CANNABIS NB

2025 – 2026 ANNUAL REPORT

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LETTER FROM THE CHAIR

Honourable Luke Randall
Minister Responsible for Cannabis NB
Province of New Brunswick
Fredericton, NB

Minister Randall,

On behalf of the Board of Directors of Cannabis NB (CNB), I am pleased to present you with the 2025–2026 Annual Report. The members of the Board collectively assume with seriousness, commitment, and pride responsibility for the objectives and results outlined in this document.

In keeping with its mandate, CNB continued its essential work in youth protection, education, safety, and reducing the unregulated market. The year was also marked by the expansion of the retail network, in both private retail stores and Farmgate locations, thereby continuing to convert cannabis consumers to the legal market across the province. CNB further strengthened its public education efforts through its Good to Know campaign and the successful Cannabis Expo event.

Over the course of this fiscal year, CNB achieved net income of $20.9 million and total sales of $101 million. These results reflect the organization's commitment, its continued focus on customer experience, and sustained efforts to manage expenses, while ensuring that all profits are returned to the province.

The 2025–2026 fiscal year also represents a pivotal moment for the organization. With the successful completion of the current three year strategic plan, CNB is entering a transition year that will lead to the development of a shared strategic plan with ANBL. This aligned approach will enhance execution, improve resource planning, and ensure that both organizations move forward with shared priorities and long term success in mind.

On behalf of the Board of Directors, I would like to thank the leadership team and all team members for their dedication, professionalism, and essential contribution to CNB's mission.

Respectfully submitted,

L. Paul Elliott, K.C.
Chair, Board of Directors

CANNABIS NB

BOARD OF DIRECTORS

**As of March 29, 2026*

L. Paul Elliott, K.C
Chair

Bruce Wood
Vice-Chair

Cédric Laverdure
Director

Joanne Bérubé Gagné
Director

Kathryn Craig
Director

Linda Schofield
Director

Kevin Berry
Director

Travis Bergin
Deputy Minister of Finance and Treasury Board (ex officio)

Lori Stickles
President & CEO

Our mission:

To ensure every customer experience is positive, memorable and built on a foundation of education and responsibility every time for the benefit of our communities.

PRESIDENT'S MESSAGE

This fiscal year, the final year of CNB's three year strategic plan, saw steady progress, supported by a dedicated team, an expanding network, and a business model rooted in social responsibility.

In keeping with the objectives established since legalization, we expanded our network with five new corporate stores, four private retail stores, and one farmgate partner location. These new sites play an important role in the conversion of cannabis consumers from the illegal market to the legal market. CNB now operates 32 corporate stores, along with 12 private retailers and eight Farmgate private retailers across 31 communities.

In 2025–2026, CNB returned $23.7 million to the Province of New Brunswick to help fund essential programs and services through the sale of safe, regulated cannabis, consistent with last year's results. These results reflect customers' continued trust in an experience grounded in education, safety, and high quality, regulated Canadian products.

As the legal cannabis industry continues to grow and mature, CNB continues to work with and support New Brunswick's local cannabis producers through our farmgate program, in-store local features, and our customer and team facing engagement and learning opportunities.

Social responsibility continues to be an important focus for the CNB team. We continued to raise awareness about the risks of unregulated cannabis through initiatives such as our Good to Know campaign and in-store education and product knowledge. We also hosted our largest Cannabis Expo to date, bringing together more than 30 exhibitors and over 1,000 attendees. Combined with our team's commitment to excellent customer service, these efforts help strengthen a safe and regulated legal market.

I extend my sincere thanks to our team members, agent and supplier partners, our Board of Directors, the Cannabis Management Corporation, and the Province of New Brunswick for their ongoing support and commitment.

Respectfully submitted,

Lori Stickles
President and CEO

CANNABIS NB

EXECUTIVE MANAGEMENT

**As of March 29, 2026*

Lori Stickles
President and CEO

Lara Wood
Senior Vice-President of Marketing and Communications

Dana Scott
Vice-President of Operations

Jamie LeBlanc
Senior Vice-President and Chief Financial Officer

Craig Clark
Senior Vice-President of Information Technology

Mike Harty
Vice-President of Operations (Property Management)

STRATEGIC PLAN

Fiscal 2025–2026 marked another strong and successful year for CNB as the organization completed its current three-year strategic plan and continued to build on its position as a leader in New Brunswick's cannabis industry. Guided by its strategic goals and core values, CNB remained focused on delivering exceptional customer experience, supporting local producers and businesses, and advancing education and consumer safety across the province.

This year also represented an important transition for the organization. With the successful completion of the current strategic plan, CNB is entering a bridge year that will allow for the development of an aligned strategic plan with ANBL. This aligned approach will strengthen execution, improve resource planning, and ensure both organizations are working toward common priorities and long-term success.

Through a continued focus on customer experience, operational excellence, and responsible cannabis education, CNB is well-positioned to sustain growth, enhance service for customers, and create a lasting positive impact for all New Brunswickers.

CATEGORY MANAGEMENT

In fiscal year 2025–2026, CNB's Category Management team remained focused on optimizing the product assortment, enhancing the customer experience, and driving sustainable growth through a data-informed approach to product selection, merchandising and inventory planning. The commitment to delivering quality, variety, and value continues to be central to CNB's mission of supporting safe and responsible cannabis consumption across New Brunswick.

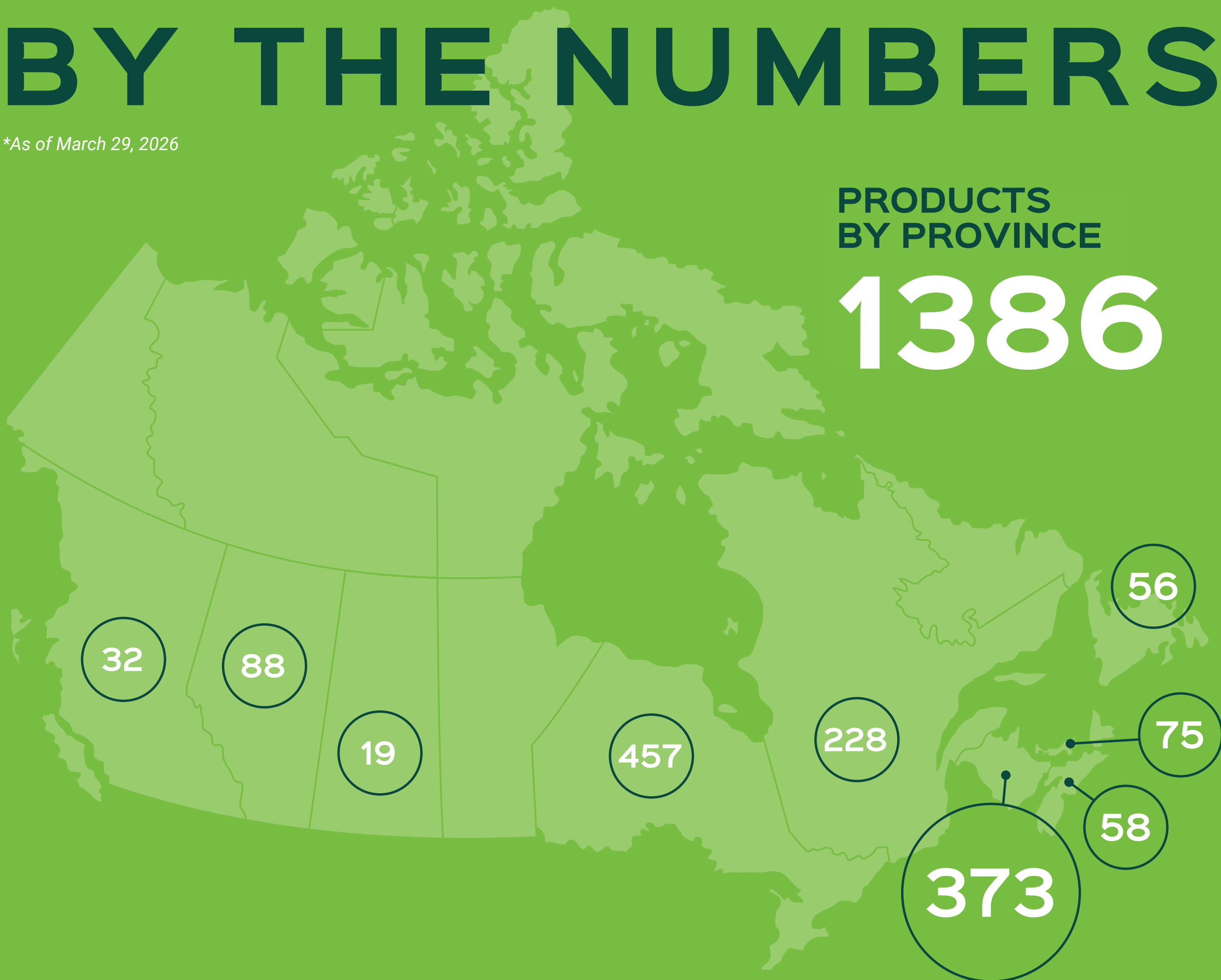
A key focus for the Category team was undertaking a comprehensive SKU rationalization exercise to refine the product assortment. This work ensured a more targeted offering tailored to CNB's customer base, while maintaining sufficient assortment mix and choice for New Brunswickers.

The team also continued to strengthen local partnerships through collaboration driven by data insights. Through enhanced joint planning and analytics, CNB and its licensed producer partners were better positioned to align on demand, innovation, and market opportunities.

Improvements to forecasting and the introduction of a new product call process enabled stronger alignment with licensed producers' innovation cycles. These enhancements contributed to more successful product launches, faster speed-to-shelf for new items, improved in-stock rates, and greater overall supply chain agility in responding to changing consumer demand.

CANNABIS NB BY THE NUMBERS

**As of March 29, 2026*



OUR TEAM

123 CUSTOMER FACING (FULL-TIME/PART-TIME) EMPLOYEES + 136 CUSTOMER FACING OCCASIONALS + 29 NON-CUSTOMER FACING EMPLOYEES = 288

**Employment #s reflect active employees and employees on leave as of March 29, 2026*

CANNABIS NB BY THE NUMBERS

**As of March 29, 2026*

373 PRODUCTS FROM NEW BRUNSWICK LICENSED PRODUCERS

138 CONCENTRATES

22 TOPICALS

8 BEVERAGES

57 PRE ROLLS

14 MILLED

5 INFUSED EDIBLE OIL

56 WHOLE BUDS

13 SEEDS

2 CLONES

47 EDIBLES

10 ACCESSORIES

1 CAPSULES

RETURN TO THE PROVINCE OF NEW BRUNSWICK

$23.7M

** Payments returned to the Province of New Brunswick differ from net income as payments made are based on net cash available from operations during the fiscal year.*

FINANCIAL OVERVIEW

The information below provides an overview of CNB's financial position for the year ended March 29, 2026, and should be read in conjunction with CNB's audited financial statements and accompanying note disclosures.

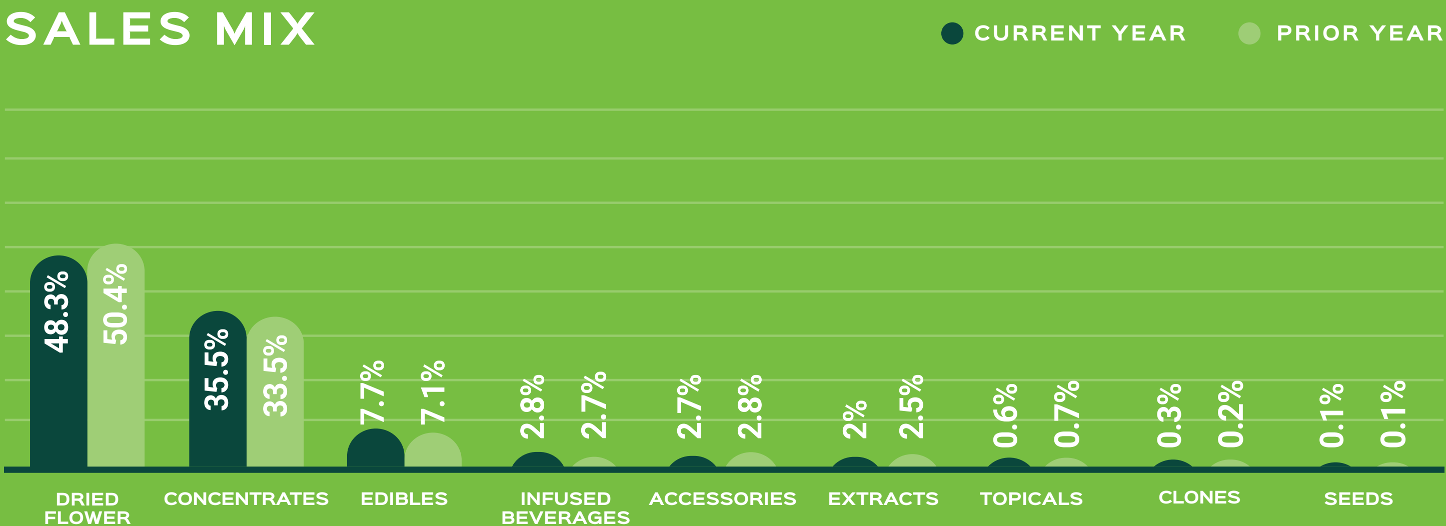
Following an accounting convention common to the retail industry, CNB follows a 52-week reporting cycle that periodically necessitates a 53-week fiscal year due to the floating year-end date. The fiscal years ended March 29, 2026 and March 30, 2025 were both 52-week years.

CNB remained committed to its strategic goals and objectives, including fiscal responsibility and supporting a safe, socially responsible, and accessible regulated cannabis market in New Brunswick. The organization generated net income of $20.9 million for the year. While net income declined compared to the previous year, CNB continued to deliver solid financial results in a competitive and evolving market environment. The year-over-year decrease reflects continued investment in the organization's retail and operating model, together with ongoing market dynamics and changes in consumer purchasing behaviour.

Total sales were $101.0 million, consistent with the previous year.

Total sales were $101.0 million, consistent with the previous year. Category performance varied across the portfolio, with growth in concentrates, edibles, and infused beverages offset by softer performance in other categories. Consumer preferences continued to evolve toward more convenient and higher-potency products, and CNB continued to refine its

SALES MIX



product catalogue to align with demand, category trends, and the objectives of the regulated market. This approach supported a balanced product offering while maintaining focus on value, and responsible retailing across the corporate store network, the Private Retail Channel, and Farmgate locations.

Gross profit performance improved in the current year. Gross profit increased approximately $1.4 million compared to the previous year, while overall Gross profit margin improved to 52.2%, compared to 51.8% in the previous year. This improvement was supported by category performance, procurement discipline, and continued product catalogue optimization, helping to maintain strong margin performance while responding to evolving consumer preferences and market conditions.

Consumer activity remained strong, with approximately 1.6 million transactions during the year. Average ticket size was $57.72, modestly lower than the prior year; however, product volumes increased year-over-year. This reflects continued engagement with the regulated market and indicates that more product was moved through the retail network, while maintaining a focus on value.

Operating expenses increased compared to the previous year, supporting continued investment in CNB's operating model and expanded retail presence, with the corporate store network growing from 27 stores in the previous year to 32 stores at year-end. Continued investment in operations supports the organization's focus on maintaining service levels, providing accessibility to regulated products, and strengthening the long-term sustainability of the regulated cannabis market in New Brunswick.

BRAND & MARKETING

Operating within a highly regulated retail category, CNB's marketing efforts remain focused on education, safety, and responsible consumption. Strategic brand development activities continue to play a key role in differentiating the organization from the unregulated market to strengthen customer and public trust and foster meaningful connections with consumers across New Brunswick.

PROMOTING RESPONSIBLE CONSUMPTION

CNB's social responsibility platform, *Good To Know*, continued to serve as a trusted source of cannabis education for New Brunswickers. Through evidence-based content from the Research and Productivity Council's studies on unregulated cannabis, expanded paid advertising campaigns, and a continued presence at community events, the *Good To Know* program helps consumers and those curious about cannabis make informed decisions by increasing awareness of responsible consumption, including the risks associated with unregulated products.

In 2025-2026, CNB's Good To Know program sponsored and participated in three community events across the province, promoting responsible consumption and bringing awareness to the dangers of unregulated cannabis products. The CNB team interacted with event patrons who were 19+ and received positive feedback about their presence. These events included Moonlight Bazaar in Saint John, Festival Royal in Edmundston, and Harvest Music Festival in Fredericton.

GOOD TO KNOW.

CANNABIS EXPO CANNABIS

ADVANCING EDUCATION WITH CANNABIS EXPO

CNB held the third annual Cannabis Expo in 2025-2026. This 19+ educational event was the largest to date, attracting more than 1,000 attendees and 33 exhibitors. Of the exhibitors, 29 were supplier partners, of which 12 were from New Brunswick and the remainder from across the country. CNB also hosted several branded booths to enhance awareness and education on the risks of unregulated cannabis and to help attendees identify legal, authorized private retailers in New Brunswick. Additional CNB booths featured the recruitment team and showcased the limited-time Cannabis NB Cup product. Post-event surveys indicated that attendee and exhibitor satisfaction remained high, reinforcing Cannabis Expo's continued value for both customers and supplier partners.

SUPPORTING OUR LOCAL COMMUNITIES

The CNB team is taking steps to support food security in local communities across the province. Over the holidays and into the New Year, the team collected donations for food banks in their local communities. The team donated 907 items to New Brunswick food banks, including 821 food items and 86 non-food items.

HUMAN RESOURCES

Our team members are the foundation of our success at CNB. In January 2026, the integration of the Human Resources teams from ANBL and CNB began, marking an important step toward creating a more unified and collaborative approach to supporting both organizations. This work is focused on strengthening alignment between the teams, improving consistency in HR service delivery, and ensuring that people strategies support the broader business goals of both organizations. This ongoing work will help build a more sustainable, efficient, and strategically aligned HR function that supports long-term organizational success.

A major milestone for CNB this year was achieving 100% participation in the employee engagement survey. This exceptional level of participation reflects the strong commitment of team members to shaping the workplace experience and demonstrates a culture of openness, trust, and engagement across the organization. The feedback gathered provides valuable insight that will help guide future people strategies and continuous improvement efforts.

PERFORMANCE CULTURE

The annual Leadership Conference in April 2025 provided leaders and “Buds of the Year” with opportunities to participate in development sessions, recognize team achievements, and strengthen organizational connections. A key feature of this year’s conference was an interactive workshop focused on growing leadership presence, equipping participants with practical skills to enhance their effectiveness as leaders. The conference also provided valuable education on key areas of the business, enabling participants to deepen their knowledge and better support their teams and customers through informed leadership and coaching.

The CNB Learning Symposium was held in October 2025. This annual learning event brought together team members from across the province and featured the highest level of vendor participation to date. Through educational sessions led by industry partners and vendors, employees expanded their product knowledge and gained valuable insights into emerging trends and innovations within the cannabis industry. The symposium continues to be an important opportunity for team members to enhance their expertise and share that knowledge with customers, supporting informed purchasing decisions and an exceptional customer experience.

CNB participated in the annual Cannabis Expo in March 2026, where team members from across the organization supported the successful operation of the CNB pop-up store. The event provided employees with unique opportunities to engage with customers, strengthen industry knowledge, and collaborate with colleagues from different areas of the business.

Building on CNB’s commitment to employee development, the Learning and Development team launched the CNB Leadership Academy. Designed to support the growth of both current and aspiring leaders, the Leadership Academy provides structured development opportunities that build leadership capability and support the organization’s long-term success.

These initiatives continue to create meaningful learning and growth opportunities for employees while strengthening engagement across the organization. Through ongoing investment in learning and development, CNB remains committed to fostering a culture of continuous improvement, leadership development, and organizational excellence.

CANNABIS NB
STORE AWARDS

CUSTOMER SERVICE AWARDS

Celebrating the team's contribution to every one of CNB's successes is always a priority. Each year, CNB recognizes success tied to key business goals from the year as well as exceptional customer service and support within the team.

BUDGET BUSTER
(TOP SALES TO BUDGET)
DOWNTOWN FREDERICTON 138.56%

SMOOTH OPERATOR
(TOP OPERATIONAL SCORECARD)
PERTH-ANDOVER

SALES BREAKTHROUGH
(% INCREASE SALES VS LAST YEAR)
DOWNTOWN FREDERICTON 30.64%

GOLDEN TICKET
(HIGHEST AVERAGE TICKET)
EDMUNDSTON $74.21

TICKET TRAILBLAZER
(% TICKET INCREASE)
UPTOWN SAINT JOHN 8.06%

GUIDE GREATNESS
MIRAMICHI 95.15%

AUDIT STAR
(TOP DISTRIC MANAGER AUDIT SCORE)
PERTH-ANDOVER 100%

SAFETY CULTURE EXCELLENCE
STEPHANIE SMITH

BUDS OF THE YEAR

The Bud of the Year program is CNB's internal recognition program. Team members are nominated by their peers, based on those who live and breathe the CNB brand, exemplify CNB's team rules and vision, and dedicate every single day to achieving greatness through CNB strategic pillars.

OUR WINNERS THIS YEAR WERE:

JULIE LANDRY
BATHURST

CARTER STURGEON
BROOKSIDE, FREDERICTON

JORDON ROUSSIE
CAMPBELLTON

CASSIDY MALLORY
CORBETT CENTRE, FREDERICTON

CORY CAISSIE
DIEPPE

JOSEE MADORE
EDMUNDSTON

EMMA MCILLWRAITH
FAIRVILLE, SAINT JOHN

CHAD OUELLETTE
GRAND FALLS

CHRIS ALBERT
GRANITE, MONCTON

AIMEE GOUVERNEL
HANWELL

SHANE O'TOOLE
LANSDOWNE, SAINT JOHN

SARAH MCKUSICK
MAIN ST., MONCTON

FALLON WEBB
MCALLISTER, SAINT JOHN

AMBER SAVOIE
MIRAMICHI

KAITLYN BARTHE
MORTON AVE., MONCTON

YASSINE ELAZHARI
MOUNTAIN RD., MONCTON

TEAGAN JOHNSON
OROMOCTO

SHANNON MCCALLUM
PERTH-ANDOVER

MARK SIBLEY
QUEEN ST., FREDERICTON

CHANELLE BOUDREU
RICHIBUCTO

SEAN PERRY
RIVERVIEW

SARAH CORMIER
ROTHESAY AVE., SAINT JOHN

MICHEL BERGERON
ROTHESAY KENNEBECASIS VALLEY

CARLEY MORICE-CHASE
SACKVILLE

JULIE MICHAUD
SHEDIAC

CHELSEA GARRETT
ST. STEPHEN

ASHLEY LAYDEN
SUSSEX

JULIE DOUCET
TRACADIE

KATE KING
UPTOWN SAINT JOHN

STEPHANIE JOHNSEN
WOODSIDE, FREDERICTON

MALLORY PYE
WOODSTOCK

JAKOB KNORR
WYSE RD., MONCTON

Along with celebrating the Buds of the Year at CNB, recognition is also extended to our Joint Services and the Retail Operations Centre (ROC) team, with a vote for the support team member who consistently demonstrates the Team Rules and has played a key role in the team's success throughout the year. This year those team members recognized were:

JOINT SERVICES BUD OF THE YEAR
ANDRE SULEY

RETAIL OPERATIONS CENTRE
KIERA GAUDIN

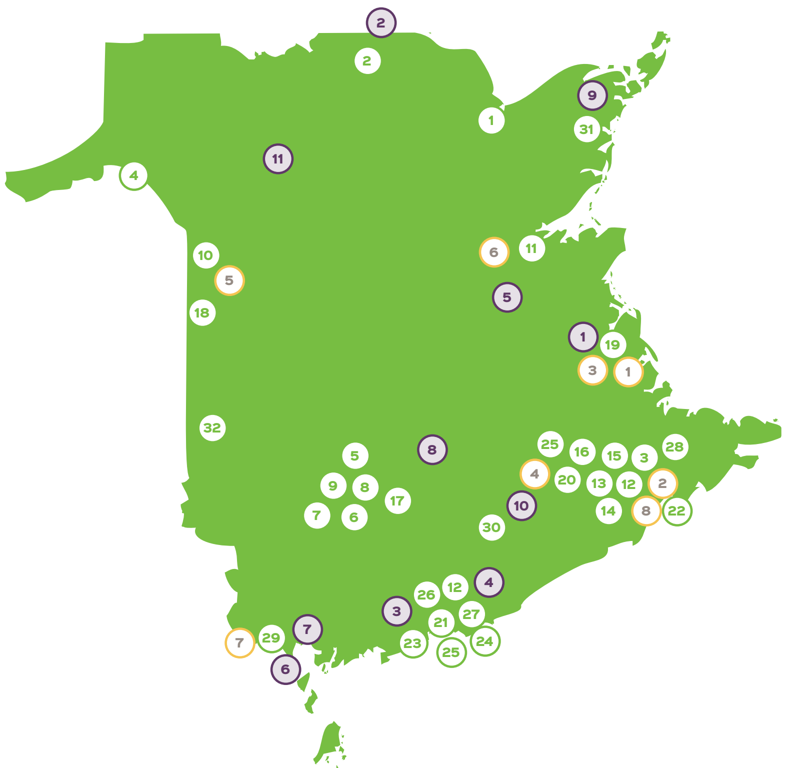
RETAIL OPERATIONS CENTRE
JESSIE PELLETIER

GOVERNANCE

Report on the *Official Languages Act*
CNB received one language complaint in fiscal 2025–2026. CNB worked with the Office of the Commissioner of Official Languages for New Brunswick to determine appropriate solutions. A response was sent and the complaint has been resolved.

Report on the *Public Interest Disclosure Act*
As provided under section 18(1) of the *Public Interest Disclosure Act*, the chief executive shall prepare a report of any disclosures of wrongdoing that have been made to a supervisor or designated officer of the public service for which the chief executive is responsible. There were no disclosures made during fiscal 2025-2026 pursuant to the policy.

Right to Information and Protection of Privacy Act
During fiscal 2025-2026, there were five requests received under the *Right to Information and Protection of Privacy Act*. None were carried over from the previous fiscal year; in total, four requests were answered and closed during the fiscal year. One request received in 2025-2026 remained in progress at the end of the fiscal year.



CORPORATE STORE NETWORK

1	BATHURST
2	CAMPBELLTON
3	DIEPPE
4	EDMUNDSTON
5	FREDERICTON - BROOKSIDE DRIVE
6	FREDERICTON - CORBETT
7	FREDERICTON - HANWELL
8	FREDERICTON - QUEEN STREET
9	FREDERICTON - WOODSIDE LANE
10	GRAND FALLS
11	MIRAMICHI
12	MONCTON - GRANITE
13	MONCTON - MAIN STREET
14	MONCTON - MORTON
15	MONCTON - MOUNTAIN ROAD
16	MONCTON - WYSE ROAD
17	OROMOCTO
18	PERTH ANDOVER
19	RICHIBUCTO
20	RIVERVIEW
21	ROTHESAY - KENNEBECASIS VALLEY
22	SACKVILLE
23	SAINT JOHN - FAIRVILLE
24	SAINT JOHN - GERMAIN STREET
25	SAINT JOHN - LANSDOWNE
26	SAINT JOHN - MCALLISTER DRIVE
27	SAINT JOHN - ROTHESAY AVENUE
28	SHEDIAC
29	ST. STEPHEN
30	SUSSEX
31	TRACADIE
32	WOODSTOCK

FARMGATE STORE NETWORK

1	ECO CANADIAN ORGANIC
2	ENIGMA FARMS
3	GREENHERB FARMS
4	HIDDEN HARVEST
5	PINNACLE FARMS
6	SANA'A
7	STEWART FARMS
8	THE FLOWR SHOP

PRIVATE RETAIL OPERATOR STORE NETWORK

1	CANNABIS EXPRESS - BOUCTOUCHE
2	CANNABIS EXPRESS - DALHOUSIE
3	CANNABIS EXPRESS - GRAND BAY - WESTFIELD
4	CANNABIS EXPRESS - HAMPTON
5	CANNABIS EXPRESS - ROGERSVILLE
6	CANNABIS EXPRESS - ST. ANDREWS
7	CANNABIS EXPRESS - ST. GEORGE
8	GREEN TIMBER CANNABIS - CHIPMAN
9	LE MARCHAND DE CANNABIS - BELLE-BAIE
10	LE MARCHAND DE CANNABIS - CARAQUET
11	MCCANNABIS - SALISBURY
12	PINNACLE - ST-QUENTIN

STORE NETWORK

**As of March 29, 2026*

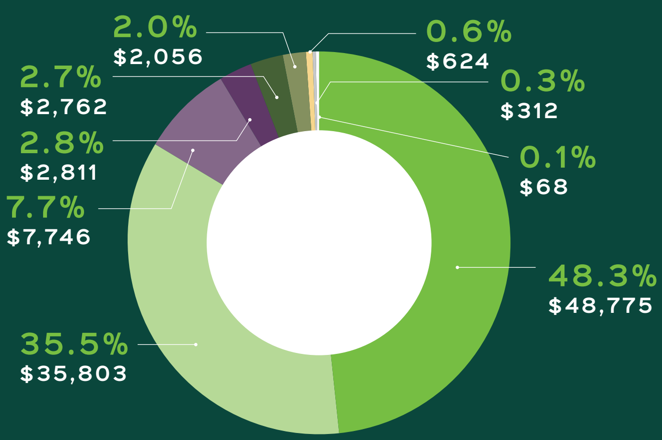
This year marked significant growth for CNB's retail network as the organization continued to improve convenience for customers across New Brunswick. Through strong collaboration across teams and with partners, CNB successfully expanded both its corporate and private retail footprint to better serve communities throughout the province.

CNB opened five new corporate stores (two in Moncton, two in Fredericton, and one in Saint John). These new locations strengthened the organization's presence in key markets, and supported continued growth in demand for regulated cannabis across the province.

In addition, close collaboration with partners led to the opening of four new private stores in Belle-Baie, Rogersville, Bouctouche, and St. George, along with one Farmgate in Memramcook. These openings play an important role for customers in more rural and underserved areas, helping ensure safe and regulated cannabis is available to more New Brunswickers.

These expansions reflect CNB's ongoing commitment to operational excellence, strategic growth, and delivering a consistent customer experience across both corporate and partner-operated locations.

SALES
BY PRODUCT CATEGORY (%)

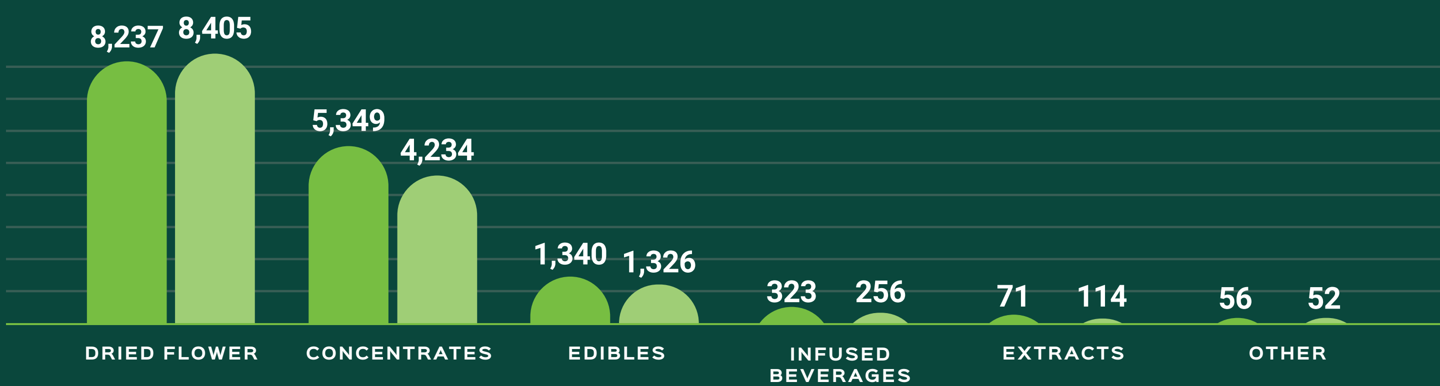


- DRIED FLOWER
- CONCENTRATE
- EDIBLES
- INFUSED BEVERAGES
- ACCESSORIES
- EXTRACTS
- TOPICALS
- CLONES
- SEEDS

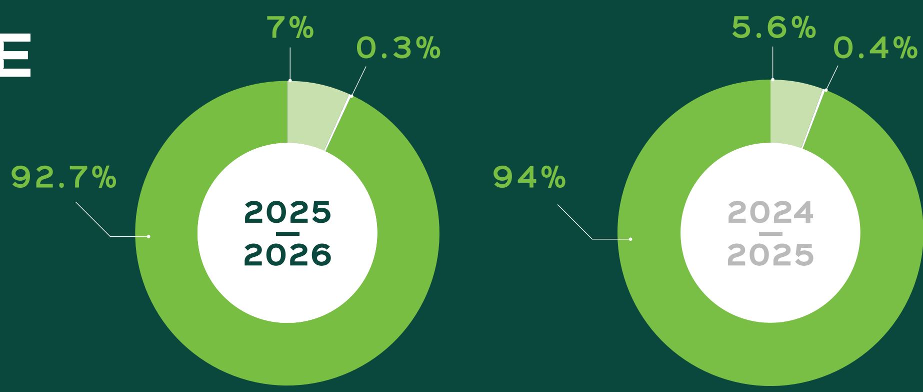
TOTAL SALES
$100,957M

SALES IN VOLUME (DFE)
DFE = Dried Flower Equivalent (000's)

- 2025–2026
- 2024–2025



PERCENTAGE SALES



- IN STORE
- PRIVATE RETAIL
- ONLINE

MANAGEMENT REPORT

The preparation of financial information is an integral part of management's responsibilities, and the accompanying financial statements are the responsibility of the management of the Corporation. This responsibility includes the selection of appropriate accounting policies and making judgements and estimates consistent with International Financial Reporting Standards in Canada. Financial information presented elsewhere in this Annual Report is consistent with these financial statements.

The Corporation maintains the necessary internal controls designed to provide reasonable assurance that relevant and reliable financial information is produced and that assets are properly safeguarded.

The Board of Directors is assisted in its responsibilities by its Audit Committee. This committee reviews and recommends approval of the financial statements and Annual Report, meets periodically with management, and the internal and external auditors, concerning internal controls and all other matters relating to financial reporting.

KPMG, the external auditors of the Corporation, have performed an independent audit of the financial statements of the Corporation in accordance with Canadian generally accepted auditing standards. The Auditor's Report outlines the scope of this independent audit and the opinion expressed.

[signed by]

Lori Stickles
PRESIDENT AND CEO

[signed by]

Jamie LeBlanc
SENIOR VICE PRESIDENT AND CFO

KPMG LLP
Suite 700 Frederick Square
TD Tower 77 Westmorland Street
Fredericton, NB E3B 6Z3
Canada
Tel 506 452 8000
Fax 506 450 0072

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Cannabis NB Ltd.

Opinion

We have audited the financial statements of Cannabis NB Ltd. (the Corporation), which comprise:

- the statement of financial position as at March 29, 2026
- the statement of operations and comprehensive income for the 52-week period then ended
- the statement of changes in equity for the 52-week period then ended
- the statement of cash flows for the 52-week period then ended
- and notes to the financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at March 29, 2026, and its financial performance and its cash flows for the 52-week period then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditor's Responsibilities for the Audit of the Financial Statements"*** section of our auditor's report.

We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.

KPMG

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Fredericton, Canada

July 10, 2026

CANNABIS NB LTD.

Statement of Financial Position
(In thousands)

March 29, 2026, with comparative information for March 30, 2025

	March 29, 2026	March 30, 2025
Assets		
Current Assets		
Cash	$ 1,455	$ 1,512
Trade and other receivables	327	154
Inventories	10,321	15,030
Prepaid expenses	2,243	817
	14,346	17,513
Non-Current Assets		
Property and equipment (note 4)	1,516	943
Intangible assets (note 5)	1,221	1,904
Right-of-use assets (note 6)	18,419	19,792
	21,156	22,639
Total Assets	**$ 35,502**	**$ 40,152**
Liabilities		
Current Liabilities		
Trade and other payables	$ 4,614	$ 5,185
Lease liabilities due within one year (note 6)	2,666	2,489
	7,280	7,674
Non-Current Liabilities		
Long-term lease liabilities (note 6)	17,746	19,230
Total Liabilities	25,026	26,904
Equity of the Province of New Brunswick		
Equity	10,476	13,248
Total Liabilities and Equity	**$ 35,502**	**$ 40,152**

Contingencies (note 11)

See accompanying notes to financial statements

On behalf of the Board:

[signed by]
Paul Elliott
Chair of the Board

[signed by]
Cédric Laverdure
Chair of the Audit Committee

CANNABIS NB LTD.

Statement of Operations and Comprehensive Income
(In thousands)

52 weeks ended March 29, 2026 with comparative information for the 52 weeks ended March 30, 2025

Statement of Operations	**March 29, 2026 (52 weeks)**	**March 30, 2025 (52 weeks)**
Total sales (note 8)	$ 100,957	$ 100,943
Less: discounts	7,987	9,793
Net sales	92,970	91,150
Cost of sales	44,395	43,971
Gross profit	48,575	47,179
Other income	611	627
	49,186	47,806
Operating expenses (note 9)	28,277	24,733
Net income	**$ 20,909**	**$ 23,073**

See accompanying notes to financial statements

CANNABIS NB LTD.

Statement of Changes in Equity
(In thousands)

52 weeks ended March 29, 2026 with comparative information for the 52 weeks ended March 30, 2025

		March 29 2026 (52 weeks)		March 30 2025 (52 weeks)
Balance at beginning of year	$	13,248	$	8,896
Net income and comprehensive income		20,909		23,073
Payments to the Province of New Brunswick		(23,681)		(18,721)
Balance at end of the year	**$**	**10,476**	**$**	**13,248**

See accompanying notes to financial statements

CANNABIS NB LTD.

Statement of Cash Flows
(In thousands)

52 weeks ended March 29, 2026 with comparative information for the 52 weeks ended March 30, 2025

	March 29, 2026 (52 weeks)	March 30, 2025 (52 weeks)
Operating		
Net income and comprehensive income	$ 20,909	$ 23,073
Items not involving cash:		
Depreciation	3,010	2,735
Amortization of intangible assets (note 5)	683	685
Lease liabilities – interest portion (note 6)	660	715
Loss (gain) on sale of property and equipment	4	(1)
Change in non-cash working capital (note 7)	2,539	(4,239)
Cash generated from operations	27,805	22,968
Investing		
Additions to property and equipment (note 4)	(894)	(590)
Proceeds from sale of property and equipment	–	1
Net cash used for investing activities	(894)	(589)
Financing		
Lease payments (note 6)	(3,287)	(3,146)
Payments to the Province of New Brunswick	(23,681)	(18,721)
Net cash used for financing activities	(26,968)	(21,867)
Increase (decrease) in cash	(57)	512
Cash at beginning of year	1,512	1,000
Cash at end of year	**$ 1,455**	**$ 1,512**

See accompanying notes to financial statements

CANNABIS NB LTD.

Notes to Financial Statements
(In thousands)

52 weeks ended March 29, 2026

1. **Nature of operations and reporting entity:**

   Cannabis NB Ltd. (the “Corporation”) is incorporated under the Business Corporations Act. The Corporation is an investee of New Brunswick Liquor Corporation (“ANBL”), a Crown Corporation, which owns 100% of the common shares issued by the Corporation and oversees the day-to-day management of the Corporation. The Corporation's main office is located in Fredericton, New Brunswick. The Corporation is exempt from Income Taxes under Section 149 of the Income Tax Act.

   On October 1, 2018, the Corporation entered a five-year agreement with Cannabis Management Corporation (“CMC”), a Crown Corporation, for the distribution and sale of recreational use cannabis. After the expiration of the initial term of the agreement, CMC has the option to renew the agreement for two subsequent 5-year terms. The agreement was renewed effective March 8, 2023. The agreement entitles CMC to all net profits from the Corporation’s operations, upon repayment of all amounts owing to ANBL, with payments distributed based on available cash flow.

2. **Basis of presentation:**

   (a) Statement of compliance:

   The financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”).

   The financial statements for the year ended March 29, 2026, were approved, and authorized for issue by the Board of Directors on July 10, 2026.

   (b) Fiscal year:

   The Corporation’s fiscal year ends on the Sunday closest to March 31. All references to 2026 and 2025 represent the fiscal years ended March 29, 2026, and March 30, 2025, respectively. Under an accounting convention common in the retail industry, the Corporation follows a 52-week reporting cycle, which periodically necessitates a fiscal year of 53 weeks. The year ended March 29, 2026, contained 52 weeks and the year ended March 30, 2025, contained 52 weeks. Typically, the inclusion of an extra week occurs every fifth or sixth fiscal year due to the Corporation’s floating year-end date. The next 53-week year will occur in fiscal 2028.

   (c) Basis of measurement:

   The financial statements have been prepared on the historical cost basis except for post-employment benefits, which are measured as described below. These financial statements are presented in Canadian dollars, which is the Corporation's functional currency.

CANNABIS NB LTD.

Notes to Financial Statements (continued)
(In thousands)

52 weeks ended March 29, 2026

3. Summary of material accounting policies:

(a) Use of estimates and judgements:

The preparation of financial statements requires management to make certain judgements, estimations and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosures of contingent assets and liabilities. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised, and any future years affected.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Corporation that have the most material effect on the financial statements.

Impairment of property and equipment, right-of-use, and intangible assets

Judgement is used in determining the aggregate grouping of assets identified as Cash Generating Units (“CGUs”) for purposes of testing for impairment of property and equipment, right-of-use assets (ROU), and intangibles. Judgement is required in determining the lowest level at which independent cash inflows are generated. The Corporation has defined CGUs as its retail stores. In addition, judgement is used to determine whether a triggering event has occurred requiring an impairment test to be conducted.

Capitalization of internally developed software

Judgement is required in distinguishing the research and development phases of a new customized software project and determining whether the recognition requirements for the capitalization of development costs are met. After capitalization, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalized costs may be impaired.

Right-of-use assets and lease liabilities

Judgement is required to determine whether an option to extend the lease term would be reasonably certain to be exercised. Management considers all facts and circumstances, including its past practice and any cost that will be incurred to improve or modify the leased asset if an option to extend is not taken, to help it determine the lease term.

Judgement is also required where the interest rate implicit in the lease is not readily available. Management uses the lessee’s incremental borrowing rate to measure the present value of the remaining lease payments. Management’s determination of the Corporation’s incremental borrowing rate depends on relevant facts and circumstances, geographical location, and lease term duration of the lease property.

CANNABIS NB LTD.

Notes to Financial Statements (continued)
(In thousands)

52 weeks ended March 29, 2026

3. Summary of material accounting policies (continued):

(a) Use of estimates and judgements (continued):

Significant estimations and assumptions

The following are areas where estimates and assumptions have the most significant effect on recognition and measurement of the assets, liabilities, income, and expenses of the Corporation. Actual results may be substantially different.

Useful lives of property and equipment and intangible assets

The Corporation is required to estimate the useful lives and depreciation method for property and equipment and intangible assets. Management determines the estimated useful lives based on historical experience and the expected pattern of consumption of the future economic benefits of the asset. As this information is based on estimates and is subject to change, estimates are reviewed at the end of each year, with the effect of any changes in estimate accounted for on a prospective basis.

(b) Cash:

Cash includes cash and bank deposits.

(c) Inventories:

The Corporation’s inventories, which consist of finished goods held for sale, are stated at the lower of cost and net realizable value. Cost is defined as average cost. Net realizable value is the estimated selling price in the ordinary course of business, less any applicable selling expenses. Cost includes expenditures incurred in acquiring the inventories and bringing them to their existing location and condition. The amount of inventories expensed during the year is shown as cost of sales on the statement of operations and comprehensive income.

(d) Property and equipment:

Property and equipment are carried at historical cost less any accumulated depreciation and impairment losses. Historical cost includes expenditures that are directly attributable to the acquisition or construction of an asset, and costs directly attributable to bringing an asset to the location and condition necessary for its use in operations. When property and equipment include significant components with different useful lives, they are recorded and amortized separately. Depreciation is computed using the straight-line method based on the estimated useful life of the assets. Useful life is reviewed on an annual basis.

Derecognition

An item of property and equipment is derecognized when disposed of or when no future economic benefits are expected to arise from the continued use of the asset. A gain or loss arising on derecognition of an asset is calculated as the difference between the net disposal proceeds and the carrying amount of the asset at the date of disposal and is included in the statement of operations and comprehensive income in the year in which the item is derecognized.

CANNABIS NB LTD.

Notes to Financial Statements (continued)
(In thousands)

52 weeks ended March 29, 2026

3. Summary of material accounting policies (continued):

(d) Property and equipment (continued):

Subsequent costs

The Corporation recognizes in the carrying amount of an item of property and equipment the cost of replacing part of such an item when that cost is incurred if it is possible that the future economic benefits embodied with the item will flow to the Corporation and the cost of the item can be measured reliably. All other costs are recognized in the statement of operations and comprehensive income as expenses as incurred.

Depreciation

Depreciation of an asset begins when it is available for use. This means when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation is charged to the statement of operations and comprehensive income on a straight-line basis over the assets' estimated useful lives after considering their estimated residual value using the following:

Furniture, fixtures, and equipment	2-5 years
Automotive	3-5 years
Retail equipment	5 years
IT equipment	2-5 years
Refrigeration equipment	10 years
Leasehold improvements	1-10 years

Impairment

The carrying amounts of the Corporation's non-financial assets (property and equipment, intangible assets and right of use assets) are reviewed at the end of each year to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash generating unit to which the asset belongs.

Assets are grouped based on their CGUs which is the smallest group of assets which generate cash 'inflows' from their continuing use which are independent from cash inflows of other assets. The Corporation has defined CGUs as its retail stores.

The recoverable amount of a CGU is the greater of its value in use and its fair value less estimated costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

CANNABIS NB LTD.

Notes to Financial Statements (continued)
(In thousands)

52 weeks ended March 29, 2026

3. Summary of material accounting policies (continued):

(d) Property and equipment (continued):

Impairment (continued)

Impairment losses recognized in prior periods are reversed if the recoverable amount in a later period exceeds the carrying amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. At March 29, 2026, there were no indicators of impairment.

(e) Intangible assets:

Intangible assets include purchased computer software which are recorded at cost and amortized on a straight-line basis over the estimated useful life, as these assets are considered to have finite useful lives. Useful lives are reviewed at each reporting date. Computer software is amortized on a straight-line basis for 5 to 10 years. The Corporation assesses the carrying value of intangible assets for impairment on an annual basis. At March 29, 2026, there were no indicators of impairment.

(f) Leased assets:

At inception of a contract, the Corporation assesses whether a contract is, or contains, a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Corporation uses the definition of a lease in IFRS 16.

Leases are recognized as a ROU asset and a corresponding liability at the lease commencement date.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index (Consumer Price Index) or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option

The lease liability is measured at amortized cost using the effective interest method. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the Corporation's incremental borrowing rate is used. The Corporation determines its incremental borrowing rate using the Province of New Brunswick's incremental borrowing rate over the lease terms.

CANNABIS NB LTD.

Notes to Financial Statements (continued)
(In thousands)

52 weeks ended March 29, 2026

3. Summary of material accounting policies (continued):

(f) Leased assets (continued):

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Corporation’s estimate of the amount expected to be payable under a residual value guarantee, if the Corporation changes its assessment of whether it will exercise a purchase, extension, or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU asset, or is recorded in profit or loss if the carrying amount of the ROU asset has been reduced to zero.

ROU assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

The ROU asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The Corporation’s ROU assets are buildings which are depreciated over the lease period which ranges from 12 months to 15 years.

The Corporation has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Corporation recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(g) Financial instruments:

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of a financial instrument. A financial asset or financial liability is measured initially at fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of financial instruments that are not classified as fair value through profit or loss.

CANNABIS NB LTD.

Notes to Financial Statements (continued)
(In thousands)

52 weeks ended March 29, 2026

3. Summary of material accounting policies (continued):

(h) Classification and measurement of financial assets:

The classification and measurement approach for financial assets reflect the business model in which assets are managed and their cash flow characteristics. Financial assets are classified and measured based on these categories: amortized cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit and loss ("FVTPL").

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- The financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- The financial asset is held within a business model in which assets are managed to achieve a particular objective by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset shall be measured at FVTPL unless it is measured at amortized cost or at FVOCI.

Financial assets are not reclassified subsequent to their initial recognition unless the Corporation identifies changes in its business model in managing financial assets. The Corporation currently classifies its cash and trade and other receivables as assets measured at amortized cost.

Financial liabilities are classified and measured based on two categories: amortized cost or FVTPL. The Corporation currently classifies trade and other payables as financial liabilities measured at amortized cost.

Derecognition

The Corporation derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all risks and rewards of ownership of the financial asset are transferred or in which the Corporation neither transfers nor retains substantially all risks and rewards of ownership and does not retain control of the financial assets. The difference between the carrying amount of the financial asset and the sum of the consideration received and receivable is recognized in income.

The Corporation derecognizes financial liability when its contractual obligations are discharged or cancelled or expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in income.

CANNABIS NB LTD.

Notes to Financial Statements (continued)
(In thousands)

52 weeks ended March 29, 2026

3. Summary of material accounting policies (continued):

(h) Classification and measurement of financial assets (continued):

Impairment of financial assets

The Corporation recognizes loss allowances for expected credit losses (“ECL”) on financial assets that are not measured at FVTPL.

The Corporation measures loss allowances at an amount equal to lifetime ECL, except for the following for which they are measured as 12-month ECL:

- financial instruments that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition.

Any 12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument.

Measurement of ECL

ECL are a probability weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Corporation expects to receive); and
- financial assets that are credit impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

At each reporting date, the Corporation assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is “credit impaired” when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amounts of the assets.

CANNABIS NB LTD.

Notes to Financial Statements (continued)
(In thousands)

52 weeks ended March 29, 2026

3. Summary of material accounting policies (continued):

(i) Provisions:

A provision is recognized in the statement of financial position when the Corporation has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are measured at the present value of expenditures expected to be required to settle the obligation using a discount rate that reflects the current market assessments of the time value of money and the risk specific to the obligation. The increase in provision due to the passage of time is recognized as an interest expense.

(j) Post-employment benefits:

Pension plan

Employees of the Corporation are members of the New Brunswick Public Service Pension Plan, a multi-employer, shared risk pension plan. Contributions are made by both the Corporation and the employees. Since sufficient information is not readily available to account for the Corporation's participation in the plan using defined benefit pension plan accounting, these financial statements have been prepared using accounting for defined contribution pension plans. The Corporation has no direct liability to any unfunded liability, nor does it have any entitlement to any surplus, for the plan related to current or former employees. Contributions made by the Corporation during the year totaled $781 ($682 in 2025). Contributions made to the plan by the Corporation for 2026 are expected to approximate 11.25% of eligible salaries. In addition, some employees of the Corporation are members of the Part-Time and Seasonal Pension Plan for Employees of the Province of New Brunswick. Contributions made by the Corporation during the year to this plan totaled $25 ($18 in 2025).

(k) Revenue:

Revenue is measured at the fair value of consideration received or receivable. The Corporation recognizes revenue when it transfers control over a good to a customer. For contracts that permit the customer to return an item, revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The Corporation recognizes revenue at the time the point of sale is made or when goods are delivered to the customers.

CANNABIS NB LTD.

Notes to Financial Statements (continued)
(In thousands)

52 weeks ended March 29, 2026

3. Summary of material accounting policies (continued):

(l) Standards and interpretations not yet applied:

A number of new standards, amendments to standards and interpretations of standards have been issued by the IASB and the IFRIC, the application of which is effective for periods beginning on or after January 1, 2024. The Corporation does not expect the implementation of these new accounting pronouncements to have a significant impact on its accounting policies.

Presentation and Disclosure in Financial Statements IFRS 18:

In April 2024, the IASB issued IFRS 18, Presentation and Disclosures in Financial Statements, which will replace IAS 1. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a new-defined operating profit sub-total. The Entity's new profit will not change.
- Management defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, and must be applied retrospectively. The Corporation is currently evaluating the impact that this standard will have on its financial statements.

IFRS 9 and IFRS 7 Amendments, Classification and measurement of financial instruments

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 relating to classification and measurement of financial instruments. The amendments clarify certain concepts relating to classification of financial assets, including those with contingent features. The amendments address the recognition and derecognition of financial assets and liabilities settled using an electronic payment system. The amendments also introduce certain new disclosure requirements for financial instruments measured at fair value through other comprehensive income and amortized cost. These amendments are effective for annual reporting periods beginning on or after January 1, 2026, and must be applied retrospectively. The Corporation is currently evaluating the impact that this amendment will have on its financial statements.

CANNABIS NB LTD.

Notes to Financial Statements (continued)
(In thousands)

52 weeks ended March 29, 2026

4. Property and equipment:

Cost	Furniture Fixtures and Equipment	Automotive	Retail Equipment	IT Equipment	Refrigeration Equipment	Leasehold Improvements	Total
Balance at April 1, 2024	$ 2,427	$ 219	$ 128	$ 2,815	$ 82	$ 59	$ 5,730
Additions	156	65	–	321	–	48	590
Disposals	–	(10)	–	–	–	–	(10)
Balance at March 30, 2025	$ 2,583	$ 274	$ 128	$ 3,136	$ 82	$ 107	$ 6,310
Balance at March 31, 2025	$ 2,583	$ 274	$ 128	$ 3,136	$ 82	$ 107	$ 6,310
Additions	393	–	–	106	–	395	894
Disposals	(4)	–	–	(1)	–	–	(5)
Balance at March 29, 2026	$ 2,972	$ 274	$ 128	$ 3,241	$ 82	$ 502	$ 7,199
Accumulated depreciation							
Balance at April 1, 2024	$ 2,286	$ 113	$ 89	$ 2,633	$ 32	$ 49	$ 5,202
Depreciation	37	49	15	47	8	19	175
Disposals	–	(10)	–	–	–	–	(10)
Balance at March 30, 2025	$ 2,323	$ 152	$ 104	$ 2,680	$ 40	$ 68	$ 5,367
Balance at March 31, 2025	$ 2,323	$ 152	$ 104	$ 2,680	$ 40	$ 68	$ 5,367
Depreciation	82	50	12	96	8	69	317
Disposals	(1)	–	–	–	–	–	(1)
Balance at March 29, 2026	$ 2,404	$ 202	$ 116	$ 2,776	$ 48	$ 137	$ 5,683
Carrying amounts							
March 30, 2025	$ 260	$ 122	$ 24	$ 456	$ 42	$ 39	$ 943
March 29, 2026	$ 568	$ 72	$ 12	$ 465	$ 34	$ 365	$ 1,516

CANNABIS NB LTD.

Notes to Financial Statements (continued)
(In thousands)

52 weeks ended March 29, 2026

5. Intangible assets:

	March 29, 2026 (52 weeks)	March 30, 2025 (52 weeks)
Cost		
Opening	$ 5,279	$ 5,279
Additions	–	–
Closing	5,279	5,279
Accumulated Amortization		
Opening	3,375	2,690
Amortization	683	685
Closing	4,058	3,375
Carrying Amount	**$ 1,221**	**$ 1,904**

6. Right-of-use assets and lease liabilities:

The Corporation leases various retail stores and certain leases contain extension options exercisable by the Corporation. At the commencement date, the Corporation concluded that it is not reasonably certain to exercise the options to extend the leases and therefore, renewal options have not been taken into consideration for measurement of ROU assets and lease liabilities.

Right-of-use assets	March 29, 2026 (52 weeks)	March 30, 2025 (52 weeks)
Cost		
Opening	$ 33,949	$ 33,385
Additions	1,320	564
Closing	35,269	33,949
Accumulated Depreciation		
Opening	14,157	11,597
Depreciation	2,693	2,560
Closing	16,850	14,157
Carrying Amount	**$ 18,419**	**$ 19,792**

CANNABIS NB LTD.

Notes to Financial Statements (continued)
(In thousands)

52 weeks ended March 29, 2026

6. Right-of-use assets and lease liabilities (continued):

Lease liabilities		March 29, 2026 (52 weeks)		March 30, 2025 (52 weeks)
Opening	$	21,719	$	23,586
Additions		1,320		564
Lease payments		(3,287)		(3,146)
Interest expense on lease liabilities		660		715
Closing	**$**	**20,412**	**$**	**21,719**
Current	$	2,666	$	2,489
Long-term		17,746		19,230
	$	**20,412**	**$**	**21,719**

Maturity of lease liabilities

A maturity analysis of discounted payments are as follows:

		March 29, 2026 (52 weeks)		March 30, 2025 (52 weeks)
Due within one year or less	$	2,666	$	2,489
Between one and five years		10,593		9,715
More than five years		7,153		9,515
	$	**20,412**	**$**	**21,719**

CANNABIS NB LTD.

Notes to Financial Statements (continued)
(In thousands)

52 weeks ended March 29, 2026

7. Changes in non-cash operating working capital:

	March 29, 2026 (52 weeks)	March 30, 2025 (52 weeks)
Trade and other receivables	$ (173)	$ 159
Inventories	4,709	(3,703)
Prepaid expenses	(1,426)	(21)
Trade and other payables	(571)	(674)
	$ 2,539	**$ (4,239)**

8. Sales:

	March 29, 2026 (52 weeks)	March 30, 2025 (52 weeks)
Dried Flower	$ 48,775	$ 50,881
Concentrates	35,803	33,836
Edibles	7,746	7,209
Infused Beverages	2,811	2,691
Accessories	2,762	2,790
Extracts	2,056	2,529
Topicals	624	657
Clones	312	255
Seeds	68	95
	$ 100,957	**$ 100,943**

CANNABIS NB LTD.

Notes to Financial Statements (continued)
(In thousands)

52 weeks ended March 29, 2026

9. Operating expenses:

	March 29, 2026 (52 weeks)	March 30, 2025 (52 weeks)
Employee costs	$ 16,560	$ 14,294
Depreciation and amortization	3,693	3,420
Technology	2,048	1,553
Warehouse and logistics	1,580	1,452
Financial services	1,564	1,524
Services	1,201	1,030
Occupancy costs & supplies	1,148	1,038
Other	483	422
	$ 28,277	**$ 24,733**

10. Financial risk management objectives and policies:

(a) Liquidity risk:

Liquidity risk is the risk the Corporation will be unable to meet its financial obligations as they become due. The Corporation manages this risk through monitoring of future cash flows to ensure it will have sufficient cash from operations to meet these obligations. Amounts owing to ANBL are considered current liabilities and repayment is guaranteed under the terms of the agreement with CMC. The Corporation's trade and other payables are due within one year. The details of the Corporation's future lease liabilities, undiscounted, are as follows:

	March 29, 2026 (52 weeks)	March 30, 2025 (52 weeks)
Due within one year	$ 3,268	$ 3,132
Between one and five years	12,171	11,535
More than five years	7,462	10,070
	$ 22,901	**$ 24,737**

CANNABIS NB LTD.

Notes to Financial Statements (continued)
(In thousands)

52 weeks ended March 29, 2026

10. Financial risk management objectives and policies (continued):

(b) Credit risk:

Credit risk is the risk the Corporation will incur a loss because a customer fails to meet an obligation. The Corporation's exposure is related to the value of trade and other receivables. The Corporation has mitigated the exposure to this risk through limited extension of credit and contractual relationships with business partners. Collectability may be offset with future customer sales to the Corporation.

(c) Capital management:

The Corporation is authorized to issue an unlimited number of common shares without nominal or par value. The amount issued on incorporation is one common share to ANBL at a nominal amount. The Corporation’s main objectives for managing capital is to ensure sufficient liquidity in support of its financial obligations and to make payments to CMC. ANBL is responsible for the oversight of management, including its policies related to financial and risk management issues.

11. Contingencies:

The Corporation is involved in various legal actions and other matters arising out of the ordinary course and conduct of business. The outcome and ultimate disposition of these actions are not determinable at this time. Accordingly, no provision for these actions is reflected in the financial statements. Settlements, if any, concerning these contingencies will be accounted for in the period in which the settlement occurs. Management has mitigated this risk by maintaining insurance coverage as required.

The Corporation indemnifies its Directors and Officers against any and all claims or losses reasonably incurred in the performance of their service to the Corporation.

12. Related party transactions:

The ultimate controlling party of the Corporation is the Province of New Brunswick. Distributions to the Province of New Brunswick are disclosed in the statement of changes in equity. The Corporation is related through common ownership with all provincial departments, agencies, and Crown Corporations. Transactions with these entities occur in the normal course of business and are recorded at the exchange amount unless disclosed in these financial statements. Transactions with the Province of New Brunswick are deemed to be collectively insignificant to these financial statements.

The Corporation receives services from ANBL, which are allocated to the Corporation through a shared service agreement. These services include human capital in the areas of executive management; corporate governance; property management; information technology services; strategic compliance; financial services; community and stakeholder relations, as well as the associated portion of benefits. In addition, ANBL incurred costs on behalf of the Corporation for the purchase of goods or services from external third parties. All transactions are recorded on a cost recovery basis and are recognized in operating expenses. During the year ended March 29, 2026, ANBL charged the Corporation $3,317 ($2,305 in 2025) for salaries-administration.

CANNABIS NB LTD.

Notes to Financial Statements (continued)
(In thousands)

52 weeks ended March 29, 2026

12. Related party transactions:

Trade and other payables include $514 ($248 in 2025) which represents the current portion of the cost recovery allocation as described above. The total amount outstanding is non-interest bearing, unsecured, with no set term of repayment. Amounts owing to ANBL are considered current liabilities and repayment is guaranteed under the terms of the agreement with CMC. These transactions are recorded at the amount of consideration as established and agreed to by the related parties.

Compensation of key management personnel

Members of the Board of Directors and Executive Team are considered to be key management personnel. Total compensation and benefits amounted to $297 ($282 in 2025).

13. Comparative information:

Certain comparative information has been reclassified to conform with the current year's presentation. These reclassifications did not impact the Corporation's net income or Equity of the Province of New Brunswick.