8,487**
Gross profit % after fair value adjustments	-	34%	83%	86%	-	51%
Total operating expenses	1,261	5,205	519	4,017	856	11,858
Total other expenses (income)	4,732	(481)	2	3,221	1,757	9,231
Profit (loss) before Income Taxes	**(5,993)**	**(784)**	**72**	**(3,284)**	**(2,613)**	**(12,602)**
Income tax	-	(416)	65	(449)	96	(704)
Net profit (loss) from continuing operations	**(5,993)**	**(1,200)**	**137**	**(3,733)**	**(2,517)**	**(13,306)**
Loss from discontinued operations	-	-	-	-	(4,512)	(4,512)
Net loss for the year	**(5,993)**	**(1,200)**	**137**	**(3,733)**	**(7,029)**	**(17,818)**
Net profit (loss) from continuing operations attributed to:						
Red White and Bloom	(5,993)	(1,200)	137	(2,920)	(2,517)	(12,493)
Non-controlling interests	-	-	-	(813)	-	(813)

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

3 months ended 30-Sep-24	Corporate	Distribution	Licensing	Retail	Other	Consolidated
Sales revenue	-	17,995	162	3,133	-	21,290
Cost of goods sold	-	12,141	2	2,270	-	14,413
Gross profit before fair value adjustments	**-**	**5,854**	**160**	**863**	**-**	**6,877**
Gross profit % before fair value adjustments						
Unrealized changes in fair value of biological assets	-	1,729	-	(1,915)	-	(186)
Realized fair value amounts included in inventory sold	-	396	-	3,070	-	3,466
Gross profit after fair value adjustments	**-**	**7,979**	**160**	**2,018**	**-**	**10,157**
Gross profit % after fair value adjustments	-	44%	99%	64%	-	**48%**
Total operating expenses	1,795	5,948	65	3,367	47	11,222
Total other expenses (income)	9,684	41	20	3,353	34	13,132
Profit (loss) before Income Taxes	(11,479)	1,990	75	(4,702)	(81)	(14,197)
Income tax	-	7,166	640	169	23	7,998
Net profit (loss) from continuing operations	(11,479)	9,156	715	(4,533)	(58)	(6,199)
Loss from discontinued operations	-	-	-	-	3,316	3,316
Net loss for the year	**(11,479)**	**9,156**	**715**	**(4,533)**	**3,258**	**(2,883)**
Net profit (loss) from continuing operations attributed to:						
Red White and Bloom	(11,479)	9,156	715	(3,634)	(58)	(5,300)
Non-controlling interests	-	-	-	(899)	-	(899)

The following exhibits summarize the condensed interim consolidated financial information of the Company's reportable segments for the nine months ended September 30, 2025, and 2024.

9 months ended 30-Sep-25	Corporate	Distribution	Licensing	Retail	Other	Consolidated
Sales revenue	-	35,746	1,763	14,872	-	52,381
Cost of goods sold	-	22,584	201	8,081	-	30,866
Gross profit before fair value adjustments	-	13,162	1,562	6,791	-	21,515
Gross profit % before fair value adjustments	0%	37%	89%	46%	0%	41%
Unrealized changes in fair value of biological assets	-	(1,187)	-	3,197	-	2,010
Realized fair value amounts included in inventory sold	-	(3,714)	-	(4,077)	-	(7,791)
Gross profit after fair value adjustments	-	8,261	1,562	5,911	-	15,734
Gross profit % after fair value adjustments	0%	23%	89%	40%	0%	30%
Total operating expenses	3,794	14,190	1,060	10,109	1,165	30,318
Total other expenses (income)	20,917	(1,947)	106	9,641	2,787	31,504
Profit (loss) before Income Taxes	(24,711)	(3,982)	396	(13,839)	(3,952)	(46,088)
Income tax	-	(1,646)	106	(383)	(327)	(2,250)
Net profit (loss) from continuing operations	(24,711)	(5,628)	502	(14,222)	(4,279)	(48,338)
Loss from discontinued operations	-	-	-	-	17,572	17,572
Net loss for the year	(24,711)	(5,628)	502	(14,222)	13,293	(30,766)
Net profit (loss) from continuing operations attributed to:						
Red White and Bloom	(24,711)	(5,628)	502	(10,167)	(4,279)	(44,283)
Non-controlling interests	-	-	-	(4,055)	-	(4,055)
As at 30-Sep-25						
Intercompany Balances	357,092	(253,373)	(38,807)	(17,975)	(46,937)	-
Total Assets	523,098	44,242	1,387	208,067	(491,121)	285,673
Total non-current assets	164,645	226,620	39,159	203,154	(455,628)	177,950
Total liabilities	272,800	31,395	(546)	131,820	43,825	479,294
Total non-current liabilities	266,937	962	(673)	114,175	36,018	417,419
% of sales revenue	0%	68%	3%	28%	0%	100%
% of loss for the period	81%	19%	0%	0%	0%	100%
% of income for the period	0%	0%	4%	0%	96%	100%

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

9 months ended 30-Sep-24	Corporate	Distribution	Licensing	Retail	Other	Consolidated
Sales revenue	-	52,044	431	9,106	-	61,581
Cost of goods sold	-	32,585	161	9,169	-	41,915
Gross profit before fair value adjustments	-	19,459	270	(63)	-	19,666
Gross profit % before fair value adjustments	0%	37%	63%	-1%	0%	32%
Unrealized changes in fair value of biological assets	-	1,809	-	(1,908)	-	(99)
Realized fair value amounts included in inventory sold	-	1,485	-	1,943	-	3,428
Gross profit after fair value adjustments	**-**	**22,753**	**270**	**(28)**	**-**	**22,995**
Gross profit % after fair value adjustments	**0%**	**44%**	**63%**	**0%**	**0%**	**37%**
Total operating expenses	5,373	15,923	635	9,343	47	31,321
Total other expenses (income)	7,974	1,646	61	8,052	167	17,900
Profit (loss) before Income Taxes	**(13,347)**	**5,184**	**(426)**	**(17,423)**	**(214)**	**(26,226)**
Income tax	-	4,031	617	1,145	(24)	5,769
Net profit (loss) from continuing operations	**(13,347)**	**9,215**	**191**	**(16,278)**	**(238)**	**(20,457)**
Loss from discontinued operations	-	-	-	-	832	832
Net loss for the year	**(13,347)**	**9,215**	**191**	**(16,278)**	**594**	**(19,625)**
Net profit (loss) from continuing operations attributed to:						
Red White and Bloom	(13,347)	9,215	191	(12,590)	(238)	(16,769)
Non-controlling interests	-	-	-	(3,688)	-	(3,688)
As at 30-Sep-24						
Intercompany Balances	394,340	(234,860)	(38,396)	(65,349)	(55,735)	(0)
Total Assets	560,509	68,756	1,777	183,967	(520,618)	294,391
Total non-current assets	164,645	234,913	39,159	209,822	(465,509)	183,029
Total liabilities	251,304	36,993	(595)	157,175	22,543	467,420
Total non-current liabilities	-	1,298	(582)	108,270	15,400	124,387
% of sales revenue	0%	85%	1%	15%	0%	100%
% of loss for the period	45%	0%	0%	55%	0%	100%
% of income for the period	0%	92%	2%	0%	6%	100%

Revenues and total assets/liabilities by geographic region for the period ended September 30, 2025, and 2024:

	Canada	USA	Canada	USA
		3 months ended September 30, 2025		3 months ended September 30, 2024
	$'000	$'000	$'000	$'000
Total revenues	13,925	2,859	5,368	15,922
	Canada	USA	Canada	USA
		9 months ended September 30, 2025		9 months ended September 30, 2024
	$'000	$'000	$'000	$'000
Total revenues	29,436	22,945	12,990	48,591
	Canada	USA	Canada	USA
		As at September 30, 2025		As at December 31, 2024
Total assets	70,146	215,527	191,882	102,509
Total liabilities	271,244	208,050	189,539	277,881

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

31. DISCONTINUED OPERATIONS

Discontinued operations of the Company's wholly owned subsidiaries include 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.

Components of residual loss from discontinued operations for the three and nine months ended September 30, 2025, and 2024:

	3 months ended 30-Sep-25	3 months ended 30-Sep-24	9 months ended 30-Sep-25	9 months ended 30-Sep-24
	$	$	$	$
Revenue	-	424	-	4,706
Cost of sales	-	294	-	3,199
Gross profit (loss)	-	130	-	1,507
General and administration	97	881	921	4,206
Sales and marketing	-	28	-	140
Depreciation and amortization	-	137	-	406
Bad debt expense (recovery)	-	4	4	8
Loss from operations before other expenses	(97)	(920)	(925)	(3,253)
Other expenses (income)	(8,805)	136	(8,940)	223
Finance expense	(5)	14	511	41
Business transaction costs	-	29	-	91
(Gain) loss on disposal - capital assets	-	(3,883)	(788)	(3,883)
Gain on extinguishment of payables	8,805	-	(10,119)	-
Foreign exchange	-	-	18	-
Net loss before taxes from discontinued operations	(92)	2,648	18,393	132
Current income tax (recovery) expense	4,226	(610)	323	(211)
Deferred income tax (recovery) expense	194	(58)	498	(489)
Net loss from discontinued operations	**(4,512)**	**3,316**	**17,572**	**832**
Net loss per share, basic and diluted on discontinued	0.05	0.01	0.04	-
Weighted average number of outstanding common shares, basic and diluted	470,221,901	469,940,379	470,221,901	469,940,379

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

32. SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Changes in non-cash working capital items during the period ended September 30, 2025, and 2024 are as follows:

	Note	For the 9 months ended 30-Sep-25	For the 9 months ended 30-Sep-24
		$	$
Items not involving cash:			
Accreted interest on leases	18	2,039	1,925
Depreciation of right-of-use assets	18	1,280	1,365
Depreciation of property, plant and equipment	16	3,394	4,338
Depreciation allocated to inventory	16	-	-
Disposal of property, plant and equipment on discontinued operations	15	-	3,727
Disposal of right-of-use assets	18	-	(119)
Gain on valuation of financial instruments	22	-	(691)
Accrued interest on notes payable	22	26,453	18,597
Accrued interest on notes payable, held for sale	32	-	38
Accreted interest on notes payable	22	-	248
Accrued interest on convertible debentures	22	4,469	5,214
Accreted interest on convertible debentures	22	-	2,641
Accrued interest on credit facility held for sale	15	-	1,818
Finance Fees	22	-	540
Accrued interest on interest receivable	10	(2,682)	(518)
Amendment fees on credit facility	22	-	(45)
Loan forgiveness on notes payable	22	(5,805)	-
Gain/(Loss) on Debt modification	22	-	(100)
Gain on investment	7	-	(7,645)
Stock based compensation	23	65	165
Realized fair value (gain) loss in cost of goods sold		7,791	(3,428)
Fair value adjustment on biological assets		(2,010)	99
Gain on discharge of credit facility in discontinued operation	32	(9,770)	-
Gain on payables on receivership in discontinued operation	32	(9,825)	-
Amortized discount on note receivable	10	-	(59)
Gain on lease amendment	18	(254)	-
Items not involving cash:		**15,145**	**28,110**

33. RECLASSIFICATIONS

During the last quarter of 2024, the Company classified certain subsidiary operations as discontinued operations in accordance with IFRS 5. To enhance comparability, the accompanying the below tables present amounts that have been reclassified to conform with the current period presentation of discontinued operations.

The following amounts have been reclassified from continuing operations to discontinued operations for all periods presented:

- Revenues and expenses of the discontinued subsidiaries have been removed from their respective line items in the consolidated statements of profit and loss and presented separately as discontinued operations.
- Cash flows of the discontinued subsidiaries have been separately disclosed as discontinued operations in the consolidated statements of cash flows

Refer to note 15 for assets and liabilities held for sale and note 32 for net income (loss) related to discontinued operations.

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

A. RECLASSIFICATIONS IN THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND COMPREHENSIVE PROFIT AND PROFIT AND LOSS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024

For the three months ended 30-Sep-24	Notes	As previously reported	Discontinued operations	As reclassified
		$	$	$
Revenue				
Sales revenue	25	21,714	424	21,290
Cost of goods sold, before fair value adjustments		14,706	293	14,413
Gross Profit before fair market value adjustments		**7,008**	**131**	**6,877**
Unrealized changes in fair value of biological assets		(186)	-	(186)
Realized fair value amounts included in inventory sold		3,466	-	3,466
Gross profit after fair market value adjustments		**10,288**	**131**	**10,157**
Operating Expenses				
General and administration	26	8,661	750	7,911
Marketing expenses		1,229	28	1,201
Share-based compensation	23	59	-	59
Depreciation and amortization	16,18	1,327	137	1,190
Bad debt expense	9	861	-	861
Total Operating Expenses		**12,137**	**915**	**11,222**
Loss from operations before other expenses		**(1,849)**	**(784)**	**(1,065)**
Other expense (income)				
Interest earned on promissory notes	10	(340)	-	(340)
Other income		110	136	(26)
Finance expense	22	9,647	1	9,646
Accreted interest, leases	18	676	33	643
Acquisition costs	7	9	-	9
Business transaction costs		247	137	110
(Gain) loss on disposal of assets	16	(3,756)	(3,883)	127
(Gain) loss on settlement of debt	22	640	-	640
Foreign exchange		2,323	-	2,323
Total other expenses (income)		**9,556**	**(3,576)**	**13,132**
Profit (loss) before income taxes		**(11,405)**	**2,792**	**(14,197)**
Current income tax (expense) recovery		8,130	610	7,520
Deferred income tax (expense) recovery		535	57	478
Net loss from continuing operations		**(2,740)**	**3,459**	**(6,199)**
Profit (loss) from discontinued operations	32	(146)	(3,462)	3,316
Net loss for the period		**(2,886)**	**(3)**	**(2,883)**

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

B. RECLASSIFICATIONS IN THE CONSOLIDATED STATEMENT OF CHANGES IN STATEMENT OF CASHFLOW FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

For the nine months ended 30-Sep-24	Notes	As previously reported	Discontinued operations	As reclassified
		$	$	$
Revenue				
Sales revenue	25	66,287	4,706	61,581
Cost of goods sold, before fair value adjustments		45,115	3,200	41,915
Gross Profit before fair market value adjustments		**21,172**	**1,506**	**19,666**
Unrealized changes in fair value of biological assets		(99)	-	(99)
Realized fair value amounts included in inventory sold		3,428	-	3,428
Gross profit after fair market value adjustments		**24,501**	**1,506**	**22,995**
Operating Expenses				
General and administration	26			
Marketing expenses		25,728	3,862	21,866
Share-based compensation	23	3,684	139	3,545
Depreciation and amortization	16,18	165	-	165
Bad debt expense	9	3,071	405	2,666
Total Operating Expenses		**3,079**	**-**	**3,079**
Loss from operations before other expenses		**35,727**	**4,406**	**31,321**
Other expense (income)		**(11,226)**	**(2,900)**	**(8,326)**
Interest earned on promissory notes	10			
Interest income		(578)	-	(578)
Finance expense	22	(8)	(8)	-
Accreted interest, leases	18	28,470	4	28,466
Acquisition costs	7	2,030	105	1,925
Business transaction costs		175	-	175
(Gain) loss on disposal of assets	16	300	142	158
(Gain) loss on settlement of debt	22	(3,529)	(3,883)	354
Gain on investments		(121)	-	(121)
Inventory write-downs		(7,645)	-	(7,645)
Total other expenses (income)		**(4,834)**	**-**	**(4,834)**
Profit (loss) before income taxes		14,260	(3,640)	17,900
Current income tax (expense) recovery		(25,486)	740	(26,226)
Deferred income tax (expense) recovery		4,361	211	4,150
Net loss from continuing operations		**2,109**	**490**	**1,619**
Profit (loss) from discontinued operations	32	(19,016)	1,441	(20,457)
Net loss for the period		**(610)**	**(1,442)**	**832**

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34. SUBSEQUENT EVENTS

A. RESTRUCTURING

On October 15, 2025, following a default by RWB Michigan, LLC (“RWB Michigan”), a wholly owned subsidiary of RWB, under the terms of a senior secured loan agreement with Royal Group Resources Ltd. (“RGR”), RGR , jointly with RWB, submitted a Receivership Order to the Circuit Court in Pontiac, Michigan, requesting the appointment of an arm’s length receiver to oversee the sale of RWB Michigan’s assets. RWB Michigan carries out licensed distribution and retail operations in the state of Michigan. The court approved the Receivership Order on October 22, 2025, authorizing the appointed Receiver to manage the orderly divestiture of RWB Michigan’s assets for the benefit of the senior secured lender and all other unsecured creditors. The senior secured lender retains its senior lien position during the receivership proceedings in addition to its primary entitlement to proceeds from any sale of the RWB Michigan assets. All offers to purchase the RWB Michigan assets are required to be vetted by the arm’s length Receiver, for ultimate approval by the Circuit Court. The receiver’s fiduciary duty requires it to maximize the returns to both secured and unsecured creditors.

RWB Michigan is required to cooperate with the receiver to ensure the continuity of orderly operations during the receivership proceedings. Select RWB and RWB Michigan management personnel may provide operational support as directed by the receiver. The senior secured lender will fund the costs of the receiver, including its legal counsel, enabling the receiver to maximize the returns on the divestiture of the assets.

On November 19, 2025, the Circuit Court, on the recommendation of the appointed receiver, approved the sale of RWB Michigan’s inventory and the assumption of select operating leases associated with facilities currently housing the RWB Michigan distribution and logistic operations. The transaction is contingent on the state licensure of the approved purchaser; MPV Wellness Inc. (“MPV Wellness”), a wholly owned subsidiary of RWB. MPV Wellness is intending on purchasing substantially all of the operating assets of RWB Michigan for the purpose of carrying on a licensed distribution operation in the state of Michigan. Its ultimate purchase of the assets remains subject to approval by both the Receiver and the Circuit Court.

Effective for 2025-Q4, the initiation of the receivership proceedings will lead to the classification of RWB Michigan’s assets and liabilities as a disposal group under IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. Revenue and expenses for the fiscal period ended December 31, 2025, and the 2024 comparative period, related to the RWB Michigan operations, will be eliminated from the Company’s continuing operations and will be shown as discontinued operations in the consolidated statement of profit or loss.

B. SALE OF REAL PROPERTY

On October 21, 2025, the Company completed the sale of a non-core, commercial real estate properties located in the state of Michigan. for net proceeds of $792.

On November 7, 2025, the Company completed the sale of a non-core, commercial real estate property located in the state of Michigan. The Company received a promissory note for the full purchase price of $1,250, with the note bearing interest at 5.00% per annum. The promissory note requires monthly principal and interest payments of $24 commencing January 1, 2026, with full repayment due on December 1, 2030. The note is secured by a personal guaranty from the buyer.

C. FINANCING ACTIVITIES

Advances on existing notes: Subsequent to the nine months ended September 30, 2025, and up to the date of this filing, the Company was advanced USD $1,000 and CAD $2,500, under the RGR USD Grid Note and the RGR CAD Grid Note, respectively. Proceeds of the advances were used to fund working capital requirements and general corporate costs.

D. STATUS AS AN US EXCHANGE ACT REGISTRANT AND US TRADING IN OUR COMMON STOCK

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.

Mediation proceedings with the Company's former auditors are scheduled for December 15, 2025. The Company is seeking restitution for costs incurred as a result of the Company's former auditor violating terms of an executed settlement agreement which, if respected, could have accelerated the resolution of the aforementioned filing deficiencies. The Company is not able to quantify potential recoveries associated with the mediation proceedings at this time.