

Q1 QUARTERLY REPORT

2026



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“A strong start in healthcare offset major global headwinds in packaging. Near term investments in key OEM product launches are expected to drive continued revenue and margin growth through the remainder of the year”

John Glynn
Chief Executive Officer,
Richards Group Inc.



REPORT TO SHAREHOLDERS

The first quarter of 2026 saw a few important milestones in our long term strategic plan. We launched a series of new OEM products under the DermapenWorld brand, grew significantly across our healthcare distribution verticals, and continued packaging modernization with ecommerce fulfillment site launches and the go-live of a new CRM.

On a macro level, Q1 saw the full impact of US tariffs implemented on Liberation Day in 2025. Particularly for our packaging business, material input costs are up, freight is up, and US consumer sentiment is at its lowest level since the 1950s. Those together created a significant drop in US demand, with some knock-on effects in Canada.

Food & Beverage and Cosmetic packaging revenues were down 18% and 16% respectively, heavily driven by the US, however gross margins improved, excluding prior year inventory provision adjustments, under our continuing pivot to smaller customers and more profitable niche segments.

In Healthcare, our OEM growth strategy is underway with the launch of the Synergist and Plasma Power, former Luvo products, under the DermapenWorld brand. Also launched were new red light therapy mask and cap products for skin and hair rejuvenation. Extensions to the DP Dermaceutical line round out the offering. Significant investment in marketing, travel, and personnel supported these launches and we are now monitoring for expected sales growth in future quarters.

Finally, our healthcare distribution businesses had stand-out performance, beating targets on top line growth and favorable product mix shifts. Our Pharmacy vertical led the way with significant margin improvements due to product mix, followed by aesthetic, dental, and surgical verticals all ahead of expectations. Vision care had a slightly slow start, with softer demand for capital devices and relative cost increases compressing revenue and gross margin.

As always, the Richards management team continues marching toward our 2030 strategic vision. As the work done in past years now begins to bear fruit, we are increasingly confident in our value creation path and the future of the company.

A handwritten signature in black ink, appearing to read 'John Glynn'.

John Glynn
Chief Executive Officer, Richards Group Inc.

REVENUE PROFILE

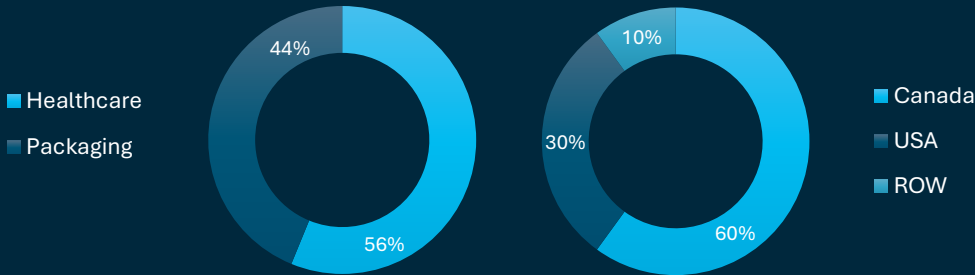
Revenue Trend

	Q1 2025	Q1 2026
Aesthetics	14,956	27,095
Pharmacy	17,400	18,235
Vision care	6,563	6,306
Other healthcare	5,852	7,783
Cosmetics packaging	21,669	18,260
Food & beverage packaging	34,265	28,048
	100,705	105,727

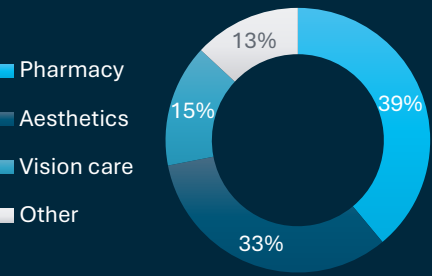
Revenue Growth (% change)

	Q1 2025	Q1 2026
Aesthetics	-14.6%	81.2%
Pharmacy	-11.3%	4.8%
Vision care	29.6%	-3.9%
Other healthcare	33.6%	33.0%
Cosmetics packaging	8.8%	-15.7%
Food and beverage packaging	9.2%	-18.1%
	2.9%	5.0%

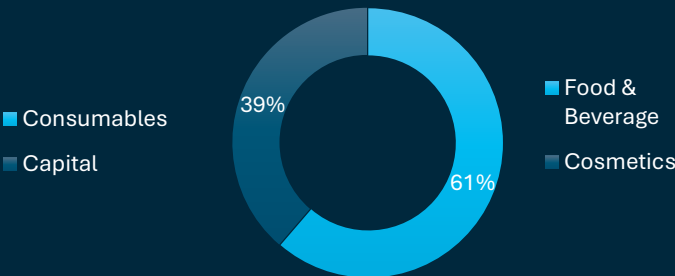
Revenue Composition



HEALTHCARE



PACKAGING



MANAGEMENT DISCUSSION AND ANALYSIS

This management's discussion and analysis of Richards Group Inc., formerly Richards Packaging Income Fund ("MD&A") for the first quarter should be read in conjunction with the attached condensed interim financial statements dated March 31, 2026, the 2025 Annual Report for the year ended December 31, 2025 and the 2025 Annual Information Form dated March 14, 2026 respectively. Results are reported in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board on a consistent basis with the 2025 annual financial statements.

About Richards Group

Richards has been providing exceptional service, expertise, and experience to its customers since 1912. Founded in Toronto to sell glass to pharmacies, the business expanded over time to include both glass and rigid plastic containers and closures for all manner of customers, fulfilled from a network of distribution centers across Canada and the USA. Since 2015, Richards has made steady progress developing its healthcare distribution business and now enjoys dominant positions in the aesthetics, pharmacy, and vision care verticals in Canada. With footholds in the surgical and dental spaces, the company is actively pursuing growth as a distributor in other verticals. Most recently, Richards has expanded its scope to become a healthcare OEM in aesthetics, creating a growth path to access to the entire global market.

Financial Highlights

The MD&A covers the three months ended March 31, 2026 (generally referred to in this MD&A as the "first quarter"). The following table sets out selected financial information:

(\$ thousands)	2026	Qtr. 1 2025
Income Statement Data:		
Revenue	105,727	100,705
Net income	5,965	5,111
<i>Diluted per Share/Unit ^{a)}</i>	52.7¢	36.5¢
Financial Position Data:		
Assets	398,563	336,050
Long-term financial liabilities	101,609	44,381
<i>Leverage ^{b)}</i>	1.24	0.27
Cash Flow Statement Data:		
Dividends/distributions	3,715	3,765
<i>Diluted per Share/Unit</i>	33.0¢	33.0¢
<i>Free cash flow conversion ratio ³</i>	63%	81%
Debt proceeds (repayments)	14,000	15,000

a) Anti-dilutive result reverts back to basic income per Share

b) Revolving debt/Adjusted EBITDAaL¹

MANAGEMENT DISCUSSION AND ANALYSIS

- Overall revenue grew \$5.0M (+ 5.0%) to \$105.7M driven by \$14.6M (14.5%) healthcare growth, primarily due to acquisitions, offset by packaging decline of \$9.6M (-9.5%) primarily due to a market-wide pull back in US rigid packaging demand.
- Net income increased by \$0.9M or 16¢ per share due to prior year separately disclosed items associated with patents dispute costs of \$1.9M, acquisition costs of \$0.6M and loss resulting from wire fraud of \$1.4M offset by higher financial expenses associated with the borrowings for acquisitions of \$1.8M and higher income taxes on higher taxable income.
- Adjusted EBITDAaL¹ remained flat at \$12.0M on healthcare rise of \$3.3M (+61.0%) to \$8.8M offset by a packaging decline of \$3.1M (-41.6%) to \$4.4M.
- Assets increased by \$62.5M from the same period in 2025 mainly due to acquisitions. Long-term financial liabilities increased by \$57.2M from the same period in 2025 primarily due to acquisitions, as well as a draw on the revolver for the NCIB purchases during the quarter.
- Working capital grew by \$24.2M over the same period in 2025, primarily driven by acquisitions.
- Adjusted free cash flow² of \$7.5M and borrowings of \$14.0M were mainly used to fund dividends of \$3.7M, repurchase shares under the NCIB of \$9.0M, repay term debt of \$0.9M, and funding working capital of \$8.0M.

Review of Operations

		Qtr. 1	
(\$ thousands)		2026	2025
Revenue		105,727	100,705
Cost of sales		59,697	60,012
Gross profit		46,030	40,693
		43.5%	40.4%
Selling and distribution expenses		19,625	18,320
Administrative expenses		11,400	7,355
Foreign currency loss		52	8
Lease payments		2,980	2,974
Adjusted EBITDAaL¹		11,973	12,036
		11.3%	12.0%
Lease payments		(2,980)	(2,974)
Amortization		4,334	4,376
Separately disclosed items		116	3,916
Financial expenses		1,779	722
Loss on currency translation		825	-
Exchangeable shares		-	(944)
Share of income - Vision		(24)	(45)
Income tax expense		1,958	1,874
Net Income		5,965	5,111

- Overall revenue grew \$5.0M (+ 5.0%) to \$105.7M driven by \$12.8M (+12.7%) acquisition growth. Organic healthcare revenue grew \$1.9M (+4.1%) to \$59.4M mainly on increased sales in pharmacy and our other

MANAGEMENT DISCUSSION AND ANALYSIS

healthcare verticals. Organic packaging revenue fell \$9.6M (-17.2%) to \$46.3M from prior year in both the cosmetics and food & beverage businesses. These organic declines reflect a market-wide pull back in US rigid packaging demand.

- Cost of sales declined \$0.3M (0.5%) due to the lower sales in packaging offset by increases in healthcare acquisitions.
- Gross profit increased \$5.3M (+13.1%) primarily due to acquisition in healthcare and the related higher OEM margins.
- Selling and distribution expenses increased \$1.3M (+7.1%) primarily in healthcare due to acquisitions, offset by declines in packaging.
- Administrative expenses increased \$4.0M (+55.0%) primarily due to acquisitions in healthcare (\$3.3M) and corporate expenses up \$0.3M year over year on updated executive compensation costs and increased headcount.
- Separately disclosed items of \$0.1M include costs associated with the fair value of inventory sold at DPW and decreased \$3.8M from same period of prior year, which included patents dispute costs of \$1.9M, acquisition costs of \$0.6M and losses resulting from wire fraud of \$1.4M.
- Financial expenses increased \$1.1M, primarily due to interest on an increased debt position due to acquisitions and a \$0.4M loss on the conversion of term debt to revolver.
- Loss on currency translations was \$0.8M which related to translational foreign exchange impacts on converting US denominated debt related to acquisitions into Canadian dollars.
- Exchangeable share mark-to-market gain from prior year is a non-recurring item, as the exchangeable shares were converted into shares during the fourth quarter of 2025.

Segment review

	2026				2025			
	Packaging	Healthcare	Corporate	Consolidated	Packaging	Healthcare	Corporate	Consolidated
Revenue	46,308	59,419	-	105,727	55,935	44,770	-	100,705
Cost of sales	28,683	31,014	-	59,697	33,749	26,263	-	60,012
Gross margin	17,625	28,405	-	46,030	22,186	18,507	-	40,693
Selling and distribution expense	6,969	12,559	97	19,625	8,779	9,541	-	18,320
Administrative expenses	3,773	6,550	1,077	11,400	3,384	3,072	899	7,355
Foreign currency loss (gain)	12	40	-	52	(81)	89	-	8
Cash lease payments	2,507	473	-	2,980	2,625	349	-	2,974
Adjusted EBITDAaL	4,364	8,783	(1,174)	11,973	7,479	5,456	(899)	12,036

Healthcare

Our healthcare segment posted strong revenue and gross margin performance this quarter, rising 32.7% and 53.5% respectively, driven by acquisitions and mix shifts. We made significant investments in marketing, personnel, and legal/regulatory spend to support the launches of the DP Synergist, Plasma Power, a new red light therapy mask and cap, and extensions to the DP Dermaceutical line. These along with the full impact of the DPW acquisition in Q1 are the primary factors driving the rise in administrative expenses over the same period in 2025. Healthcare distribution had a stand-out quarter with outperformance across pharmacy, aesthetic, dental, and surgical verticals, dragged only by a slightly slow start in our vision group. Mix shifts enabled gross margin growth that

translated to higher profitability at the bottom line, so much so as to overcome the heavy spending in the OEM business that has temporarily depressed its profitability.

- Revenue increased by \$14.6M (+32.7%). Acquisitions contributed \$12.8M in addition to \$1.8M increase in organic healthcare sales.
- Cost of sales increased \$4.7M (+18.1%) because of higher sales and acquisitions.
- Gross profit margins were up 6.5% from the same period in 2025 primarily due to higher OEM margins in the 2025 acquisitions.
- Selling and distribution expenses increased \$3.0M (+31.6%) mainly due to higher costs from acquisitions.
- Administrative expenses increased \$3.5M (+113.2%) with the increases caused by acquisitions and addition of corporate staffing and inflation.
- Adjusted EBITDAaL¹ increased \$3.3M (+61.0%) to \$8.8M. As a percent of sales, Adjusted EBITDAaL was up 2.6% for the first quarter.

Packaging

Our packaging segment posted an overall decline in revenue and profitability, driven by a drop in US demand fueled by the tariff environment and the beginning of the Iran war. Customer and product profitability vary widely, and despite the downward market pressures, the Company managed to maintain a higher blended packaging gross margin from 37.2% (excluding a prior year inventory provision adjustment of \$1.3M) to 38.1% by focusing retention efforts on its core small business customers and taking advantage of more robust cosmetic category demand.

- For the quarter, revenue decreased by \$9.6M (-17.2%) primarily from our US business, as continued macroeconomic pressures affect product volumes.
- Cost of sales decreased \$5.0M for the first quarter (-15.0%). due to the decline in sales.
- Gross profit margins were down 1.6% from the same period in 2025
- Selling and distribution expenses decreased \$1.8M mainly due to the decline in sales.
- Administrative expenses increased \$0.4M caused by the addition of corporate staffing and inflation.
- Adjusted EBITDAaL¹ decreased \$3.1M (-41.6%) to \$4.4M over the same period in 2025. As a percent of sales, Adjusted EBITDAaL was down 4.0% for the first quarter.

Adjusted Free Cash Flow²

(\$ thousands)		Qtr. 1	
	2026	2025	
Cash provided by operating activities	4,405	128	
Leases	(2,591)	(2,974)	
Separately disclosed items	116	3,916	
Working capital ⁵	8,003	7,476	
Income tax payments	2,040	3,490	
Adjusted EBITDAaL¹	11,973	12,036	
Interest ^{a)}	791	59	
Current income tax	2,749	2,090	
Maintenance capital	918	111	
Adjusted free cash flow²	7,515	9,776	
<i>Diluted per Share/Unit</i>	<i>\$0.66</i>	<i>\$0.86</i>	
Dividends/Distributions	3,715	3,765	
<i>Diluted per Share/Unit</i>	<i>33.0¢</i>	<i>33.0¢</i>	
<i>Free cash flow conversion ratio³</i>	<i>63%</i>	<i>81%</i>	
Surplus	3,800	6,011	
Shares/Units outstanding (average)			
<i>Diluted basis 000's</i>	11,327	11,418	

a) Financial expenses less interest on leases and bank financing fees

The adjusted free cash flow² definition for banking capital purposes excludes changes in working capital⁵ and capital expenditures for expansion of the business, as they are necessary to drive organic growth and are expected to be financed by our \$115.0M revolving facility currently \$73.0M drawn or free cash flow.

Adjusted free cash flow² for the first quarter decreased \$2.3M in comparison to the same period in 2025 due to \$0.8M higher maintenance capital, \$0.6M higher income taxes and \$0.7M in additional interest.

The monthly dividend of 11¢ per share represents an annual yield of 4.7% on a \$28.25 price per Share at March 31, 2026. Shareholder dividends will be 100% eligible dividends for tax purposes.

Liquidity and Financing

Cash flows from operating activities

Cash flows from operating activities increased for the first quarter by \$4.3M over the same period in 2025. In the first quarter, the \$4.4M increase in cash flow from operating activities was due to a \$0.5M lower change in working capital, offset by \$3.4M increase in profit from operations net of items not involving cash and \$1.4M in lower taxes paid.

Current income taxes

The current income tax expense for the quarter was \$2.7M (2025 - \$2.1M) which includes \$0.2M for the NCIB tax penalty.

Capital expenditures

Capital expenditures for the quarter were \$0.9M (2025 - \$0.1M) and were mainly comprised of evaluation and loaner equipment and computer software.

Financing activities and instruments

Adjusted free cash flow² of \$7.5M and draws on the revolver of \$14.0M for the year were mainly used to fund the dividends of \$3.7M, repurchase shares under the Company's NCIB of \$9.0M, repay term debt of \$0.9M and fund working capital of \$8.0M. Lower leverage continues to keep bank margining down and provide financing flexibility for our ongoing acquisition program.

During the quarter, our credit facilities were amended to create one \$115.0 million revolving credit facility and is available for working capital and future acquisitions. The credit facilities are subject to a number of covenants including the leverage ratio which was to maintain debt less than 2.75 times the trailing twelve months Adjusted EBITDAaL¹. As at March 31, 2026, our leverage ratio was 1.24x (2025 – 0.27x). Subsequent to the first quarter, the Company drew an additional \$24.9M to fund the acquisition of the assets of PharmaSystems Inc.'s consumer packaged goods division (\$12.0M) and NCIB (\$12.9M). Combined with cash flow from operations, management believes that adequate financing will be available for the foreseeable future⁴.

NCIB

At March 31, 2026, the Company had 11,098,939 shares outstanding. At the end of 2025 the Company initiated a Normal Course Issuer Bid (NCIB) to repurchase shares of the Company. As of March 31, 2026 the Company had repurchased 319,074 shares for cancellation. Subsequent to the first quarter, the Company completed the maximum allowed purchases under the NCIB by purchasing 450,926 shares for \$12.9M at an average share price of \$28.65.

Outlook Sensitivities⁴

Management believes that financial performance is on track to meet ongoing requirements for working capital, capital expenditures and to sustain monthly dividends to Shareholders at current levels through 2026.

Healthcare growth is expected to continue driven by both organic and acquisition revenue. Packaging revenue continues to be challenged due to macro-economic events. The sensitivity for every 1¢ movement in foreign exchange rates to annualized revenue is \$1.9M, to Adjusted EBITDAaL is \$0.4M, and to free cash flows is \$0.3M

Maintenance capital will continue to be funded by cash flow from operations and is expected to be \$4.1M in 2026 with continued investment in information technology and evaluation and loaner equipment. Expansion capital related to the development cost at DPW of \$2.5M, will be funded by cash flow from operations. The Company is expected to allow for eligible dividends to be paid to Shareholders in 2026.

Risks and Uncertainties

Investment in Shares involves risks inherent in the ordinary course of business including: changes in global tariff rates, the impact of pandemics, logistics disruptions, cybersecurity, sustainability of customer and supplier

relationships, financial stability of customers, lack of written customer and supplier agreements, competition from other entities, the extent and duration of an economic downturn, inventory obsolescence, trade risks, exchange rate fluctuations, interest rate volatility, income taxes and reliance on key personnel. For a detailed description of these and other risks and uncertainties facing investors in the company please refer to the 2025 Annual Information Form dated March 14, 2026.

To managements knowledge, the only significant change to the risk environment during the quarter was increased global economic uncertainty driven by geopolitical developments. A military conflict involving Iran escalated in late February 2026 and continued through quarter end. The conflict has contributed to volatility in global energy markets, including higher fuel prices and increased transportation and freight costs, as well as risks to key shipping corridors. These factors may result in increased product acquisition costs, variability in supplier lead times, and pressure on transportation margins. The extent of the impact will depend on the duration and severity of these developments, which remain uncertain.

Critical Accounting Estimates

Preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions which affect the amounts reported and disclosure for contingent amounts of assets and liabilities as at March 31, 2026 and revenue and expenses for the period then ended. There have not been any significant changes in critical accounting estimates during the first quarter of 2026, relative to December 31, 2025. For more information on critical accounting estimates, see the Management's Discussion and Analysis, the audited consolidated financial statements and the notes to the consolidated financial statements included in the 2025 Annual Report.

Disclosure Controls and Internal Controls Over Financial Reporting

There have been no changes in the Company's internal controls over financial reporting during the first quarter that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting.

Cautionary Statement

Additional information relating to the Company is available on Richards Group's website at <http://www.richardsgroup.com>, SEDAR+ at www.sedarplus.ca or TSX at www.tmx.com.

1. *Management defines Adjusted EBITDAaL as net income before financial expenses, income tax expense, depreciation and amortization after lease payments, excluding contingent consideration, separately disclosed items, unrealized losses on foreign currency translation of debt, mark to market and distributions on exchangeable shares, share of income - Vision.*

The reconciliation of Adjusted EBITDAaL to net income can be found on page 5. Our lenders use this measure as a starting point in the determination of earnings available for dividends to Shareholders. In addition, Adjusted EBITDAaL and Adjusted EBITDAaL as a percentage of sales are intended to provide additional information on the operating performance. This earnings measure should not be construed as an alternative to net income or as an alternative to cash flows from operating, investing and financing activities as a measure of liquidity and cash flows. Adjusted EBITDAaL does not have a standardized meaning prescribed by IFRS and therefore the method of calculating Adjusted EBITDAaL may not be comparable to similar measures presented by other companies.

2. *Management defines adjusted free cash flow, in accordance with the Company's credit agreement, as Adjusted EBITDAaL¹ less interest excluding leases, cash income tax expense and maintenance capital expenditures. The reconciliation to cash from operations can be found on page 7. The objective of presenting this measure is to calculate the amount which is available for dividends to Shareholders and to determine the amount available to fund increases in working capital or expansion capital. Investors are cautioned that adjusted free cash flow should not be construed as an alternative to cash flow from operating, investing and financing activities as a measure of the liquidity and cash flows. Adjusted free cash flow does not have a standardized meaning prescribed by IFRS and therefore the method of calculating adjusted free cash flow may not be comparable to similar measures presented by other companies.*
3. *Management defines free cash flow conversion ratio as adjusted free cash flow² over Adjusted EBITDAaL¹. The objective of presenting this measure is to calculate the percentage of Adjusted EBITDAaL converted into free cash flow. Free cash flow conversion ratio does not have a standardized meaning prescribed by IFRS. The method of calculating the ratio may not be comparable to similar measures presented by other companies.*
4. *The Report to Shareholders and this MD&A contains forward-looking information within the meaning of applicable securities laws. The forward-looking information reflects management's current beliefs and expectations regarding the future growth, results of operations, performance and business prospects and opportunities of the Company. We use words such as "may", "expect", "believe", "estimate" and similar terminology to identify forward-looking information. It is based on assumptions, estimates and analysis made by us in light of our experience and our perception of trends, current conditions and expected developments, as well as other factors we believe to be reasonable and relevant in the circumstances. Forward-looking information involves significant, known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from those predicted, expressed or implied by the forward-looking information. The risks and uncertainties include, among other things, changes in tariff rates, changes in customer and supplier relationships, competition in the industry, trade risks in respect of foreign suppliers, fluctuations in foreign exchange and interest rates, liability claims, changes to applicable tax laws, as well as other risks and uncertainties, as more fully described herein under "Risks and Uncertainties" and in other reports and filings made by us with securities regulatory authorities and available at www.sedarplus.ca. While management believes that the expectations expressed and the assumptions underlying the same are reasonable, there can be no assurance that such expectations and assumptions will prove to be correct.
In evaluating forward-looking information, readers should carefully consider the foregoing factors and various other factors which could cause actual results or events to differ materially from those indicated in the forward-looking information.*
5. *Management defines working capital to be current assets (less cash) less current liabilities (less income tax payable, due to previous shareholders and exchangeable shares). The objective of utilizing this definition is to improve the understanding of activities within the cash flow statement.*

Notice to Shareholders

The attached consolidated financial statements have not been reviewed
by the Company's external auditors

**CONSOLIDATED
FINANCIAL STATEMENTS**

For the three months ended March 31, 2026

INTERIM CONSOLIDATED STATEMENTS OF NET INCOME AND COMPREHENSIVE INCOME

For the three months ended March 31, 2026 and 2025

Cdn\$ thousands (Unaudited)

<i>Cdn\$ thousands, unless otherwise noted (Unaudited)</i>	Notes	2026	2025
Revenue	2	105,727	100,705
Cost of sales	2	59,812	60,012
Gross profit		45,915	40,693
Selling and distribution costs	2	19,678	18,328
Administrative expenses	2	11,400	11,271
Depreciation and amortization	2	4,334	4,376
Profit from operations		10,503	6,718
Financial expenses	4	1,779	722
Unrealized losses on foreign currency translation of debt		825	-
Exchangeable shares			
Mark-to-market gain		-	(1,097)
Distributions		-	153
Share of gain - Vision		(24)	(45)
Income tax expense (income)	5		
Current taxes		2,749	2,090
Deferred taxes		(791)	(216)
		1,958	1,874
Net income	2	5,965	5,111
Basic income per Share/Unit	6	\$0.53	\$0.47
Diluted income per Share/Unit	6	\$0.53	\$0.36
Other comprehensive income (loss)			
<i>(subsequently recyclable to Net income)</i>			
Currency translation adjustment		2,204	(35)
Comprehensive income		8,169	5,076

*The accompanying notes are an integral part of these financial statements**Susan Allen***Chair – Audit Committee***Enzio Di Gennaro***CFO – Richards Group Inc.**

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at March 31, 2026 and 2025

Cdn\$ thousands (Unaudited)

		Mar. 31		Dec. 31	
	Notes	2026	2025	2025	2024
ASSETS					
Current Assets					
Cash		5,386	(68)	5,929	6,187
Accounts receivable		52,214	50,932	49,627	53,154
Inventory		99,274	77,994	100,630	78,194
Prepaid expenses and deposits		10,508	6,290	10,122	5,178
		167,382	135,148	166,308	142,713
Long-term Assets					
Leases		34,781	35,511	40,602	37,944
Plant and equipment		6,054	4,121	6,225	4,285
Other long-term assets		2,199	915	2,106	536
Investment - Vision		574	570	550	525
Intangible assets		65,929	37,171	65,248	28,339
Goodwill		121,644	122,614	120,898	116,915
		231,181	200,902	235,629	188,544
		398,563	336,050	401,937	331,257
LIABILITIES & EQUITY					
Current Liabilities					
Accounts payable and accruals		63,815	61,229	70,282	70,829
Income tax (receivable) payable		(211)	(1,034)	(947)	366
Current portion of revolving and term debt		-	-	11,879	-
Distributions payable		1,221	1,256	1,256	1,256
Due to previous shareholders	3	6,681	3,704	7,476	2,419
Exchangeable shares	6	-	12,249	-	13,347
		71,506	77,404	89,946	88,217
Long-term Liabilities					
Revolving and term debt	4	73,023	15,000	46,818	-
Contingent consideration	3	5,000	-	4,951	985
Lease obligations		28,586	29,381	34,551	31,681
Deferred income taxes	5	7,882	8,752	8,530	6,325
		114,491	53,133	94,850	38,991
Equity					
Unitholders' capital	6	5,698	-	14,727	-
Retained earnings		184,789	182,244	182,539	180,745
Accumulated other comprehensive income		22,079	23,269	19,875	23,304
		212,566	205,513	217,141	204,049
		398,563	336,050	401,937	331,257

The accompanying notes are an integral part of these financial statements

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the three months ended March 31, 2026 and 2025

Cdn\$ thousands (Unaudited)

<i>Cdn\$ thousands (Unaudited)</i>	Notes	Shareholders' capital	Retained earnings	AOCI^{a)}	Equity
December 31, 2024		-	180,745	23,304	204,049
Comprehensive income (loss)		-	5,111	(35)	5,076
Distributions		-	(3,612)	-	(3,612)
March 31, 2025		-	182,244	23,269	205,513
December 31, 2025		14,727	182,539	19,875	217,141
Comprehensive income		-	5,965	2,204	8,169
Shares repurchased	6	(9,029)	-	-	(9,029)
Dividends		-	(3,715)	-	(3,715)
March 31, 2026		5,698	184,789	22,079	212,566

a) AOCI – Accumulated other comprehensive income reflects the cumulative translation adjustment of the Company

The accompanying notes are an integral part of these financial statements

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three months ended March 31, 2026 and 2025

Cdn\$ thousands (Unaudited)

	Notes	2026	2025
OPERATING ACTIVITIES			
Profit from operations		10,503	6,718
Add items not involving cash			
Plant, equipment & lease depreciation		3,116	3,222
Gain on leases and sale of assets		(389)	-
Intangible assets amortization		1,218	1,154
Income taxes payments		(2,040)	(3,490)
Changes in working capital	7	(8,003)	(7,476)
Cash provided by operating activities		4,405	128
INVESTING ACTIVITIES			
Acquisitions, net of holdback		-	(13,386)
Due to previous shareholders	3	(974)	(970)
Additions to plant and equipment		(713)	(98)
Additions to computer software and development costs		(205)	(13)
Cash used in investing activities		(1,892)	(14,467)
FINANCING ACTIVITIES			
Proceeds from debt		14,000	15,000
Repayment of revolving & term debt		(916)	-
Share buyback		(9,029)	-
Lease payments		(2,980)	(2,974)
Financial expenses paid (excluding leases)		(786)	(59)
Distributions paid to exchangeable shareholders		-	(153)
Dividends/distributions paid	6	(3,750)	(3,615)
Cash (used in) provided by financing activities		(3,461)	8,199
NET CASH FLOW		(948)	(6,140)
Cash, beginning of period		5,929	6,187
Foreign exchange effect		405	(114)
Cash, end of period		5,386	(67)

The accompanying notes are an integral part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2026

[Cdn\$ thousands unless otherwise noted]

1. Basis of Presentation and Changes to Accounting Policies

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standard ["IFRS"] IAS 34 Interim Financial Reporting. As such these statements do not contain all the explanatory notes, descriptions or accounting policies or other disclosures that can be found in the 2025 audited annual financial statements. The accounting policies used in the preparation of these condensed interim financial statements are consistent with the 2025 audited annual financial statements.

During the three-month period ended March 31, 2026, the Company evaluated the amendments to IFRS 7 and 9 regarding the recognition and derecognition of financial assets and financial liabilities settled through electronic transfers. The Company concluded that there is no impact of these amendments on the interim financial statements.

2. Revenue & Segmented Information

Revenue has been disaggregated by geography based on country of sales destination:

	2026	2025
Revenue by geography		
Canada	63,488	63,111
United States	31,692	37,594
Rest of World	10,547	-
	105,727	100,705

Revenue has been disaggregated by end user based on markets as follows:

	2026	2025
Revenue by end market		
Aesthetic	27,095	14,956
Pharmacy	18,235	17,400
Vision care	6,306	6,563
Other healthcare	7,783	5,852
Cosmetics packaging	18,260	21,669
Food & beverage packaging	28,048	34,265
	105,727	100,705

Healthcare

The Healthcare reporting segment is comprised of three operating segments that consist of design and distribution of aesthetic, pharmacy, vision care and other medical devices and consumables. Aggregation of these operating segments is done on the basis that segments share similar customers and similar sales, marketing, and supply chain structures.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2026

[Cdn\$ thousands unless otherwise noted]

Packaging

The Packaging reporting segment is comprised of two operating segments, food and beverage and cosmetics packaging. Both segments fundamentally distribute glass and plastic packaging products to respective end markets. Aggregation of these operating segments is done on the basis that the segments have similar economic characteristics and share similar products and supply chains.

	2026				2025			
	Packaging	Healthcare	Corporate (i)	Consolidated	Packaging	Healthcare	Corporate (i)	Consolidated
Revenue	46,308	59,419	-	105,727	55,935	44,770	-	100,705
Cost of sales (iii)	28,683	31,014	-	59,697	33,749	26,263	-	60,012
Gross margin	17,625	28,405	-	46,030	22,186	18,507	-	40,693
Selling and distribution expense	6,969	12,559	97	19,625	8,779	9,541	-	18,320
Administrative expenses	3,773	6,550	1,077	11,400	3,384	3,072	899	7,355
Foreign currency loss (gain)	12	40	-	52	(81)	89	-	8
Cash lease payments	2,507	473	-	2,980	2,625	349	-	2,974
Adjusted EBITDAaL	4,364	8,783	(1,174)	11,973	7,479	5,456	(899)	12,036
Difference between the sum of depreciation of right-of-use assets and interest expense related to the lease obligations as compared to the cash rent paid or payable related to lease obligations with respect to the current period:				115				453
Separately disclosed items (ii)				116				3,915
Dep & Amort - plant and equipment and intangible assets				1,816				1,613
Interest expense - net				1,203				59
Provision for income taxes				1,958				1,874
Other expenses (income)				800				(989)
Net income for the period				5,965				5,111
Other operating segment disclosure								
Depreciation - leases	2,112	407	-	2,519	2,454	310	-	2,764
Dep & Amort - plant and equipment and intangible assets	331	1,485	-	1,816	285	1,328	-	1,613
Interest expense - lease obligations	468	108	-	576	583	80	-	663
	2,911	2,000	-	4,911	3,322	1,718	-	5,040

(i) Corporate represents the cost of centralized corporate overhead

(ii) Separately disclosed items include cost of sales on acquisition inventory fair value bumps. 2025 includes transaction costs on acquisitions, patent defense suits and losses due to wire fraud

(iii) Excludes separately disclosed items noted in (ii)

3. Acquisition & Due To Previous Shareholders

Due to previous shareholders of \$974 in connection with the Insight acquisition in June 2024 was paid in January 2026. There were no changes to the contingent consideration, other than for foreign exchange translation, during the quarter for the 2025 acquisitions.

Subsequent to March 31, 2026, the Company acquired the assets of PharmaSystems Inc.'s consumer packaged goods division, a leading provider of essential over-the-counter health and wellness products to major pharmacies and retailers across Canada. The purchase price of \$13,500 was financed by a \$12,000 draw down on the revolving credit and a \$1,500 holdback from the vendors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2026

[Cdn\$ thousands unless otherwise noted]

4. Revolving and Term Debt

The Company has available revolving and term debt credit facilities. On January 1, 2026, the credit facilities were amended to create one \$115,000 revolving credit facility at a cost of \$273 and is available for working capital and future acquisitions. The amendment was treated as an extinguishment of the term debt, which resulted in a loss on extinguishment of \$366, which is included in financial expenses on the consolidated statement of net income. During the quarter, \$14,000 was drawn on the facility, and the outstanding amount at quarter end is \$73,251 (2025 - \$15,000). Subsequent to March 31, 2026, the Company drew \$12,929 to fund purchases under the NCIB.

5. Income Taxes

	2026	2025
Profit from operations	10,503	6,718
Financial expenses and unrealized losses on FX translation of debt	(2,604)	(722)
Income subject to income taxes	7,899	5,996
Statutory tax rate	26.3%	26.3%
Income tax expense at statutory tax rate	2,077	1,577
Deferred income tax	791	216
Current period adjustments		
Foreign rate differential	(113)	50
Share buyback tax	201	-
Other items	(207)	247
Current income taxes	2,749	2,090

6. Shares/Units

<i>Number outstanding</i>	Shares/Units basic	Weighted average	Exchangeable shares	Shares/Units basic & diluted	Weighted average
December 31, 2024	10,955,007	10,955,007	463,006	11,418,013	11,418,013
March 31, 2025	10,955,007	10,955,007	463,006	11,418,013	11,418,013
December 31, 2025	11,418,013	11,067,997	-	11,418,013	11,418,013
Shares repurchased				(319,074)	(90,767)
March 31, 2026				11,098,939	11,327,246

On December 31, 2025, the Company initiated a normal course issuer bid ("NCIB") to repurchase up to 770,000 shares by December 30, 2026. During the three months ended March 31, 2026, the Company had repurchased for cancellation 319,074 shares at an average share price of \$28.48 under the NCIB. Subsequent to March 31, 2026, the Company completed the maximum allowed purchases under the NCIB for 2026 by purchasing 450,926 shares for \$12,929 at an average share price of \$28.65.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS*For the three months ended March 31, 2026**[Cdn\$ thousands unless otherwise noted]***7. Additional Cash Flow Information**

The change in working capital excludes cash, income taxes (receivable) payable, due to previous shareholders and exchangeable shares but consists of the following:

	2026	2025
Accounts receivable	(2,326)	2,473
Inventory	2,150	1,489
Prepaid expenses and deposits	(399)	(1,376)
Accounts payable and accruals	(7,428)	(10,062)
	(8,003)	(7,476)

For the three months ended March 31, 2026, the foreign exchange translation gain excluded from the above was \$891 [2025 – \$31 loss].

SHAREHOLDER INFORMATION

Board Members

Donald Wright

Chairman and Chair – Compensation
and Corporate
Governance Committee

Susan Allen

Chair – Audit Committee

John Glynn

Chief Executive Officer

Darlene Dasent

Director

Janet Glynn

Director

Management Team

John Glynn

Chief Executive Officer

Enzio Di Gennaro

Chief Financial Officer

Caroline Murdoch

Chief Operating Officer

Corporate Information

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(905) 670-7760

Transfer agent and registrar

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Montreal, Quebec H3B 3K3
www.tsxtrust.com

Toronto Stock Exchange listing

Symbol: RIC.TO

Investor information

Investor information is available at
www.richardsgroup.com, SEDAR+ at
www.sedarplus.ca and TSX at www.tmx.com