

Avicanna Inc.
Consolidated Interim Financial Statements
Unaudited
For the Three Months Ended March 31, 2026, and 2025
(Expressed in Canadian dollars, unless otherwise noted)

Avicanna Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars, unless otherwise noted)

	Note	March 31, 2026	December 31, 2025
ASSETS			
Current assets			
Cash		\$ 372,103	\$ 280,630
Accounts receivable	4	3,471,909	3,546,433
Prepaid assets		451,927	222,001
Biological assets	5	355,717	253,673
Inventory	6	3,734,275	3,594,705
Total current assets		8,385,931	7,897,442
Right of use asset	9	-	-
Property and equipment	7	12,794,878	12,385,249
Intangible assets	8	565,809	626,431
Goodwill	8	334,000	334,000
Total assets		\$ 22,080,618	\$ 21,243,122
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade payables and accrued liabilities	17	\$ 8,249,776	\$ 8,509,639
Lease liability – current portion	11	-	-
Deferred revenue – current portion	10	378,001	378,001
Royalty Liability	12	-	150,132
Non-controlling interest contribution liability	13,16	79,425	141,526
Total current liabilities		8,707,202	9,179,298
Deferred revenue	10	583,019	677,519
Total liabilities		9,290,221	9,856,817
Shareholders' Equity			
Share capital	14	89,612,358	88,256,108
Warrants	14	13,449,606	13,255,856
Share-based payment reserve	15	7,872,628	7,803,884
Accumulated other comprehensive loss		(1,245,655)	(1,235,601)
Deficit		(105,818,228)	(105,236,587)
Equity attributable to shareholders of the Company		3,870,709	2,843,660
Non-controlling interest	13,16	8,919,688	8,542,645
Total equity		12,790,397	11,386,305
Total liabilities and shareholders' equity		\$ 22,080,618	\$ 21,243,122

Nature of operations and going concern uncertainty – Note 1

Approved by the Board

/s/ Michael Kott, Director

/s/ Ozgur Kilic, Audit Committee Chair, Director

The accompanying notes are an integral part of these consolidated financial statements

Avicanna Inc.
Condensed Consolidated Interim Statements of Operations and Comprehensive Income (Loss)
For the Three Months Ended March 31, 2026, and 2025
(Expressed in Canadian Dollars, unless otherwise noted)

	Note	March 31, 2026	March 31, 2025
Revenue			
Service revenue		\$ 515,276	\$ 499,005
License revenue	10	238,756	500,483
Product sales		5,925,998	5,324,713
Total revenue		6,680,030	6,324,201
Cost of goods sold		(3,015,730)	(2,782,814)
Gross profit before the undernoted		3,664,300	3,541,387
Inventory recovery (impairment)	6	(5,941)	(2,887)
Fair value changes in biological assets included in inventory sold		47,027	-
Unrealized (loss) gain on changes in fair value of biological assets		132,970	65,567
Gross profit		3,838,356	3,604,067
Expenses			
General and administrative	18	3,913,331	3,109,572
Share-based compensation	15	68,744	207,308
Depreciation and amortization	7,8,9	165,298	192,993
Expected credit loss		-	-
Total expenses		(4,147,373)	(3,509,873)
Other income (expenses)			
Foreign exchange gain (loss)		(5,643)	(9,165)
Gain (loss) on disposal of capital assets	7	-	-
Other income		41,384	21,317
Interest expense	11	(15,619)	(29,790)
Accretion of loans and convertible debentures	11,12	-	(1,835)
Net Income (Loss)		\$ (288,895)	\$ 74,721
Deferred tax expense		-	-
Income tax recovery		-	-
Net Income (Loss) after taxes		(288,895)	74,721
Exchange differences on translation of foreign operations		74,242	801,610
Comprehensive income (Loss)		\$ (214,653)	\$ 876,331
Comprehensive income (loss) attributable to non – controlling interest	16	377,043	374,509
Comprehensive loss attributable to Shareholders of the Company	16	(591,696)	501,822
Total comprehensive income (Loss)		\$ (214,653)	\$ 876,331
Weighted average number of common shares – basic and diluted	19	119,082,280	110,368,745
Net loss attributable to equity holders of the Company	19	(581,641)	(54,193)
Net loss per share – basic and diluted	19	\$ -	\$ -

The accompanying notes are an integral part of these consolidated financial statements

Avicanna Inc.
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
For the Three Months Ended March 31, 2026, and 2025
(Expressed in Canadian Dollars, unless otherwise noted)

		Common shares		Warrants	Share-based payment Reserve	Deficit	Accumulated other comprehensive loss	Non-controlling interest	Total
	Note	#	\$	\$	\$	\$	\$	\$	\$
Balance at December 31, 2025		118,041,869	88,256,108	13,255,856	7,803,884	(105,236,587)	(1,235,601)	8,542,645	11,386,305
Share based compensation	15	-	-	-	68,744	-	-	-	68,744
Settlement of RSUs		-	-	-	-	-	-	-	-
Issuance of units (net of costs)	14	7,750,001	1,356,250	193,750	-	-	-	-	1,550,000
Foreign exchange translation		-	-	-	-	-	(10,054)	84,296	74,242
Net loss		-	-	-	-	(581,641)	-	292,747	(288,894)
Balance at March 31, 2026		125,791,870	89,612,358	13,449,606	7,872,628	(105,818,228)	(1,245,655)	8,919,688	12,790,397

		Common shares		Warrants	Share-based payment Reserve	Deficit	Accumulated other comprehensive loss	Non-controlling interest	Total
	Note	#	\$	\$	\$	\$	\$	\$	\$
Balance at December 31, 2024		110,215,490	86,378,616	13,115,856	7,650,321	(102,392,372)	(2,132,320)	7,084,067	9,704,168
Share based compensation	15	-	-	-	207,308	-	-	-	207,308
Settlement of RSUs	15	1,645,234	462,669	-	(462,669)	-	-	-	-
Issuance of units (net of costs)		-	-	-	-	-	-	-	-
Foreign exchange translation		-	-	-	-	-	556,015	245,595	801,610
Net loss		-	-	-	-	(54,193)	-	128,914	74,721
Balance at March 31, 2025		111,860,724	86,841,285	13,115,856	7,394,960	(102,446,565)	(1,576,305)	7,458,576	10,787,807

The accompanying notes are an integral part of these condensed consolidated interim financial statements

Avicanna Inc.
Consolidated Statements of Cash Flows
For the Three Months Ended March 31, 2026 and 2025
(Expressed in Canadian Dollars, unless otherwise noted)

	Note	March 31, 2026	March 31, 2025
Cash flows from operating activities			
Net income (loss)		\$ (288,894)	\$ 74,721
Depreciation and amortization	7,8,9	165,298	192,993
Accretion	11	-	1,835
Share-based compensation	15	68,744	207,308
Deferred revenue incurred, net of recognized revenue	10	(94,500)	(103,983)
Expected credit losses		-	-
Changes in non-cash operating elements of working capital	20	(807,011)	(390,559)
Cash provided by (used in) operating activities		(956,363)	(17,685)
Cash flows from investing activities			
Purchase of capital assets	7	(12,991)	(140,025)
Cash provided by (used in) investing activities		(12,991)	(140,025)
Cash flows from financing activities			
Payment of lease liability	11	-	(37,562)
Proceeds from issuance of common shares, net of costs	14	1,550,000	-
Increase in non-controlling interest contributions	13	(65,218)	68,194
Proceeds from exercise of warrants	14	-	-
Cash provided by financing activities		1,484,782	30,632
Net increase (decrease) in cash		515,428	(127,078)
Effect of foreign exchange differences		(423,955)	135,809
Cash, beginning of period		280,630	448,028
Cash, end of period		\$ 372,103	\$ 456,759

The accompanying notes are an integral part of these consolidated financial statements

Avicanna Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended March 31, 2026 and 2025

(Expressed in Canadian dollars, unless otherwise noted)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Chartered Professional Accountants Canada for a review of interim financial statements by an entity's auditor.

Avicanna Inc.

Notes to the Consolidated Financial Statements

For the Three Months Ended March 31, 2026 and 2025

(Expressed in Canadian dollars, unless otherwise noted)

1. NATURE OF OPERATIONS AND GOING CONCERN UNCERTAINTY

Avicanna Inc. (“Avicanna” or the “Company”) was incorporated in Ontario, Canada. The Company is a commercial-stage international biopharmaceutical company focused on the advancement and commercialization of evidence-based cannabinoid-based products and formulations for the global medical and pharmaceutical market segments. Avicanna has an established scientific platform including R&D and clinical development that has led to the commercialization of more than thirty proprietary finished products.

The registered office of the Company is located at 480 University Avenue, Suite 1502, Toronto, Ontario. The Company’s common shares are listed under the symbol “AVCN” on the Toronto Stock Exchange (“TSX”); the OTC US exchange under the symbol “AVCNF”; and the Frankfurt Stock Exchange under the symbol “ONN”.

These consolidated financial statements have been prepared on a going concern basis which contemplates that the Company will continue operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. These consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

As of March 31, 2026, the Company has an accumulated deficit of \$105,818,228 (March 31, 2025 - \$102,144,354), cash of \$372,103 (March 31, 2025 – \$456,759), and a working capital deficit of \$321,271 (March 31, 2025 – deficit of \$1,303,407). Additionally, the Company incurred a net loss after taxes of \$288,895 and used \$956,363 of cash from operating activities during the three month period ending on March 31, 2026. In the prior period, the Company earned net income of \$74,721 and used \$17,685 of cash from operating activities. The Company will need to raise additional financing to continue operations, product development and clinical research. Although the Company has been successful in the past in obtaining financing and it believes that it will continue to be successful, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be available on terms that are advantageous to the Company. These material uncertainties may cast significant doubt as to the Company’s ability to continue as a going concern.

2. BASIS OF PRESENTATION

Statement of compliance

These consolidated financial statements have been prepared by management in accordance with IFRS Accounting Standards as issued by the IASB and Interpretations of the IFRS Interpretations Committee. The policies set out below have been consistently applied to all periods presented unless otherwise noted.

These consolidated financial statements were approved and authorized for issuance by the Company’s Board of Directors on May 13, 2026.

Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis except for biological assets and derivative financial instruments, which are measured at fair value through profit and loss, as explained in the accounting policies below. The Company operates in three business segments: two based on geographic region and Corporate; Canada, International and Corporate, which is comprised of costs which serve the Company’s global administrative responsibilities.

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company. The functional currency of each subsidiary is presented in the table below.

Basis of consolidation

Subsidiaries are entities controlled by the Company. Control exists when the Company has power, directly or indirectly, over an entity and is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through the power it has. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The following is a list of the Company’s operating subsidiaries.

Avicanna Inc.

Notes to the Consolidated Financial Statements

For the Three Months Ended March 31, 2026 and 2025

(Expressed in Canadian dollars, unless otherwise noted)

Subsidiaries	Jurisdiction of Incorporation	Ownership Interest	Functional currency
Avicanna (UK) Limited (“Avicanna UK”)	United Kingdom	100%	British Pound Sterling
Avicanna USA Inc. (“Avicanna USA”)	United States of America	100%	United States Dollar
Avicanna LATAM S.A.S. (“LATAM”)	Republic of Colombia	100%	Colombian Peso
Santa Marta Golden Hemp S.A.S. (“SMGH”)	Republic of Colombia	51%	Colombian Peso
Sigma Analytical Magdalena S.A.S.	Republic of Colombia	60%	Colombian Peso
Sigma Magdalena Canada Inc.	Ontario, Canada	60%	Canadian Dollar
2516167 Ontario Inc. (“MyCannabis”)	Ontario, Canada	100%	Canadian Dollar

Intragroup balances and any unrealized gains and losses or income and expenses arising from intragroup transactions are eliminated in full on consolidation.

Subsequent to acquisition, the carrying amount of non-controlling interests is the amount recognized initially, plus the non-controlling interests’ share of changes in the capital of the company in addition to changes in ownership interests. Total comprehensive income or loss is attributed to non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Foreign currency transactions

Foreign currency transactions are translated into Canadian dollars at exchange rates in effect on the date of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the foreign exchange rate applicable at that period-end date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss and presented within gain (loss) on foreign exchange.

Foreign currency translation

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Canadian dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Canadian dollars at the dates of the transactions. Foreign currency differences due to translation are recognized in other comprehensive income (“OCI”) and accumulated in the translation reserve, except to the extent that the translation difference is allocated to non-controlling interests (“NCI”).

Use of judgments, estimates and assumptions

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates are based on management’s best knowledge of current events and actions that the Company may undertake in the future. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgments and estimates that management have made in the process of applying the Company’s accounting policies and that have the most significant effect on the amounts recognized in the Consolidated financial statements:

Avicanna Inc.

Notes to the Consolidated Financial Statements

For the Three Months Ended March 31, 2026 and 2025

(Expressed in Canadian dollars, unless otherwise noted)

Business combinations

Determining whether an acquisition meets the definition of a business combination or represents an asset purchase requires judgment on a case-by-case basis. As outlined in IFRS 3, the components of a business must include inputs, processes and outputs.

In a business combination, substantially all identifiable assets, liabilities and contingent liabilities acquired are recorded at the date of acquisition at their respective fair values. One of the most significant areas of judgment and estimation relates to the determination of the fair value of these assets and liabilities, including the fair value of contingent consideration, if applicable. If any intangible assets are identified, depending on the type of intangible asset and the complexity of determining its fair value, the Company may utilize an independent external valuation expert to develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows. These valuations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied.

Biological assets and inventory

In calculating the fair value of the biological assets and inventory, management is required to make a number of estimates, including estimating the stage of growth of the cannabis up to the point of harvest, harvesting costs, selling costs, average or expected selling prices and list prices, expected yields for the cannabis plants, and oil conversion factors. Inventories of harvested cannabis are valued at the lower of cost or net realizable value. The Company estimates the net realizable value of inventories, considering the most reliable evidence available at the reporting date. The future realization of these inventories may be affected by market-driven changes that may reduce future selling prices. A change to these assumptions could impact the Company's inventory valuation and gross profit.

Estimated useful life of long-lived assets

Judgment is used to estimate each component of a long-lived asset's useful life and is based on an analysis of all pertinent factors including, but not limited to, the expected use of the asset and in the case of an intangible asset, contractual provisions that enable renewal or extension of the asset's legal or contractual life without substantial cost, and renewal history. If the estimated useful lives were incorrect, it could result in an increase or decrease in the annual amortization expense, and future impairment charges or recoveries.

Impairment of long-lived assets

When there are indications that an asset may be impaired, the Company is required to estimate the asset's recoverable amount. The recoverable amount is the greater of value in use and fair value less costs to sell. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Determining the value in use requires the Company to estimate expected future cash flows associated with the assets and a suitable discount rate to calculate present value.

In addition to assessing evidence of possible impairment, the Company also determines whether there is any indication that a previously recognized impairment loss for an asset other than goodwill no longer exists or may have decreased. The Company determines whether there has been a change in the estimate used to determine the asset's recoverable amount since the last impairment loss is recognized.

Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Functional currency

The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the respective entity operates. Such determination involves certain judgements to identify the primary economic environment. The Company reconsiders the functional currency of its subsidiaries if there is a change in events and/or conditions which determine the primary economic environment.

Provisions

Provisions are accrued for liabilities with uncertain timing or amounts, if, in the opinion of management, it is both likely that a future event will confirm that a liability has been incurred at the date of the consolidated financial statements and the amount can be reasonably estimated. In cases where it is not possible to determine whether such a liability has occurred, or to reasonably estimate the amount of loss until the performance of some future event, no accrual is made until that time. In the ordinary course of business, the Company may be party to legal proceedings which include claims for monetary damages asserted against the Company. The adequacy of provisions is regularly assessed as new information becomes available.

Avicanna Inc.

Notes to the Consolidated Financial Statements

For the Three Months Ended March 31, 2026 and 2025

(Expressed in Canadian dollars, unless otherwise noted)

Leases

The Company exercises judgment when contracts are entered into that may give rise to a right-of-use asset that would be accounted for as a lease. Judgment is required in determining the appropriate lease term on a lease-by-lease basis. The Company considers all facts and circumstances that create an economic incentive to exercise a renewal option or to not exercise a termination option at inception and over the term of the lease, including investments in major leaseholds, operating performance, and changed circumstances. The periods covered by renewal or termination options are only included in the lease term if the Company is reasonably certain to exercise that option.

Income tax provisions

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. Judgment is required in determining whether deferred income tax assets and liabilities are recognized on the consolidated statement of financial position. Deferred income tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate future taxable income in order to utilize the deferred income tax assets. Estimates of future taxable income are based on forecasted cash flows from operations or other activities. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred income tax assets recorded on the reporting date could be impacted.

The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Determination of share-based payments

The estimation of share-based payments (including warrants and stock options) requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The model used by the Company is the Black-Scholes valuation model at the date of the grant. The Company makes estimates as to the volatility, the expected life, dividend yield and the time of exercise, as applicable. The expected volatility is based on the average volatility of share prices of similar companies over the period of the expected life of the applicable warrants and stock options. The expected life is based on historical data. These estimates may not necessarily be indicative of future actual patterns.

3. MATERIAL ACCOUNTING POLICY INFORMATION

These condensed consolidated interim financial statements have been prepared in accordance with the accounting policies adopted in the Company's audited consolidated financial statements for the year ended December 31, 2025.

4. ACCOUNTS RECEIVABLE

		March 31, 2026		December 31, 2025
Trade and other receivables	\$	2,571,055	\$	2,698,663
Sales tax receivable		1,178,240		1,126,039
Expected credit loss provision		(277,386)		(278,269)
Total amounts receivable	\$	3,471,909	\$	3,546,433

5. BIOLOGICAL ASSETS

Biological assets consist of cannabis on plants. The changes in the carrying value of biological assets are as follows:

		March 31, 2026		December 31, 2025
Opening balance	\$	253,672	\$	41,128
Production costs capitalized		186,592		906,854
Gain in fair value less cost to sell due to biological transformation		165,544		-
Transferred to inventory upon harvest		(260,354)		(699,367)
Foreign exchange translation		10,263		5,058
Ending balance	\$	355,717	\$	253,673

Avicanna Inc.

Notes to the Consolidated Financial Statements

For the Three Months Ended March 31, 2026 and 2025

(Expressed in Canadian dollars, unless otherwise noted)

The Company measures its biological assets at their fair value less costs to sell. This is determined using a model which estimates the expected harvest yield in grams for plants and seeds currently being cultivated, and then adjusts that amount for the expected selling price less costs to sell per gram. During the period, the Company also cultivated seeds which have been transferred into inventory.

The fair value measurements for biological assets have been categorized as Level 3 fair values based on the inputs to the valuation technique used. The Company's method of accounting for biological assets attributes value accretion on a straight-line basis throughout the life of the biological asset from initial cloning to the point of harvest.

The fair value of biological assets has been determined using a valuation model that incorporates key unobservable inputs based on management's best estimates at the reporting date. The valuation reflects the expected economic outcome of the biological transformation process, taking into account both direct commercialization of flower and alternative conversion into finished products, where applicable.

As at March 31, 2026, the Company's biological assets were, on average, 62% complete (December 31, 2025 – 16% complete) and it was expected that the biological assets would yield approximately 1,464 kg of dry flower (December 31, 2025 – 1,356 kg). As at March 31, 2026, the Company had 15,471 plants (December 31, 2025 – 13,832 plants) that are considered biological assets.

The significant estimates and inputs used to assess the fair value of biological assets include the following assumptions:

- Average number of weeks in the growing cycle is 14 weeks from propagation to harvest. As at March 31, 2026, 0% of the plants were in the propagation stage, 43% were in the vegetative stage and 57% were in the flowering stage.
- Expected average harvest yield as at March 31, 2026 was 95g per plant (December 31, 2025 – 97g).
- Expected average fair value of \$0.24 per gram for flower products at the time of harvest as at March 31, 2026 (December 31, 2025 - \$0.19 per gram).
- Expected average cost to complete harvest and cost of post-harvest activities is \$0.19 per gram as at March 31, 2026 (December 31, 2025 - \$0.15 per gram).

The expected average fair values were determined by using recent bulk flower purchases and the Company's historical purchases and sales, and the Company's expected purchase price going forward. The estimates of growing cycle, harvest yield and costs per gram are based on the Company's historical results. These assumptions are subject to volatility and several uncontrollable factors, which could significantly affect the fair value of biological assets in future periods. The Company expects that a \$1 increase or decrease in the selling price per kilogram of dried cannabis would increase or decrease the fair value of biological assets by \$896. A 5% increase or decrease in the estimated yield per cannabis plant would result in an increase or decrease in the fair value of biological assets of \$17,428.

The Company's estimates are, by their nature, subject to change and differences from the anticipated yield will be reflected in the gain or loss on biological assets in future periods.

An unrealized gain on biological assets of \$132,970 was included in costs of goods sold for the three months ended March 31, 2026 (December 31, 2025 – \$58,941).

Avicanna Inc.

Notes to the Consolidated Financial Statements

For the Three Months Ended March 31, 2026 and 2025

(Expressed in Canadian dollars, unless otherwise noted)

6. INVENTORY

	Capitalized Cost	Biological assets fair value adjustment	Impairment	Carrying Value
Harvested Cannabis				
Seeds	\$ 86,300	\$ -	\$ (86,300)	\$ -
Wet Flower	403,801	-	(38,539)	365,262
Dried Flower	908,844	66,682	(517,991)	457,535
	1,398,945	66,682	(642,830)	822,797
Active Pharmaceutical Ingredients				
Work in process	490,988	-	-	490,988
Finished goods	10,160	-	(7,715)	2,445
	501,148	-	(7,715)	493,433
Supplies and consumables	594,429	-	(16,265)	578,164
Finished goods	1,856,607	-	(16,726)	1,839,881
March 31, 2026	\$ 4,351,129	\$ 66,682	\$ (683,536)	\$ 3,734,275

	Capitalized Cost	Biological assets fair value adjustment	Impairment	Carrying Value
Harvested Cannabis				
Seeds	\$ 82,945	\$ -	\$ (82,945)	\$ -
Wet Flower	209,204	83,977	-	293,181
Dried Flower	861,106	(197,819)	(5,521)	657,766
	1,153,255	(113,842)	(88,466)	950,946
Active Pharmaceutical Ingredients				
Work in process	477,204	167,967	-	645,171
Finished goods	15,630	-	(7,415)	8,215
	492,834	167,967	(7,415)	653,386
Supplies and consumables	549,910	-	(15,633)	534,277
Finished goods	1,472,172	-	(16,077)	1,456,095
December 31, 2025	\$ 3,668,171	\$ 54,125	\$ (127,591)	\$ 3,594,705

The value of inventory transferred to cost of goods sold during the three months ended March 31, 2026, was \$3,015,730 (March 31, 2025 - \$2,782,814). During the three months ended March 31, 2026, the Company recognized inventory impairment of \$5,941 to account for changes in the net realizable value of cannabis inventory.

Avicanna Inc.

Notes to the Consolidated Financial Statements

For the Three Months Ended March 31, 2026 and 2025

(Expressed in Canadian dollars, unless otherwise noted)

7. PROPERTY AND EQUIPMENT

	Equipment \$	Land \$	Construction in Progress \$	Infrastructure and Buildings \$	Total \$
Cost					
December 31, 2025	5,697,453	7,401,470	635,706	1,702,400	15,437,029
Additions	12,991	-	-	-	12,991
Disposals	-	-	-	-	-
Foreign exchange translation	197,308	299,415	25,717	64,893	587,333
March 31, 2026	5,907,752	7,700,885	661,423	1,767,293	16,037,353
Accumulated Depreciation					
December 31, 2025	2,525,857	-	-	525,923	3,051,780
Depreciation	80,446	-	-	24,230	104,676
Disposals	-	-	-	-	-
Foreign exchange translation	68,220	-	-	17,799	86,019
March 31, 2026	2,674,523	-	-	567,952	3,242,475
Net Book Value					
December 31, 2025	3,171,596	7,401,470	635,706	1,176,477	12,385,249
March 31, 2026	3,233,229	7,700,885	661,423	1,199,341	12,794,878

During the three months ended March 31, 2026, the Company recognized depreciation expense on its property and equipment of \$104,676 (March 31, 2025 - \$98,851).

8. INTANGIBLE ASSETS AND GOODWILL

Intangible assets

	Customer Relationships \$	Ecommerce Platform \$	Licenses and Permits \$	Software Licenses \$	Intellectual Property \$	Total \$
Cost						
December 31, 2025	761,327	968,932	50,441	122,945	182,465	2,086,110
Additions	-	-	-	-	-	-
Foreign exchange translation	-	-	2,041	4,974	4,164	11,179
March 31, 2026	761,327	968,932	52,482	127,919	186,629	2,097,289
Accumulated Amortization						
December 31, 2025	440,994	702,528	50,441	122,945	142,771	1,459,679
Amortization	31,000	25,647	-	-	3,976	60,622
Foreign exchange translation	-	-	2,041	4,974	4,164	11,179
March 31, 2026	471,994	728,175	52,482	127,919	150,911	1,531,480
Net Book Value						
December 31, 2025	320,333	266,404	-	-	39,694	626,431
March 31, 2026	289,333	240,757	-	-	35,719	565,809

Avicanna Inc.

Notes to the Consolidated Financial Statements

For the Three Months Ended March 31, 2026 and 2025

(Expressed in Canadian dollars, unless otherwise noted)

During the three months ended March 31, 2026, the Company recognized amortization on its intangible assets of \$60,622 (March 31, 2025 - \$60,622).

9. RIGHT OF USE ASSETS

As of March 31, 2026, and 2025, the Company's right of use assets consisted of the following:

	March 31, 2026		December 31, 2025	
Cost				
Opening balance	\$	-	\$	392,297
Ending balance	\$	-	\$	392,297
Accumulated Amortization				
Opening balance	\$	-	\$	291,368
Depreciation		-		100,929
Ending balance	\$	-	\$	392,297
Net Book Value	\$	-	\$	-

10. DEFERRED REVENUE

	March 31, 2026		December 31, 2025	
Opening balance	\$	1,055,520	\$	1,522,031
Revenue recognized		(94,500)		(466,511)
Ending Balance	\$	961,020	\$	1,055,520

- [i] On November 26, 2019, the Company entered into a license agreement (the "License Agreement") with LC2019, Inc. ("LC2019") pursuant to which the Company has agreed to license certain proprietary formulations and brand elements to LC2019 for commercialization in the United States. Management assessed the nature of the promise under IFRS 15 and concluded that the License Agreement provides LC2019 with a right to access the Licensed IP over the license term, as the Company undertakes ongoing activities to maintain and protect the licensed brand and related intellectual property and governs the manner in which the brand is used (including activities such as maintaining trademark registrations and monitoring/enforcing intellectual property rights, and maintaining and updating brand standards/quality controls). In relation to this contract, the Company recognized \$94,500 into license revenue during the three months March 31, 2026 (March 31, 2025 – 94,500).

Significant judgement – term of recognition and termination rights: The License Agreement includes a stated 10-year term and includes termination provisions (including a termination-for-convenience right on notice). Management has applied judgment in determining that recognizing revenue on a straight-line basis over the 10-year term best depicts the period over which the Company satisfies the stand-ready/right-to-access licensing promise, based on the contractual term, the nature of the ongoing provisions and activities, and management's expectation that the arrangement will continue absent a change in facts. Management reassesses this judgment at each reporting date and would revise the recognition period if facts and circumstances change (for example, if termination becomes probable or occurs).

- [ii] On April 10, 2022, the Company entered into an exclusive license and supply agreement with a South American pharmaceutical company (the "Licensee"). The agreement provides the Licensee with the right to use the Company's intellectual property ("IP") to promote, market and sell the Company's products within Licensee's designated territory for an initial period of five years, commencing on the date of execution. As consideration for the licensing agreement, the Company is to receive a fee of USD\$1,000,000 (\$1,291,255), paid in five tranches; a USD\$100,000 (\$125,955) fee paid on signing of the agreement and the remainder paid in four tranches as the Company meets specific milestones in the transfer of IP. The Company originally determined that the fee paid upon signing contains a performance obligation which occurs over a period of time and therefore, revenue was to

Avicanna Inc.

Notes to the Consolidated Financial Statements

For the Three Months Ended March 31, 2026 and 2025

(Expressed in Canadian dollars, unless otherwise noted)

be recognized straight-line over a five-year period based on the term of the contract. However, the Company has now met all milestones and has no remaining performance obligations. Therefore, the Company deemed it appropriate to recognize the remaining balance of deferred revenue to License Revenue during the year ending December 31, 2025.

[iii] On April 22, 2022, the Company entered into an exclusive license and supply agreement with a Brazilian pharmaceutical company (the "Licensee"). The agreement provides the Licensee with the right to use the Company's IP to promote, market and sell the Company's products within the Licensee's designated territory for an initial period of 5 years, commencing on the date of execution. As consideration for the licensing agreement, the Company is to receive a fee of USD\$250,000 (\$322,814), paid in three tranches; a USD\$50,000 (\$63,713) fee paid on signing of the agreement and two USD\$100,000 (\$129,125) as the Licensee meets specific milestones. The Company originally determined that the fee paid upon signing contained a performance obligation which occurs over a period and therefore, revenue was to be recognized straight-line over a five-year period based on the term of the contract. However as there remains no further milestones to be met nor any remaining performance obligation, the Company deemed it appropriate to recognize the remaining balance of deferred revenue to License Revenue during the year ending December 31, 2025.

Future recognition of current deferred revenue will be as follows:

Recognized in less than 1 year	\$	378,001
Recognized between 1 and 3 years		583,018
Recognized between 3 and 5 years		-
	\$	961,020

11. LEASE LIABILITY

As of March 31, 2026, and March 31, 2025, the lease liability consisted of the following:

		March 31, 2026	December 31, 2025
Opening balance	\$	-	\$ 109,227
Interest incurred on lease liability		-	3,459
Lease payments		-	(112,686)
Ending balance	\$	-	\$ -
Lease liability – current portion		-	-
Lease liability – noncurrent portion		-	-

The Company is currently in a month-to-month lease for the Toronto office space and therefore holds no liability or asset on the balance sheet.

12. ROYALTY LIABILITY

		March 31, 2026	December 31, 2025
Opening balance	\$	150,132	\$ 300,132
Payments		(150,132)	(150,000)
Change in fair value		-	-
Ending Balance	\$	-	\$ 150,132

On July 31, 2023, the Company closed the acquisition of Medical Cannabis by Shoppers Drug Mart. As partial consideration for the acquisition, the Company entered into a Royalty Agreement whereby, Shoppers Drug Mart Inc. (the "Vendor") receives an earn-out payment of 15% of net revenue from the acquired customers, for a period of one year following the closing date and 10% of net revenue for a period of one year following the first anniversary of the closing date. Net revenue is defined in the acquisition agreement as revenue less discounts, cost of goods sold, shipping and clinic education fees.

The obligation was originally accounted for as a financial liability recorded at fair value through profit and loss while the future revenue and associated liability was unknown. The fair value of this obligation was determined using valuation models that require estimation

Avicanna Inc.

Notes to the Consolidated Financial Statements

For the Three Months Ended March 31, 2026 and 2025

(Expressed in Canadian dollars, unless otherwise noted)

of future earnings, future net cash flows, and discount rates. This was calculated using a discounted cash flow model which estimates approximately 2% to 3% annual sales growth, a customer attrition rate of approximately 30% annually and a discount rate of 20%. The discount rate was determined based on the Company's capital structure and by assessing comparable peers within the Company's industry.

13. RELATED PARTY TRANSACTIONS

The Company defines key management personnel as the Chief Executive Officer, Chief Legal Officer, Chief Financial Officer and all members of the Board of Directors. The following outlines salaries and shared based compensation paid to key management personnel:

	March 31, 2026		March 31, 2025	
Salaries	\$	161,250	\$	162,535
Stock-based compensation		-		39,150
	\$	161,250	\$	201,685

Non-controlling interest contribution liability

The Company recognizes accumulated contributions from certain related parties who represent the minority shareholders of SMGH in the amount of \$79,425 (December 31, 2025 - \$141,526). The advances relate to minority partners contributions towards the expansion and operation of the cultivation facilities. The balance owed to this related party is interest free. As these amounts become due, the outstanding balances are converted into common shares of SMGH.

On June 25, 2025, the Company and the minority shareholder of SMGH completed a capitalization of a total of \$1,462,944 (COP \$4,318,615,628) in shareholder contributions in SMGH, including \$704,156 in contributions from the minority shareholder. The company and the minority shareholder received an additional 2,078,668 and 1,994,612 shares in SMGH, respectively. SMGH remains a majority owned subsidiary of the Company.

Changes in the balances are disclosed in the following table:

	March 31, 2026		December 31, 2025	
Opening Balance – Note 24	\$	141,526	\$	315,165
Additions & adjustments		(65,218)		433,000
Capitalized		-		(704,156)
Foreign exchange		3,117		97,517
Ending Balance	\$	79,425	\$	141,526

14. SHARE CAPITAL

Authorized and outstanding share capital:

The authorized share capital of the Company consists of an unlimited number of common shares and an unlimited number of preferred shares with no par value. As of March 31, 2026, the Company had 125,791,870 common shares issued and outstanding (December 31, 2025 – 118,041,869).

- [i] On July 16, 2025, the Company issued an aggregate of 4,000,000 Units (the "Units") at a price of \$0.25 per Unit for cash proceeds of \$1,000,000. Each Unit was comprised of one (1) common share in the capital of the Company and one-half common share purchase warrant. Each whole Warrant is exercisable into one common share in the capital of the Company at a price of \$0.30 until July 16, 2028.

The proceeds were allocated between the common shares and the warrants by determining the fair value of the warrants, and allocating the residual to the common shares as follows:

Common shares	\$	860,000
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Avicanna Inc.

Notes to the Consolidated Financial Statements

For the Three Months Ended March 31, 2026 and 2025

(Expressed in Canadian dollars, unless otherwise noted)

Warrants	140,000
	\$ 1,000,000

The fair value of the common share purchase warrants was determined using the Black-Scholes option pricing model with a market price per common share of \$0.25, a risk-free interest rate of 2.81%, an expected annualized volatility of 73% and expected dividend yield of 0%.

- [ii] On February 10, 2026, the Company issued an aggregate of 7,750,001 Units (the “Units”) at a price of \$0.20 per Unit for cash proceeds of \$1,550,000. Each Unit was comprised of one (1) common share in the capital of the Company and one-half common share purchase warrant. Each whole Warrant is exercisable into one common share in the capital of the Company at a price of \$0.25 until February 10, 2029.

The proceeds were allocated between the common shares and the warrants by determining the fair value of the warrants, and allocating the residual to the common shares as follows:

Common shares	\$ 1,356,250
Warrants	193,750
	\$ 1,550,000

The fair value of the common share purchase warrants was determined using the Black-Scholes option pricing model with a market price per common share of \$0.20, a risk-free interest rate of 2.48%, an expected annualized volatility of 67% and expected dividend yield of 0%.

Warrant Reserve

As of March 31, 2026, the following warrants were outstanding and exercisable:

	Warrants	Weighted average exercise price
	#	\$
Outstanding as of December 31, 2024	24,316,498	0.43
Warrants issued	2,000,000	0.30
Warrants exercised	-	-
Warrants expired	(10,852,975)	0.41
Outstanding as of December 31, 2025	15,463,523	0.43
Warrants issued	3,875,001	0.25
Warrants exercised	-	-
Warrants expired	(1,564,990)	0.50
Outstanding as of March 31, 2026	17,773,534	0.38

Avicanna Inc.

Notes to the Consolidated Financial Statements

For the Three Months Ended March 31, 2026 and 2025

(Expressed in Canadian dollars, unless otherwise noted)

The following table is a summary of the Company's warrants outstanding as of March 31, 2026:

Exercise price range \$	Warrants Outstanding		Warrants Exercisable	
	Number outstanding #	Weighted average remaining life (years)	Weighted average exercise price \$	Number exercisable #
0.55	2,735,729	1.05	0.55	2,735,729
0.50	1,439,940	0.15	0.50	2,988,055
0.41	1,354,158	0.68	0.41	1,371,033
0.40	4,913,706	1.45	0.40	4,913,706
0.35	1,455,000	0.34	0.35	1,455,000
0.30	2,000,000	2.30	0.30	2,000,000
0.25	3,875,001	2.87	0.25	3,875,001
	17,773,534	1.54	0.43	17,773,534

15. SHARE BASED PAYMENT RESERVE AND COMPENSATION

The Company has established a Long-Term Omnibus Compensation Plan (the "Omnibus Plan") for directors, officers, employees, and consultants of the Company. The Company's Board of Directors determines, among other things, the eligibility of individuals to participate in the Option Plan and the term, vesting periods, and the exercise price of options and share units granted to individuals under the Omnibus Plan.

Each option converts into one common share of the Company on exercise. No amounts are paid or payable by the individual on receipt of the option. The options carry neither the right to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry. Each share unit converts into a single common share of the Company on the vesting date. No amounts are payable on receipt of the share unit or at vesting.

The Company's Omnibus Plan provides that the number of common shares reserved for issuances of options may not exceed 10%, and the number of common shares reserved for the issuance of share units must not exceed 4%, of the number of common shares outstanding. If any options or share units terminate, expire, or are cancelled, as contemplated by the Omnibus Plan, the number of options or share units so terminated, expired, or cancelled shall again be available under the Omnibus Plan.

Share-based compensation is comprised of the following:

	March 31, 2026		March 31, 2025	
Stock options	\$	8,877	\$	2,037
Restricted Stock Units		59,867		205,271
	\$	68,744	\$	207,308

Employee and non-employee options

[i] Measurement of fair values

The fair value of share options granted during the three month period ending March 31, 2026, and 2025, was estimated at the date of grant using the Black Scholes option pricing model using the following range of inputs:

	2026	2025
Grant date share price	n/a	\$0.26
Exercise price	n/a	\$0.33
Expected dividend yield	n/a	0%

Avicanna Inc.

Notes to the Consolidated Financial Statements

For the Three Months Ended March 31, 2026 and 2025

(Expressed in Canadian dollars, unless otherwise noted)

Risk-free interest rate	n/a	2.70%
Expected option life	n/a	5 years
Expected volatility	n/a	20.67%

Expected volatility was estimated by using the historical volatility of the Company's publicly traded common shares. The expected option life represents the period that options granted are expected to be outstanding. The risk-free interest rate is based on Canada government bonds with a remaining term equal to the expected life of the options.

[ii] Options Issued and Outstanding

	Options #	Weighted average exercise price \$
Outstanding on December 31, 2024	7,890,358	0.59
Options issued	810,000	0.32
Options expired	(272,000)	2.92
Options cancelled and forfeited	(752,200)	0.38
Outstanding on December 31, 2025	7,676,158	0.49
Options issued	-	-
Options expired	(374,630)	0.78
Options cancelled and forfeited	(179,500)	3.27
Outstanding on March 31, 2026	7,122,028	0.44

The following table is a summary of the Company's share options outstanding as of March 31, 2026:

Options Outstanding			Options Exercisable	
Exercise price \$	Number outstanding #	Weighted average remaining life (years)	Weighted average exercise price \$	Number exercisable #
0.30	300,000	3.65	0.30	287,500
0.31	250,000	4.44	0.31	197,500
0.33	2,547,500	3.34	0.33	2,137,500
0.35	350,000	3.33	0.35	350,000
0.37	40,000	1.62	0.37	40,000
0.38	350,000	2.17	0.38	200,000
0.39	1,550,000	2.92	0.39	775,000
0.40	275,000	0.42	0.40	275,000
0.45	400,000	2.66	0.45	400,000
0.47	370,000	2.40	0.47	370,000
0.60	350,000	1.77	0.60	350,000
1.00	285,000	0.91	1.00	285,000
1.24	2,500	0.46	1.24	2,500
2.50	50,478	3.28	2.50	50,478
5.00	1,550	0.56	5.00	1,550
	7,122,028	2.86	0.42	5,722,028

During the three-month period ending March 31, 2026, the Company recognized a total share-based compensation expense relating to options of \$8,877 (March 31, 2025 - \$2,037).

Avicanna Inc.

Notes to the Consolidated Financial Statements

For the Three Months Ended March 31, 2026 and 2025

(Expressed in Canadian dollars, unless otherwise noted)

Restricted Stock Units

The fair value of restricted stock units (“RSUs”) granted is based on the market price of the Company’s publicly traded common shares on the grant date.

The following table summarized the continuity of the Company’s RSUs:

	Restricted stock units #	Weighted average issue price \$
Outstanding on December 31, 2024	1,162,295	0.32
RSUs issued	4,269,021	0.25
RSUs vested	(3,826,379)	0.27
RSUs forfeited	(258,333)	0.27
Outstanding on December 31, 2025	1,346,604	0.26
RSUs issued	-	-
RSUs vested	-	-
RSUs forfeited	-	-
Outstanding on March 31, 2026	1,346,604	0.26

During the three-month period ending March 31, 2026, the Company recognized a total share-based compensation expense relating to restricted stock units of \$59,867 (March 31, 2025 - \$205,271).

16. NON-CONTROLLING INTEREST

The net change in non-controlling interest is as follows:

	March 31, 2026	December 31, 2025
Opening Balance	\$ 8,542,645	\$ 7,084,067
Capitalization of non-controlling interest contributions (note 17)	-	704,155
Foreign translation	84,296	669,404
Net loss attributed to non-controlling interest	292,747	85,018
Ending Balance	\$ 8,919,688	\$ 8,542,645

17. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from deposits with banks and outstanding receivables. The Company does not hold any collateral as security but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance.

As of March 31, 2026 \$2,571,055 in trade and other receivables remained outstanding (December 31, 2025 – \$2,698,663). The Company applies the simplified approach to providing for expected credit losses as prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The loss allowance is based on the Company’s historical collection and loss experience and incorporates forward-looking factors, where appropriate.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company’s exposure to liquidity risk is dependent on the Company’s ability to raise additional financing to meet its commitments and sustain operations. The Company mitigates liquidity risk by management of working capital, cash flows and the issuance of share capital.

In addition to the commitments disclosed, the Company is obligated to the following contractual maturities of undiscounted cash flows:

Avicanna Inc.

Notes to the Consolidated Financial Statements

For the Three Months Ended March 31, 2026 and 2025

(Expressed in Canadian dollars, unless otherwise noted)

	Carrying amount	Contractual cash flows	Year 1	Year 2	Year 3 +
Trade payables and accrued liabilities	\$ 8,249,776	\$ 8,249,776	\$ 8,249,776	\$ -	\$ -
	\$ 8,249,776	\$ 8,249,776	\$ 8,249,776	\$ -	\$ -

As at March 31, 2026, the Company had trade payables and accrued liabilities of which approximately \$2,422,876 were greater than 60 days past due. The Company has entered into payment arrangements with certain vendors related to these overdue balances and management expects the Company to continue making payments in accordance with the agreed repayment terms in order to bring the outstanding balances current.

The due to related party balance of \$79,425 is not intended to be repaid. As these amounts become due, the outstanding balances can be converted into common shares of SMGH, consistent with current ownership splits.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk.

Currency risk

Currency risk is the risk to the Company's earnings that arise from fluctuations in foreign exchange rates. The Company is exposed to foreign currency exchange risk as it has substantial operations based out of Colombia and record keeping is denominated in a foreign currency. As such the company has foreign currency risk associated with Colombian Pesos. A 5% change in the value of the Colombian Peso would lead to a change of approximately \$44,124 in net income (loss) primarily due to the remeasurement of Colombian denominated monetary assets and liabilities.

Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate as all borrowing have fixed rates of interest which are not effected by these fluctuations. The Company's exposure to interest rate risk as at March 31, 2026 is not significant. The Company did not have material variable-rate borrowings outstanding at year-end. Accordingly, management believes that a reasonable change in market interest rates would not have a material effect on the Company's financial position, results of operations, or cash flows.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of the Company's cannabis products (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Fair values

The carrying values of cash, amounts receivable, amounts payable, current portion of loan payable and royalty liability, approximate the fair values due to the short-term nature of these items. The risk of material change in fair value is not considered to be significant due to the short-term nature. It is not practicable to estimate the fair value of the non-controlling interest contribution liability, due to the nature of this liability. The Company does not use derivative financial instruments to manage this risk.

Financial instruments recorded at fair value on the consolidated statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Avicanna Inc.

Notes to the Consolidated Financial Statements

For the Three Months Ended March 31, 2026 and 2025

(Expressed in Canadian dollars, unless otherwise noted)

Level 2	Valuation techniques based on inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3	Valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The hierarchy prioritizes the inputs used by the Company's valuation techniques. A level is assigned to each fair value measurement based on the lowest-level input significant to the fair value measurement in its entirety.

The Company's finance team performs valuations of financial items for financial reporting purposes, including level 3 fair values, in consultation with third party valuation specialists for complex valuations. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximizing the use of market – based information.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. As of the three months ended March 31, 2026, and year ending December 31, 2025, there were no level 3 financial instruments.

18. GENERAL AND ADMINISTRATIVE EXPENSES

	March 31, 2026		March 31, 2025	
Office and general	\$	833,007	\$	843,493
Selling, marketing and promotion		958,453		787,888
Consulting fees		208,588		88,133
Professional fees		266,846		41,689
Salaries and wages		1,630,443		1,297,297
Research and development		15,994		51,072
	\$	3,913,331	\$	3,109,572

During the period ended March 31, 2026, as part of its inventory costing process, the Company capitalized \$131,511 of salaries to inventory and biological assets (March 31, 2025 – \$83,338).

19. LOSS PER SHARE

	March 31, 2026		March 31, 2025	
Net loss attributable to equity holders of the Company	\$	(581,641)	\$	(54,193)
Weighted average number of common shares – basic and diluted		119,082,280		110,368,745
Net loss per share – basic and diluted	\$	-	\$	-

20. NON-CASH OPERATING ELEMENTS OF WORKING CAPITAL

	March 31, 2026		March 31, 2025	
Amounts receivable	\$	74,524	\$	374,009
Biological assets		(102,044)		(237,084)
Inventory		(139,570)		(135,387)
Prepaid assets		(229,926)		33,846
Accounts payable		(409,995)		(425,943)
	\$	(807,011)	\$	(390,559)

Avicanna Inc.

Notes to the Consolidated Financial Statements

For the Three Months Ended March 31, 2026 and 2025

(Expressed in Canadian dollars, unless otherwise noted)

21. SEGMENT REPORTING

Operating segments are determined based on internal reporting that is regularly reviewed by the chief operating decision maker (“CODM”) for the purpose of allocating resources to the segment and for assessing its performance. As of March 31, 2026, the Company determined that it has three operating segments, two organized by geographical area: Canada and International, and Corporate, comprised of costs which serve the Company’s global administrative responsibilities.

Canada includes sales of the Company’s pharmaceutical and health products as well as revenue generated from the licensing of intellectual property and research and development services, all developed in Canada and serving customers within Canada. International includes sales of the Company’s pharmaceutical and health products and sales of API to customers worldwide, all grown and developed in Colombia. Corporate includes overhead and financing costs incurred by the Company to support its public company infrastructure and operating segments.

	Canada	International	Corporate	Total
As at, and for the three months ended, March 31, 2026				
Statement of Financial Position				
Current assets	\$ 4,126,300	\$ 4,259,631	\$ -	\$ 8,385,931
Non-current assets	941,659	12,753,028	-	13,694,687
Current liabilities	7,865,521	841,681	-	8,707,202
Non-current liabilities	583,019	-	-	583,019
Statement of Operations and Comprehensive Loss				
Revenue	\$ 5,991,948	\$ 688,082	\$ -	\$ 6,680,030
Gross margin	3,056,600	781,756	-	3,838,356
Operating expenses	(3,755,498)	(322,817)	(69,058)	(4,147,373)
Net loss before tax	(633,184)	413,347	(69,058)	(288,895)

	Canada	International	Corporate	Total
As at, and for the three months ended, March 31, 2025				
Statement of Financial Position				
Current assets	\$ 3,862,706	\$ 3,751,813	\$ -	\$ 7,614,519
Non-current assets	1,283,005	11,847,768	-	13,130,773
Current liabilities	7,241,817	1,676,109	-	8,917,926
Non-current liabilities	1,002,113	-	-	1,002,113
Statement of Operations and Comprehensive Income (Loss)				
Revenue	\$ 5,316,346	\$ 1,007,855	\$ -	\$ 6,324,201
Gross margin	2,596,847	1,007,220	-	3,604,067
Operating expenses	(2,666,289)	(574,931)	(268,653)	(3,509,873)
Net income (loss) before tax	(16,862)	360,236	(268,653)	74,721