WILDPACK BEVERAGE INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE AND NINE-MONTHS ENDED SEPTEMBER 30, 2025, AND 2024

(Expressed in thousands of United States Dollars)

Notice of Non-review of Condensed Consolidated Interim Financial Statements

The attached condensed consolidated interim financial statements (unaudited) for the three and nine-months ended September 30, 2025, and September 30, 2024, have been prepared by and are the responsibility of Wildpack Beverage Inc.'s management and have been approved by the Board of Directors. Wildpack Beverage Inc.'s independent auditor has not performed a review of the three and nine-month period ended September 30, 2025, condensed consolidated interim financial statements (unaudited).

WILDPACK BEVERAGE INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION (UNAUIDTED)
(Expressed in thousands of United States Dollars, except for per share and share amounts)

	Note	September 30, 2025	December 31, 2024
ASSETS			
Current assets			
Cash		$629	$254
Cash held in trust	11	–	658
Accounts receivable	5	7,916	8,547
Sales taxes recoverable		5	44
Deferred financing cost	13	500	500
Inventories	6	9,413	4,558
Prepaid expenses and deposits		678	475
		19,141	15,036
Property, plant, and equipment	7	6,970	8,040
Right of use assets	10	3,778	6,617
Derivative asset	13	12	12
Intangible assets	8	–	9,135
Investment in associate	9	104	251
Goodwill	8	–	3,055
Other deposits		154	370
TOTAL ASSETS		**$30,159**	**$42,516**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		22,823	18,284
Deferred revenue		1,606	1,810
Deferred financing loan	13	595	533
Current portion of lease obligations	11	1,835	3,116
Current portion of long-term debt	12	110,665	85,406
		137,524	109,149
Lease obligations	11	3,212	4,945
Long term debt	12	501	1,184
TOTAL LIABILITIES		**$141,237**	**$115,278**
SHAREHOLDERS' EQUITY			
Share capital	14	36,757	36,757
Equity reserve	13	9,154	9,154
Contributed surplus		16,975	16,868
Accumulated deficit		(175,924)	(138,594)
Accumulated other comprehensive income		1,960	3,053
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)		**$(111,078)**	**$(72,762)**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		**$30,159**	**$42,516**
Nature of operations and going concern	1		
Commitments and contingencies	21		
Subsequent events	22		

On behalf of the Board of Directors:

"Stephen Fader"	*"Mitchell Barnard"*
Stephen Fader (Director)	Mitchell Barnard (Director)

The accompanying notes are an integral part of these condensed consolidated interim financial statements (unaudited).

WILDPACK BEVERAGE INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS (UNAUDITED)
(Expressed in thousands of United States Dollars, except for per share and share amounts)

	Note	Three-months ended September 30, 2025	Three-months ended September 30, 2024	Nine-months ended September 30, 2025	Nine-months ended September 30, 2024
Sales	15	$16,795	$16,133	$51,280	$41,131
Cost of sales					
Production costs	16	18,187	15,942	50,300	39,832
Depreciation and amortization	7, 10	469	505	1,852	1,896
Cost of sales		18,656	16,447	52,152	41,728
GROSS PROFIT (LOSS)		**$(1,861)**	**$(314)**	**$(872)**	**$(597)**
Operating expenses					
Selling		586	770	1,888	2,790
Salaries, wages, and benefits		1,920	1,329	3,966	4,832
Depreciation and amortization	7, 8, 10	814	1,036	2,378	2,983
Office and administrative		387	448	1,198	1,115
Share-based compensation	14	1	160	107	638
Professional fees		289	551	816	1,028
Bad debt		297	238	881	436
Other operating		973	440	1,296	467
Operating expenses		5,267	4,972	12,530	14,289
Other expenses					
Bank and finance charges		–	8	28	23
Interest on long-term debt	12	4,129	3,067	12,171	9,080
Interest on lease obligations	11	94	158	377	436
Impairment of intangible assets and goodwill	8	11,201	1,270	11,201	1,270
Loss on extinguishment of debt	13	–	8,509	–	8,509
Gain (loss) on investment in subsidiary	9	56	(262)	147	(262)
Gain on settlement of consideration payable	12	–	(1,027)	–	(1,027)
Foreign exchange loss		1	2	4	16
Other expenses		15,481	11,725	23,928	18,045
NET LOSS		**$(22,609)**	**$(17,011)**	**$(37,330)**	**$(32,931)**
Other comprehensive income (loss)					
Items that may be reclassified to profit or loss:					
Foreign currency on translation (loss) gain		1,120	(445)	(1,093)	580
TOTAL COMPREHENSIVE LOSS		**$(21,489)**	**$(17,456)**	**$(38,423)**	**$(32,351)**
Weighted average number of common shares outstanding		100,183,769	100,183,769	100,183,769	100,183,769
Loss per share – basic		$(0.23)	$(0.17)	$(0.37)	$(0.33)
Loss per share – diluted		$(0.23)	$(0.17)	$(0.37)	$(0.33)

The accompanying notes are an integral part of these condensed consolidated interim financial statements (unaudited).

WILDPACK BEVERAGE INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY) (UNAUDITED)

(Expressed in thousands of United States Dollars, except for per share and share amounts)

		Share capital						
	Note	Number of shares	Amount	Contributed surplus	Equity reserve	Accumulated other comprehensive income (loss)	Accumulated deficit	Total
At January 1, 2024		**100,183,769**	**$36,757**	**$6,835**	**$18,361**	**$392**	**$(86,937)**	**$(24,592)**
Share-based payments	14	–	–	638	–	–	–	638
Debenture extinguishment	13	–	–	9,595	(9,007)	–	–	588
Loss for the period		–	–	–	–	–	(32,931)	(32,931)
Other comprehensive loss – cumulate translation loss		–	–	–	–	580	–	580
At September 30, 2024		**100,183,769**	**$36,757**	**$17,068**	**$9,354**	**$972**	**$(119,868)**	**$(55,717)**
At January 1, 2025		**100,183,769**	**$36,757**	**$16,868**	**$9,154**	**$3,053**	**$(138,594)**	**$(72,762)**
Share-based payments	14	–	–	107	–	–	–	107
Loss for the period		–	–	–	–	–	(37,330)	(37,330)
Other comprehensive loss – cumulate translation gain		–	–	–	–	(1,093)	–	(1,093)
At September 30, 2025		**100,183,769**	**$36,757**	**$16,975**	**$9,154**	**$1,960**	**$(175,924)**	**$(111,078)**

The accompanying notes are an integral part of these condensed consolidated interim financial statements (unaudited).

WILDPACK BEVERAGE INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (UNAUDITED)

(Expressed in thousands of United States dollars, except for per share and share amounts)

	Note	Nine-month ended September 30, 2025	Nine-months ended September 30, 2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss		$(37,330)	$(32,931)
Adjustments for items not affecting cash:			
Depreciation and amortization		4,230	4,878
Interest expense		12,551	9,512
Share-based compensation	14	107	638
Impairment of intangible assets and goodwill	8	11,201	1,270
Loss on extinguishment of debt		–	8,509
Loss (gain) on investment in subsidiary	9	147	(262)
Other non-cash expense		13	–
Changes in non-cash working capital:			
Accounts receivable		631	272
Sales taxes recoverable		37	27
Other assets		215	(60)
Inventories		(4,855)	(456)
Prepaid expenses and deposits		(222)	(341)
Accounts payable and accrued liabilities		4,965	2,374
Deferred revenue		(204)	845
Cash used in operating activities		(8,514)	(5,725)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid	12	(34)	(83)
Net proceeds from convertible debentures	13	–	3,500
Payments of lease obligations	11	(2,380)	(2,354)
Proceeds from debt	12	11,810	5,200
Repayments of debt	12	(389)	(481)
Cash generated by financing activities		9,007	5,782
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of equipment		(68)	(130)
Cash used in investing activities		(68)	(130)
Net increase in cash		425	(73)
Cash, beginning of year		254	650
Effect of foreign exchange rate changes on cash		(50)	(55)
CASH, END OF PERIOD		**$629**	**$522**

The accompanying notes are an integral part of these condensed consolidated interim financial statements (unaudited).

1. NATURE OF OPERATIONS AND GOING CONCERN

Wildpack Beverage Inc. ("Wildpack Beverage", the "Company") was incorporated by Certificate of Incorporation issued pursuant to the provisions of the British Columbia Business Corporations Act on March 22, 2017. The Company's registered office is located at Suite 2900, 550 Burrard Street, Vancouver, British Columbia, V6C 0A3.

The Company's primary business activities include filling, decorating and brokering aluminum cans, along with brokering packaging materials, and printing labels for the United States beverage market. Wildpack Beverage completed an initial public offering ("IPO") of its common shares on April 27, 2018, and on May 2, 2018, its common shares began trading on the TSX Venture Exchange ("TSX-V" or the "Exchange"), under the symbol "PPCC.P" (renamed in connection with the Transaction described below to "CANS"). Wildpack Beverage Alberta Inc. ("Wildpack Alberta") was incorporated in the Province of Alberta on March 27, 2017. On May 17, 2021, Wildpack Beverage completed the acquisition of all the issued and outstanding securities of Wildpack Alberta (the "Transaction"). The Transaction constituted Wildpack Beverage's "Qualifying Transaction", as such term is defined by the TSX Venture Exchange.

The Transaction was considered a reverse acquisition for accounting purposes. Wildpack Beverage did not constitute a business under IFRS 3 *Business Combinations* ("IFRS 3"). The continuing entity reflected in these financial statements is Wildpack Alberta and its consolidated subsidiaries. Comparative results are those of Wildpack Alberta and its consolidated subsidiaries. On January 1, 2023, Wildpack Beverage was amalgamated with its wholly owned subsidiary, Wildpack Beverage Alberta Inc. which brings together the two companies under a single entity, Wildpack Beverage.

The Company proposes to complete a restructuring transaction with respect to its outstanding 8% public convertible unsecured subordinated debentures in the aggregate principal amount of C$45,007 which were issued dated as of June 30, 2021, November 23, 2021, and March 31, 2022 (note 22).

Going concern

These condensed consolidated interim financial statements have been prepared on the assumption that the Company will continue as a going concern. As at September 30, 2025, the Company had a working capital deficit of $118,383, an accumulated deficit of $175,924, and cash of $629. During the period ended September 30, 2025, the Company incurred a net loss of $37,330 and used cash of $8,514 in its operating activities. The Company's history of losses and working capital deficit represents a material uncertainty that may cast significant doubt on the Company's ability to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

The Company's continuation as a going concern is dependent upon its ability to attain profitable operations and generate cash or raise equity capital or borrowings sufficient to meet current and future obligations. There can be no assurance that such financing will be available to the Company on acceptable terms. The Company may explore opportunities to revise the due dates of its liabilities, adjust cash interest payments, and/or settle its liabilities through the issuance of common shares and other equity instruments. There can be no assurance that such revisions or settlement of liabilities will be available. Further, the Company is reliant upon continued debt financing from its key partner.

The Company did not pay the outstanding principal and interest on the Series 1 debenture (note 13) upon maturity on June 30, 2025. Further, the Company did not pay the outstanding principal and interest on the Series 2 debenture (note 13) upon maturity on November 23, 2025. The Company has not secured an extension or waiver of its deadlines for payment, nor has it received an official demand for payment from the debenture holders.

These condensed consolidated interim financial statements do not include adjustments to the carrying values of the assets and liabilities, the reported sales and expenses, and the statement of financial position classifications used, that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. BASIS OF PRESENTATION

Basis of presentation

These condensed consolidated interim financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"), applicable to the preparation of condensed interim consolidated financial statements, including IAS 34, *Interim Financing Reporting*. Accordingly, certain disclosures included in the annual financial statements prepared in accordance with IFRS have been condensed or omitted, and these condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2024.

These condensed consolidated interim financial statements are presented in U.S. dollars unless otherwise noted. References to "$" or "USD" are to United States dollars, while references to "C$" are to Canadian dollars.

These condensed consolidated interim financial statements were authorized for issuance by the Board of Directors of the Company on December 1, 2025.

Basis of consolidation

The condensed consolidated interim financial statements incorporate the financial statements of the Company and all the entities controlled by the Company, its subsidiaries, all of which are 100% owned, as listed in the following table.

Entity	Region
Craftpac, LLC	US
Hungry Hippo Company	US
K.T. Murray Corporation ("Land and Sea Packaging")	US
Thirsty Cat, LLC	US
Vertical Distilling, LLC	US
Wild Leaf Holdings U.S. LLC	US
Wild Leaf Ventures Group Nevada Inc.	US
Wildpack Holdings US Inc.	US

On October 16, 2023, the Company incorporated Rad Soda LLC (formerly JNGL LLC and Seda LLC), a Delaware limited liability company, which was 100% owned the Company as of December 31, 2023. As of September 30, 2025, the Company owned 39.93% of the equity interests of Rad Soda LLC (note 9).

Subsidiaries are consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when control is lost.

Control is defined as the exposure, or rights, to variable returns from involvement with an investee and the ability to affect those returns through power over the investee. Power over an investee exists when the Company has existing rights that give the Company the ability to direct the activities that significantly affect the investee's returns. This control is generally evidenced through owning more than 50% of the voting rights or currently exercisable potential voting rights of a subsidiary's share capital.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these condensed consolidated interim financial statements are consistent with the accounting policies disclosed in note 3 of the audited consolidated financial statements for the years ended December 31, 2024, and December 31, 2023. These condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2024, and December 31, 2023.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

Estimates

The preparation of the condensed consolidated interim financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue, and expenses. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue, and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. Adjustments are made to income and the balance sheet as appropriate in the period that changes in estimates become known. There have been no changes in the nature of the significant judgements and estimates in these condensed consolidated interim financial statements as compared to the audited consolidated financial statements for the years ended December 31, 2024, and December 31, 2023.

5. ACCOUNTS RECEIVABLE

The following table shows the details of the Company's trade accounts and other receivables as at:

	September 30, 2025	**December 31, 2024**
Trade receivables	$7,572	$8,284
Other receivables	344	263
Total	**$7,916**	**$8,547**

Trade receivables includes an Expected Credit Loss ("ECL") of $1,484 as at September 30, 2025 (December 31, 2024 - $2,134). ECLs are outlined in note 19. Other receivables include a rebate receivable based on the volume of cans purchased by the Company.

6. INVENTORIES

The following table summarizes the Company's inventory as at:

	September 30, 2025	**December 31, 2024**
Raw materials	$5,280	$3,165
Finished goods	4,133	1,393
Total	**$9,413**	**$4,558**

For the period ended September 30, 2025, inventories recognized as an expense in cost of sales amounted to $34,700 (December 31, 2024 - $38,117).

7. PROPERTY, PLANT, AND EQUIPMENT

The following table summarizes the changes to the Company's Property, Plant, and Equipment:

	Computer Equipment	Computer Software	Office Equipment	Manufacturing Equipment	Leasehold Improvements	CIP	Total
Cost							
At January 1, 2024	**$2**	**$128**	**$44**	**$8,299**	**$1,450**	**$3,246**	**$13,169**
Dispositions	–	–	–	(593)	(75)	(2,204)	(2,872)
Additions	–	–	–	2,541	97	227	2,865
Transfers	–	–	–	–	–	–	–
At December 31, 2024	**$2**	**$128**	**$44**	**$10,247**	**$1,472**	**$1,269**	**$13,162**
Dispositions	–	–	–	–	–	–	–
Additions	–	–	–	126	133	–	259
Transfers	–	–	–	–	189	(189)	–
At September 30, 2025	**$2**	**$128**	**$44**	**$10,373**	**$1,794**	**$1,080**	**$13,421**
Accumulated depreciation							
At January 1, 2024	**$2**	**$64**	**$6**	**$2,845**	**$377**	**$–**	**$3,294**
Charged in the year	–	24	1	1,650	153	–	1,828
At December 31, 2024	**$2**	**$88**	**$7**	**$4,495**	**$530**	**$–**	**$5,122**
Charged in the period	–	18	1	1,174	136	–	1,329
At September 30, 2025	**$2**	**$106**	**$8**	**$5,669**	**$666**	**$–**	**$6,451**
Net book value							
At December 31, 2024	$–	$40	$37	$5,752	$942	$1,269	$8,040
At September 30, 2025	$–	$22	$36	$4,704	$1,128	$1,080	$6,970

On May 15, 2024, the Company closed the acquisition of certain assets of Austin Eastciders LLC ("AEC"). The Company acquired $1,869 of certain prepaid assets, and property, plant, and equipment, and assumed certain leases, including the facility lease. Consideration for the acquisition comprised of an accounts receivable offset of $387 from the seller who is also a customer of the Company, sale of equipment of $495, assumption of loans of $613 and holdback amount of $374 (note 12). The sale of equipment was a non-cash transaction.

8. INTANGIBLE ASSETS AND GOODWILL

The following table summarizes the changes to the Company's intangible assets and goodwill:

	Customer Relationships	Supplier Relationships	Brand Name	Intangible Assets	Goodwill
Cost					
At January 1, 2024	**$15,341**	**$1,800**	**$4,920**	**$22,061**	**$3,055**
Impairment	(2,121)	–	(4,800)	(6,921)	–
Additions	–	–	–	–	–
At December 31, 2024	**$13,220**	**$1,800**	**$120**	**$15,140**	**$3,055**
Impairment	(8,146)	–	–	(8,146)	(3,055)
Additions	–	–	–	–	–
At September 30, 2025	**$5,074**	**$1,800**	**$120**	**$6,994**	**$–**
Accumulated amortization					
At January 1, 2024	**$3,471**	**$1,314**	**$100**	**$4,885**	**$–**
Impairment	(809)	–	–	(809)	–
Charged in the year	1,436	473	20	1,929	–
At December 31, 2024	**$4,098**	**$1,787**	**$120**	**$6,005**	**$–**
Impairment	–	–	–	–	–
Charged in the period	976	13	–	989	–
At September 30, 2025	**$5,074**	**$1,800**	**$120**	**$6,994**	**$–**
Net book value					
At December 31, 2024	$9,122	$13	$–	$9,135	$3,055
At September 30, 2025	$–	$–	$–	$–	$–

8. INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

Goodwill and indefinite life intangible assets

The Company tests goodwill and indefinite life intangible assets for impairment on an annual basis or whenever events or changes in circumstances indicate that the asset's carrying amount may be less than its recoverable amount. The Company identified the following cash generating units (CGUs) to which goodwill and/or indefinite life intangible assets have been allocated, each of which has been tested for impairment:

(i) Lucky Clover
(ii) Marietta
(iii) Grand Rapids

As at September 30, 2025, the Company determined there were indicators of impairment related to the Grand Rapids CGU. As such, an impairment loss of $11,201 was recognized during the nine-month period ended September 30, 2025, related to goodwill and customer relationships.

As at December 31, 2024, the Company closed the operations of its Lucky Clover and Marietta CGUs. Given the closures of both CGU locations, the Company determined that indicators of impairment were present. As such, the Company recognized an impairment loss of $1,270 during the year ended December 31, 2024, related to customer relationships.

For impairment tests performed as at December 31, 2024, and December 31, 2023, the recoverable amount of each CGU was determined based on its value-in-use using a discounted cash flow approach. Discounted cash flows were based on five-year cash flow projections derived from financial budgets or forecasts approved by management using the following key assumptions:

1) Average annual revenue growth rate: The average annual revenue growth rate for each CGU was estimated based on historical growth and management's expectations of market development.

2) Discount rate: The discount rate for each CGU was determined by estimating a weighted average cost of capital reflecting the time value of money and risks associated with the business.

3) Terminal growth rate: The terminal growth rate is based on management's current assessment of the long-term growth outlook for each CGU and expected economic conditions in the jurisdiction in which it operates.

8. INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

Impairment tests as at December 31, 2024

The carrying values of goodwill and indefinite life intangible assets as well as key assumptions used for each CGU for the impairment tests performed as at December 31, 2024, were as follows:

CGU	Recoverable Amount	Carrying Value of CGU	Carrying Value of Goodwill in CGU	Carrying Value of Indefinite Life Assets in CGU	Revenue Growth Rate	Discount Rate	Terminal Growth Rate
Lucky Clover	$–	$–	$–	$–	n/a	n/a	n/a
Marietta	–	–	–	–	n/a	n/a	n/a
Grand Rapids	11,445	9,735	3,055	–	6.0%	19.4%	2%

Lucky Clover

The carrying amount exceeded the estimated recoverable amount. As a result, the Company impaired the net book value of the customer relationships intangible assets related to Lucky Clover in the amount of $680 as at December 31, 2024.

Marietta

The carrying amount exceeded the estimated recoverable amount. As a result, the Company impaired the net book value of the customer relationships intangible assets related to Marietta in the amount of $590 as at December 31, 2024.

Grand Rapids

The estimated recoverable amount exceeded the carrying amount by $1,710, hence no impairment. For the impairment tests performed as at December 31, 2024, if the discount rate assumption used in the impairment test was increased by an amount greater than 2.5%, the change in isolation would lead to an impairment loss being recognized for the year ended December 31, 2024.

Furthermore, the Company determined that the brand name indefinite life asset was impaired at year end. The Company no longer identifies under the Land and Sea Packaging brand and therefore has recorded an impairment of $4,800 in the statement of loss and comprehensive loss for the year ended December 31, 2024.

9. INVESTMENT IN ASSOCIATE

When accounting for its investments in other entities, the Company must determine which entities it controls and over which entities it has significant influence. Control over a subsidiary exists when the Company is exposed to and has the rights to variable returns of the subsidiary and has the ability to affect those returns through its power over the entity. Significant influence exists when the Company has the power to participate in the financial and operating policy decisions of an entity but does not control or jointly control those policies. The Company applies considerable judgment when evaluating the relevant interests, rights, relationships, and other relevant factors to determine whether it controls another entity or has significant influence over another entity.

The Company determined that investment in associates and joint ventures is a critical estimate. It requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts. Actual outcomes may differ from these estimates under different assumptions and conditions.

An associate is an entity in which the Company has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Company has joint control, whereby the Company has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the Company recognizes its share of the profit or loss and OCI of these entities, until the date on which significant influence or joint control ceases.

On October 16, 2023, the Company incorporated Rad Soda LLC (formerly JNGL LLC and Seda LLC), a Delaware limited liability company, which was 100% owned by the Company as of December 31, 2023. As of September 30, 2025, the Company owns 39.93% of the equity interests of Rad Soda LLC for a nominal value. The investment gives the Company significant influence over the associate and has been accounted for using the equity method.

The carrying amount of the investment is $104 as at September 30, 2025, due to the recognition of the entity's share of Rad Soda LLC losses totaling $147 (December 31, 2024 - $149), offset by a gain recognized from the dilution of the Company's shareholding in Rad Soda LLC totaling $nil (December 31, 2024 - $400).

The Company has no further obligation to provide financial support to Rad Soda LLC.

The following table summarizes the changes to the Company's investment in Rad Soda LLC:

	Total
At January 1, 2024	**$–**
Initial recognition	–
Gain on dilution of investment	400
Share of losses in Rad Soda LLC	($149)
At December 31, 2024	**$251**
Share of losses in Rad Soda LLC	($147)
At September 30, 2025	**$104**

10. RIGHT-OF-USE ASSETS

The following table summarizes the changes to the Company's right-of-use assets:

	Equipment	Office and Plant Premises	Total
Cost			
At January 1, 2024	**$5,802**	**$9,254**	**$15,056**
Additions	302	1,922	2,224
Other	159	(508)	(349)
At December 31, 2024	**$6,263**	**$10,668**	**$16,931**
Additions	114	–	114
Dispositions	(1,030)	–	(1,030)
At September 30, 2025	**$5,347**	**$10,668**	**$16,015**
Accumulated depreciation			
At January 1, 2024	**$2,864**	**$4,780**	**$7,644**
Charged in the year	1,244	1,426	2,670
At December 31, 2024	**$4,108**	**$6,206**	**$10,314**
Charged in the period	778	1,145	1,923
At September 30, 2025	**$4,886**	**$7,351**	**$12,237**
Net book value			
At December 31, 2024	$2,155	$4,462	$6,617
At September 30, 2025	$461	$3,317	$3,778

11. LEASE OBLIGATIONS

The following table summarizes the changes to the Company's lease obligations:

	Total
At January 1, 2024	**$8,304**
Additions	2,380
Lease payments	(3,216)
Interest accretion	593
Dispositions	–
At December 31, 2024	**$8,061**
Additions	114
Lease payments	(2,380)
Interest accretion	377
Dispositions	(1,125)
At September 30, 2025	**$5,047**
Current and non-current portions	
Current	$1,835
Non-current	3,212
Total	**$5,047**

The Company leases various office and plant premises for its operations, in addition to manufacturing-related equipment. For the nine-month period ended September 30, 2025, the Company had lease payments of $2,380 of which $1,729 were paid in cash and $651 accrued for in accounts payable and accrued liabilities (non-cash). The cash held in trust totaling $658, securitized against certain leased equipment, was fully drawn on during the nine-month period ended September 30, 2025, upon the termination of printing division equipment leases.

12. DEBT

The following table summarizes the changes to the Company's debt:

	Promissory Note	Consideration Payable	Equipment Loan	Public Convertible Debenture (note 13)	Sandton Debt (note 13)	Total
At January 1, 2024	**$896**	**$1,027**	**$1,877**	**$28,812**	**$23,117**	**$55,729**
Additions	–	374	331	–	30,966	31,671
Repayments	–	(374)	(775)	–	–	(1,149)
Interest	84	–	117	5,418	7,161	12,780
Settlement	–	–	–	–	(9,056)	(9,056)
Other	–	(1,027)	–	–	220	(807)
Foreign exchange	–	–	–	(2,578)	–	(2,578)
At December 31, 2024	**$980**	**$–**	**$1,550**	**$31,652**	**$52,408**	**$86,590**
Additions	–	–	–	–	11,810	11,810
Repayments	–	–	(423)	–	–	(423)
Interest	69	–	63	3,855	8,124	12,111
Foreign exchange	–	–	–	1,078	–	1,078
At September 30, 2025	**$1,049**	**$–**	**$1,190**	**$36,585**	**$72,342**	**$111,166**
Current	$548	$–	$1,190	$36,585	$72,342	$110,665
Non-current	501	–	–	–	–	501
Total	**$1,049**	**$–**	**$1,190**	**$36,585**	**$72,342**	**$111,166**

Promissory Note

Wild Leaf Holdings U.S. LLC assumed a $417 promissory note, through the acquisition of CraftPack and Lucky Clover, with a shareholder of the Company. The interest rate is 6% per annum compounded monthly and matures in 2026. The outstanding balance of the promissory note as at September 30, 2025, was $500.

On September 1, 2022, the Company entered into a $200 promissory note with an interest rate of 12% per annum compounded monthly and is due on demand. The outstanding balance of the promissory note as at September 30, 2025, was $289. Additional promissory notes are held by related parties, refer to note 17.

Consideration payable

The Company has consideration payable in cash resulting from the acquisitions of Lucky Clover, CraftPack, Vertical, Land and Sea and AEC. During the year ended December 31, 2024, the Company extinguished $1,027 of the consideration payable related to Lucky Clover, CraftPack, Vertical and settled $374 of the consideration payable with AEC. As at September 30, 2025 the Company no longer had any consideration payable.

Equipment Loan

On June 19, 2023, the Company entered into an equipment finance agreement to acquire filling machinery and equipment. The agreement provides the Company with a $2,300 loan, amortized and payable monthly, over 36 months commencing on July 1, 2023. The interest rate on the loan is 6.5% per annum.

On May 15, 2024, the Company assumed an equipment loan totaling $331 as part of the AEC acquisition (note 7). The interest rate on the loan is 5% per annum and matures in 2026.

13. CONVERTIBLE DEBENTURES

Public Convertible Debentures (unsecured)

The following tables summarize the changes to the Company's convertible debentures entered in by Wildpack Beverage Inc., (the "Public Convertible Debentures") during the years ended December 31, 2022 and 2021:

	Number of Convertible Debentures	Liability Component (note 12)	Equity Component	Equity Warrant	Derivative Asset	Total
Series 1 initial measurement	20,000	$10,598	$4,021	$584	$(204)	$14,999
Series 2 initial measurement	20,000	11,812	2,809	416	(242)	14,795
Series 3 initial measurement	5,007	2,862	922	14	(4)	3,794
At January 1, 2024	**45,007**	**$28,812**	**$7,752**	**$1,014**	**$(12)**	**$37,566**
Interest, net	–	5,418	–	–	–	5,418
Foreign exchange (gain) loss	–	(2,578)	–	–	–	(2,578)
At December 31, 2024	**45,007**	**$31,652**	**$7,752**	**$1,014**	**$(12)**	**$40,406**
Interest, net	–	3,855	–	–	–	3,855
Foreign exchange (gain) loss	–	1,078	–	–	–	1,078
At September 30, 2025	**45,007**	**$36,585**	**$7,752**	**$1,014**	**$(12)**	**$45,339**

Total interest expense on all three Series for the year ending September 30, 2025, was $3,855 (December 31, 2024 - $5,418) of which $nil (December 31, 2024 - $nil) was paid in cash, $1,940 (December 31, 2024 - $2,502) was accrued as payable.

Liability Component

The liability component of the debentures was initially recognized at the fair value of a similar liability which does not contain an equity conversion option, known as a cash-only part of the convertible bond, based on an estimated market interest rate and a credit spread.

The fair value of the liability component at the issuance dates, was determined using the following assumptions:

Issuance Date	Series 3 March 31, 2022	Series 2 November 23, 2021	Series 1 June 30, 2021
Risk-free Rates	C$ Swap Curve	C$ Swap Curve	C$ Swap Curve
Credit Spread	13.91%	13.11%	16.23%

Equity Component

The difference between the fair value of the financial liability, the equity classified warrant, and the face value of the instrument is allocated to the equity component of the convertible debentures.

Equity Warrant

The fair value of the equity classified warrants is calculated using a Monte Carlo simulation.

Total transaction costs directly attributable to the offerings were allocated proportionately to the liability and equity components of the debentures. The carrying value approximates the fair value of the convertible debenture as at September 30, 2025.

Derivative asset

The amount has been separated and accounted for using a hybrid model. The model is based on partial differential equations which are solved numerically using finite difference methods.

13. CONVERTIBLE DEBENTURES (CONTINUED)

On March 31, 2022, the Company closed a public offering of 5,007 convertible debenture units for gross proceeds of $4,007 ("Series 3" debentures). Each debenture unit consists of (i) one 8% senior unsecured convertible debenture having a face value of C$1,000, which is convertible into common shares of the Company at a conversion price of C$1.00 per common share and matures four years from the closing date; and (ii) 500 common share purchase warrants ("Warrants S3") of the Company. Interest is payable quarterly.

Each Warrant S3 entitles the holder thereof to purchase one common share at C$1.50 per share for a period of two years, expiring March 31, 2024. In connection with the March 2022 offering, the underwriters received a cash commission equal to $150 and the Company also issued compensation warrants to the underwriters entitling them to purchase an aggregate of 50,420 common shares at a price of C$1.00 per share until March 31, 2024.

On November 23, 2021, the Company issued 20,000 convertible debenture units, for consideration of $14,795 ("Series 2" debentures). Each debenture unit consists of (i) one 8% senior unsecured convertible debenture having a face value of C$1,000 which is convertible into common shares of the Company at a conversion price of C$1.51 per common share and matures on November 23, 2025; and (ii) 332 common share purchase warrants ("Warrants S2") of the Company. Each Warrant S2 entitles the holder thereof to purchase one common share at C$1.81 per share for a period of two years, expiring November 23, 2023. The Company did not pay the outstanding principal and interest on the Series 2 debentures upon maturity on November 23, 2025. The Company has not secured an extension or waiver of its deadline for payment, nor has it received an official demand for payment from the debenture holders as at September 30, 2025.

On June 30, 2021, the Company issued 20,000 convertible debenture units for consideration of $15,017 ("Series 1" debentures). Each debenture unit consists of (i) one 8% senior unsecured convertible debenture having a face value of C$1,000, which is convertible into common shares of the Company at a conversion price of C$1.51 per common share and matures on June 30, 2025; and (ii) 332 common share purchase warrants ("Warrants S1") of the Company. Each Warrant S1 entitles the holder thereof to purchase one common share at C$1.81 per share for a period of two years, expiring June 30, 2023. The Company did not pay the outstanding principal and interest on the Series 1 debentures upon maturity on June 30, 2025. The Company has not secured an extension or waiver of its deadline for payment, nor has it received an official demand for payment from the debenture holders as at September 30, 2025.

At any time following the expiry of 36 months after issuance for Series 1 and 2 (24 months after issuance Series 3), the Company may, at its option, redeem pro rata all or part of the convertible debentures, upon not less than 30 nor more than 60 days' prior written notice, at a redemption price which is equal to 110% of the principal amount thereof, plus any accrued and unpaid interest that would otherwise be payable to the holder from the time of the optional redemption until maturity.

The Company may force the conversion of all but not less than all of the principal amount of the then outstanding convertible debentures at the conversion price if the volume weighted average trading price of the Company's common shares on the TSX Venture Exchange is greater C$1.50 (Series 3 issuance) for the proceeding 10 consecutive trading days and C$2.19 (Series 1 and Series 2 issuances) for the preceding 20 consecutive trading days. Holders having their convertible debentures converted, at a redemption price equal to 110% of the principal amount, will receive accrued and unpaid interest thereon in cash.

The Company determined that the convertible debenture is a compound instrument consisting of (i) a debt component, which has been presented within debt (note 12); (ii) a derivative asset, which has been presented separately, and (iii) equity and equity warrants components which have been presented within equity reserve. The Company exercised judgement in determining the fair value of the derivative asset. The valuation is considered to be level 3 in the fair value hierarchy.

13. CONVERTIBLE DEBENTURES (CONTINUED)

Sandton Loan (secured)

The following tables summarize the changes to the Company's Sandton Loan (the "Sandton Loan") during the period ended September 30, 2025, and year ended December 31, 2024.

	Liability Component							
	Tranche 1	Tranche 2	Tranche 3	Promissory Notes	Total Sandton Debt (note 12)	Equity Reserve	Deferred Financing Loan	Total
At January 1, 2024	**$18,831**	**$4,286**	**$–**	**$–**	**$23,117**	**$9,596**	**$–**	**$32,713**
Issuance	17,894	–	3,472	9,600	30,966	26	500	31,492
Interest accretion	5,455	834	332	540	7,161	–	33	7,194
Extinguishment	(9,056)	–	–	–	(9,056)	(9,233)	–	(18,289)
Modification	–	220	–	–	220	–	–	220
At December 31, 2024	**$33,124**	**$5,340**	**$3,804**	**$10,140**	**$52,408**	**$389**	**$533**	**$53,330**
Issuance	–	–	–	11,810	11,810	–	–	11,810
Interest accretion	3,907	805	560	2,851	8,124	–	62	8,186
At September 30, 2025	**$37,031**	**$6,145**	**$4,364**	**$24,801**	**$72,342**	**$389**	**$595**	**$73,326**

Promissory Notes

The Company received funding from Sandton between January 1, 2025, and September 30, 2025, totaling $11,810. The additional funding, provided as a series of promissory notes, bears 18% interest per annum, all interest accruing will be added to the principal balance and will thereafter accrue interest (paid in kind interest referred to as "PIK"), with a maturity date of June 27, 2026. Funds were used for general working capital purposes and key trade vendor payments.

Tranche 1, Tranche 2, and Tranche 3

On April 18, 2023, the Company entered into a promissory note (the "Bridge Loan") with Sandton Credit Solutions Master Fund V, LP, an affiliate of Sandton Capital Partners, L.P ("Sandton") totaling $12,500. The Bridge Loan bears an interest rate of 13% per annum with interest accruing during the 12-month term of the loan.

On May 23, 2023, the Company and Sandton entered into an amended and restated loan agreement (the "Tranche 1 Loan") which extinguished the Bridge Loan and established a non-revolving term credit facility in the principal amount of $25,000. The amendment was accounted for as a debt extinguishment with any resulting gain or loss recognized in the statement of loss and comprehensive loss. The Tranche 1 loan matures on May 23, 2027. In connection with the amendment, the Company granted Sandton an option to convert the Tranche 1 Loan into approximately 49% of the equity of Thirsty Cat, LLC, a wholly owned subsidiary of the Company, which holds interests in all of the Company's U.S. operations representing substantially all of the principal business assets of the Company.

On October 10, 2023, the Company entered into an amendment agreement with Sandton for an additional loan in the amount of $5,000 (the "Tranche 2 Loan"). The Tranche 2 Loan bears interest at a rate of 15% per annum. All interest accruing under the Tranche 2 Loan up to and including November 1, 2024, will be added to the principal balance and will thereafter accrue interest. The Tranche 2 Loan matures October 10, 2026. The Company recorded a 10% discount fee of $500 per the terms of the agreement which is being amortized over the life of the loan. As part of the agreement, the Company granted warrants to Sandton exercisable into 5.625% of the equity of the Company's wholly owned subsidiary, Thirsty Cat LLC. The warrants were granted at a nominal value and do not expire. The Company determined that the Tranche 2 Loan is a compound instrument consisting of (i) a liability component, which has been presented within debt; (ii) equity and equity warrants components which have been presented within equity reserve (note 14).

13. CONVERTIBLE DEBENTURES (CONTINUED)

On July 19, 2024, the Company entered into an amendment agreement with Sandton for an additional loan in the amount of $4,000 of which $3,500 was provided in cash and $500 withheld for future financing cost (the "Tranche 3 Loan"). The Tranche 3 Loan bears interest at a rate of 15% per annum and is convertible into 70% of the equity of Thirsty Cat, LLC. All interest accruing under the Tranche 3 Loan, up to and including June 30, 2025, will be added to the principal and will thereafter accrue interest. The Tranche 3 Loan matures on June 27, 2026. The Company determined that Tranche 3 is a compound instrument consisting of (i) liability component, which has been presented within debt; and (ii) equity component which has been presented within equity reserve. The difference between the fair value of the financial liability and the fair value of the instrument is allocated to the equity component, which consists of the holder's conversion option into equity.

Concurrent to the July 19, 2024 amendment agreement, the Company adjusted the Tranche 1 Loan terms: conversion option and interest rate. The Tranche 1 Loan conversion option into 49% of the equity of Thirsty Cat LLC was removed, making the Tranche 1 Loan akin to term debt. The Tranche 1 Loan interest rate was adjusted from 13% to 15% per annum. The Trance 1 Loan amendment was accounted for as a debt extinguishment with the resulting loss recognized in the statement of loss and comprehensive loss. The liability component was adjusted by $9,056 and a new debt instrument was included as an issuance. The equity reserve of $9,233 was reclassed into contributed surplus.

The July 19, 2024, amendment agreement also extended the PIK accrual date on the Tranche 2 Loan from November 1, 2024 to December 31, 2024. The Tranche 2 Loan amendment was accounted for as a debt modification with any resulting gain or loss recognized in the statement of loss and comprehensive loss, of which there was $nil. There was an adjustment to the principal balance related to the debt modification of the Tranche 2 Loan in the amount of $220.

The Sandton Loan contains a provision that for any period during which an event of default has occurred and gone uncured or waived, the applicable interest rate shall be increased by 5% per annum. The loan is secured by a first priority lien on all assets of and is guaranteed by the Company and its subsidiaries. The Company's shares have also been pledged as security. There are also financial covenants to be calculated on a periodic basis. Based on the financial information as at September 30, 2025, the Company did not have an unconditional right to defer settlement of the Sandton Loan for at least twelve months after the reporting period. As a result, the Sandton debt has been reclassified from non-current to current on the balance sheet.

The Public Convertible Debentures, Series 1 and 2 are currently past due and payable on demand, while Series 3 matures within 1 year of September 30, 2025, and are thus classified as current liabilities. The Public Convertible Debenture agreement contains cross-default clauses that are linked to the covenants for the Sandton Loan. Conditions as at September 30, 2025, and December 31, 2024, give Sandton the right to accelerate payment of the loan; if Sandton exercises that right, the debenture holders have the right to accelerate payment on the debentures. Furthermore, the Company did not make the Public Convertible Debenture interest payments due on March 31, 2024, June 30, 2024, September 30, 2024, December 31, 2024, March 31, 2025, June 30, 2025, and September 30, 2025. The Company did not make the principal payment due on June 30, 2025, or November 23, 2025, for Series 1 and Series 2, respectively. As a result, conditions as at September 30, 2025, give Public Convertible Debenture holders the right to demand payment on the debentures. Should the Debenture holders demand payment, the Company may not be able to continue as a going concern. Going concern is disclosed in note 1.

14. SHARE CAPITAL

Authorized share capital

The Company is authorized to issue an unlimited number of common shares without par value.

Issued

	Number of Common Shares	Dollars
At January 1, 2024	**100,183,769**	**$36,757**
Conversion of restricted share units	–	–
Issuance of shares	–	–
At December 31, 2024	**100,183,769**	**$36,757**
Conversion of restricted share units	–	–
Issuance of shares	–	–
At September 30, 2025	**100,183,769**	**$36,757**

Warrants

The Company's warrant transactions are summarized below:

	Number of Warrants Outstanding	Weighted Average Exercise Price (C$)
At January 1, 2024	**13,894,126**	**$1.30**
Expired	(50,420)	(1.00)
Expired	(2,503,500)	(1.50)
Expired	(11,340,206)	(1.26)
At December 31, 2024	**–**	**$–**
At September 30, 2025	**–**	**$–**

During the year ended December 31, 2023, the Company granted warrants exercisable into 5.625% of Thirsty Cat LLC as part of the Tranche 2 Loan. These warrants are not included in the above table. The Thirsty Cat LLC warrants were valued as explained in note 13. The Debenture warrants (Series 1, 2, and 3) were valued using the Monte Carlo Simulation.

Stock options

The Company's omnibus equity incentive plan (the "Option Plan") provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase/covert to common shares. The Option Plan is administered by the Board of Directors of the Company. Under the Option Plan, the maximum number of common shares that may be granted cannot exceed 20,036,753 shares. Grants with an exercise price less than the market price quoted prior to the date of the award are not permitted.

The Company recorded share-based compensation expense of $107 for the nine-month period ended September 30, 2025 (September 30, 2024 – $638) of which $1 related to stock options (September 30, 2024 – $16). The fair values of stock options were estimated using the Black-Scholes option pricing model.

14. SHARE CAPITAL (CONTINUED)

The Company's stock options transactions are summarized below:

	Number of Options Outstanding	Weighted Average Exercise Price (C$)
At January 1, 2024	**3,763,686**	**$0.74**
Expired	(748,686)	(0.07)
At December 31, 2024	**3,015,000**	**$0.74**
Expired	(1,863,000)	(0.27)
At September 30, 2025	**1,152,000**	**$0.62**

The Company's stock options outstanding and exercisable as of September 30, 2025, are summarized as follows:

Expiry Date	Exercise Price ($C)	Remaining Life (Years)	Number of Options Outstanding	Number of Options Exercisable
December 31, 2025	$0.55	0.24	852,000	–
October 1, 2026	$0.83	1.00	300,000	300,000
Total		**0.44**	**1,152,000**	**300,000**

Restricted share units

Under the RSU plan, employees of the Company were awarded restricted share units as approved by the Board of Directors. This plan utilizes notional units that become vested in accordance with the terms set at the time of grant, including certain performance conditions. The Company reasonably expects that all of the performance criteria will be met. Actual forfeitures may differ from estimates. The Company recorded share-based compensation expense of $107 for the period ended September 30, 2025 (September 30, 2024 - $638) of which $106 related to RSUs (September 30, 2024 - $477). The RSUs may be settled in cash or shares at the direction of the Board of Directors, with consideration to RSU plan limitations.

The Company's RSU transactions are summarized below:

	Restricted Share Units
At January 1, 2024	**13,200,500**
Granted	13,470,000
Exercised	–
Expired	–
Cancelled	(1,761,667)
At December 31, 2024	**24,908,833**
Granted	–
Exercised	–
Expired	–
Cancelled	(8,377,833)
At September 30, 2025	**16,531,000**

15. REVENUE BY NATURE

Revenue includes the following categories for the three and nine-month periods ended:

	Three-months ended September 30		Nine-months ended September 30,	
	2025	**2024**	**2025**	**2024**
Tolling and packaging sales	$15,717	$14,810	$47,795	$37,910
Freight income	936	1,172	3,026	2,896
Warehousing income	142	151	459	325
Total	**$16,795**	**$16,133**	**$51,280**	**$41,131**

16. PRODUCTION COSTS BY NATURE

Production costs include the following categories for the three and nine-month periods ended:

	Three-months ended September 30		Nine-months ended September 30,	
	2025	**2024**	**2025**	**2024**
Raw materials and consumables	$12,859	$11,113	$34,700	$28,273
Salaries, wages, benefits	4,281	2,723	10,805	7,488
Freight expense	710	958	2,272	2,321
Other operating expenses	337	1,148	2,523	1,750
Total	**$18,187**	**$15,942**	**$50,300**	**$39,832**

17. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Key management compensation

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company. The Company has determined that key management personnel consist of members of the Board and the Company's Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), and the Chief Growth Officer ("CGO"). Compensation provided to key management personnel, for the three and nine-month periods ended, were as follows:

	Three-months ended September 30,		Nine-months ended September 30,	
	2025	**2024**	**2025**	**2024**
Short-term employee benefits, including salaries	$404	$240	$915	$1,244
Share-based compensation	–	734	85	620
Total	**$404**	**$974**	**$1,000**	**$1,864**

Related party transactions

The Company has entered into employment agreements with each of the officers, including CEO, CFO, and CGO. Under the employment agreements, the officers receive a base salary, extended benefits and are eligible for an annual performance-based bonus and long-term incentive awards determined at the discretion of the Board of Directors. Compensation provided to key management personnel contains a component of share-based compensation, which vests upon completion of performance milestones.

Promissory Notes

During the period ended September 30, 2025, the Company did not enter into any additional promissory notes with related parties. Of the existing promissory notes (note 12), $260 remained outstanding to a related party that bears 12% interest per annum and is due on demand.

During the year ended December 31, 2024, the Company did not enter into any additional promissory notes with related parties. Of the existing promissory notes (note 12), the Company repaid $nil during the year.

Grand Rapids – Building Rent

On December 1, 2021, the Company entered into an 8-year term lease agreement at prevailing market rates for its Land and Sea operations in Grand Rapids, Michigan, with Q4 Development LLC, an entity owned by a former employee and related party of the Company. The total lease liability as at September 30, 2025, is $934 (December 31, 2024 – $1,072) of which $197 is current and $737 is non-current.

18. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern as well as maximize stakeholder returns. Management adjusts the capital structure as necessary to support the Company's manufacturing operations and strategy.

The Company considers its capital to be its debt and share capital reduced by accumulated deficit and accumulated other comprehensive income (loss).

The Company is subject to externally imposed capital requirements that require the maintenance of minimum cash balances and trailing cash flow targets. Please reference Sandton Loan (secured), note 13.

19. FINANCIAL RISK MANAGEMENT

Fair value

The carrying amount of cash, cash held in trust, accounts receivable, accounts payable and accrued liabilities, current portion of long-term debt, on the condensed consolidated interim statements of financial position approximate their fair value due to their short-term nature. During the nine-month period ended September 30, 2025, the Company recognized no material measurement of the derivative asset associated with the Public Company Convertible Debenture, which is measured at fair value.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. As at September 30, 2025, the Company's credit exposure consists primarily of the carrying amounts of accounts receivable. The maximum exposure to credit risk for cash and accounts receivable approximates the amounts recorded on the condensed consolidated interim statements of financial position.

Credit risk associated with cash is managed by investing the financial assets in instruments held with reputable US banks. The Company offers customers under various credit terms on invoices and is therefore exposed to credit risk.

The following table outlines the aging of the Company's accounts receivable as at:

	September 30, 2025	**December 31, 2024**
Not past due	$5,685	$5,833
Past due 1-30 days	562	1,321
Past due 31-90 days	241	688
Past due 91-120 days	1,052	334
Past due greater than 120 days	1,516	2,242
Trade Accounts Receivable	**$9,056**	**$10,418**
Other Accounts Receivable	344	263
Total Gross Accounts Receivable	**$9,400**	**$10,681**
Allowance for Doubtful Accounts	(1,484)	(2,134)
Net Accounts Receivable	**$7,916**	**$8,547**

Other accounts receivable includes vendor purchase rebates.

19. FINANCIAL RISK MANAGEMENT (CONTINUED)

The movement in the allowance for doubtful accounts in respect of accounts receivable during the following periods, were as follows:

	Nine-month ended September 30, 2025	Year ended December 31, 2024
Balance, beginning of period	$2,134	$1,430
Increase (decrease) in allowance	(650)	704
Balance, end of period	**$1,484**	**$2,134**

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital (equity and debt) markets is hindered. The Company has in place a planning and budgeting process to help determine the funds needed to support the Company's operating requirements on an ongoing basis as well as its planned capital expenditures. Management is required to exercise judgment to ensure that disclosures relating to liquidity and the Company's ability to continue as a going concern are appropriate. To that end, the Company manages liquidity risk by trying to maintain an adequate level of cash to meet its short-term ongoing obligations and reviews its actual expenditures and forecast cash flows on a regular basis. The Company's budgetary planning and minimum cash balance strategies may be insufficient to guard against all known and unknown risks, specifically liquidity risks, as a majority of the Company's debt is classified as current.

As at September 30, 2025, the Company had cash of $629 (December 31, 2024 – $254) to settle current liabilities of $137,524 (December 31, 2024 – $109,149). Management actively monitors the cash needs of the Company. Going concern is disclosed in note 1.

The undiscounted contractual maturity of all financial liabilities as at September 30, 2025 is as follows:

	Carrying Amount	Contractual Undiscounted Cash Flows	Within 1 Year	2 to 5 Years	Over 5 Years
Accounts payable and accrued liabilities	$22,823	$22,823	$22,823	$–	$–
Deferred financing loan	595	595	595	–	–
Lease obligation	5,047	5,709	2,754	2,955	–
Debt	111,166	108,141	107,640	501	–
Total	**$139,631**	**$137,268**	**$133,812**	**$3,456**	**$–**

19. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk

Market rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates and/or foreign currency exchange rates or other price risk. Market risk reflects interest rate risk, currency risk and other price risk. The Company does not hold any financial instruments which are subject to price risk.

Interest rate risk

Interest rate risk is defined as the risk that the fair value or future cash flows of a financial instrument may fluctuate because of changes in market interest rates. The Company's interest rates on its capital lease obligations, debentures, and debt are fixed or fixed relative to SOFR or LIBOR. Management monitors its interest rates compared to market rates on a regular basis. The Company does not use derivative instruments to reduce its exposure to interest rate risk.

Currency risk

The Company operates in Canada and the USA and is exposed to foreign exchange risk with respect to transactions which are not denominated in the functional currency of the relevant entity. As at September 30, 2025, this risk is not considered material as the functional currency of all legal entities, with the exception of Wildpack Beverage Inc, is the US dollar and substantially all of these entities' financial instruments are held in US dollars. A potential 10% change in the foreign exchange rate would have an insignificant impact on the condensed consolidated interim statements of loss and comprehensive loss.

20. SEGMENT INFORMATION

Reportable segments

The operating segments of the Company are based on the reports which are reviewed by the chief operating decision maker ("CODM") in making strategic resource allocation decisions. The Company considers its CODM to be its CEO and CFO, who evaluate the operations of each reportable segment.

The Company has four reportable segments, filling, decorating, brokering, and corporate. The CODM reviews the net income (loss) of each of these segments in allocating resources and evaluating operating performance. The corporate reporting segment covers the Company's non-allocated, general overhead expenses, such as legal, compliance, accounting, head-office staff, and other such items. This reporting segment is reviewed for cost control and budgetary considerations.

The following table summarizes the Company's reportable segment information for the nine-month periods ended September 30:

	Filling		Decorating		Brokering		Corporate		Total	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Revenues from external customers	$16,988	$2,596	$4,363	$8,014	$29,929	$30,521	$–	$–	$51,280	$41,131
Loss on impairment	–	–	–	–	–	–	(11,201)	(1,270)	(11,201)	(1,270)
Net income (loss)	(10,146)	(7,406)	(1,075)	(1,660)	1,031	3,337	(27,140)	(27,202)	(37,330)	(32,931)
Non-current assets	2,565	8,221	3,243	10,384	5,182	16,620	28	89	11,018	35,314

The following table summarizes the Company's reportable segment information for the three-month periods ended September 30:

	Filling		Decorating		Brokering		Corporate		Total	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Revenues from external customers	$5,650	$1,258	1,157	$3,216	$9,988	$11,659	$–	$–	$16,795	$16,133
Loss on impairment	–	–	–	–	–	–	(11,201)	(1,270)	(11,201)	(1,270)
Net income (loss)	(4,611)	(3,573)	(710)	(831)	273	520	(17,561)	(13,127)	(22,609)	(17,011)
Non-current assets	2,565	8,221	3,243	10,384	5,182	16,620	28	89	11,018	35,314

The Company conducts activities in two geographic areas: United States, and Canada. For the period ended September 30, 2025, there were two customers that represented more than 10% of the Company's consolidated revenue and accounts receivable. A majority of the Company's operations are located in the United States, with corporate functions located in Canada.

21. COMMITMENTS AND CONTINGENCIES

The Company is, from time to time, involved in various claims, legal proceedings, tax assessments and complaints arising in the ordinary course of business from third parties. The Company cannot reasonably predict the likelihood or outcome of these actions. The Company does not believe that adverse decisions in any other pending or threatened proceedings related to any matter, or any amount which may be required to be paid by reason thereof, will have a material effect on the financial condition or future results of operations. Accordingly, no provision or further disclosure has been made as the likelihood of a material outflow of economic benefits in respect of such claims is considered remote. In forming this assessment, management has considered the professional advice received and tax laws in place in the various jurisdictions, and the facts and circumstances of each individual claim. In the opinion of management, all such claims and suits are adequately covered by insurance, or are provided in the financial statements or, if not so covered or provided for, the results are not expected to materially affect the Company's financial position or results of operations.

22. SUBSEQUENT EVENTS

The Company proposes to complete a restructuring transaction with respect to its outstanding 8% Public Convertible Debentures in the aggregate principal amount of C$45,007 which with issuance dates of June 30, 2021, November 23, 2021, and March 31, 2022. The Company has not paid the interest payment due on September 30, 2025.

Pursuant to the Debenture Restructuring Transaction, the Company proposed:

i. to repurchase Public Convertible Debentures in the principal amount of C$20,000 from certain holders representing the majority owners of the Public Convertible Debentures, in exchange for cash consideration of C$2,000; and
ii. that the remaining outstanding Public Convertible Debentures be exchanged for common shares in the capital of the Company at an exchange price of C$0.10 per common share.

Subsequent to period end, Sandton advanced $2,700 to the Company as additional promissory notes. The notes bear interest at 18% percent per annum, paid-in-kind. The Company has used the funding for general working capital purposes.

Effective October 31, 2025, the Company and Q4 Development LLC, landlord of the Grand Rapids facility, reached an agreement and terminated the premises leases. Additionally, the Company ceased operations at its Las Vegas facility on November 1, 2025.

The Company did not make the principal payment due on November 23, 2025, for the Series 2 Public Convertible Debentures.