

**PART I—FINANCIAL INFORMATION**  
**Item 1. Financial Statements (Unaudited).**

**TILRAY BRANDS, INC.**  
**Consolidated Statements of Financial Position**  
**(in thousands of United States dollars, unaudited)**

	November 30, 2025	May 31, 2025
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 246,703	\$ 221,666
Marketable securities	44,848	34,697
Accounts receivable, net	109,071	121,489
Inventory	283,198	270,882
Prepays and other current assets	41,497	34,092
Assets held for sale	4,000	5,800
<b>Total current assets</b>	<b>729,317</b>	<b>688,626</b>
Capital assets	550,101	568,433
Operating lease, right-of-use assets	19,802	22,279
Digital assets	828	—
Intangible assets	21,735	21,423
Goodwill	752,350	752,350
Long-term investments	13,393	10,132
Other assets	11,073	11,084
<b>Total assets</b>	<b>\$ 2,098,599</b>	<b>\$ 2,074,327</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Bank indebtedness	\$ 8,567	\$ 7,181
Accounts payable and accrued liabilities	226,422	235,322
Contingent consideration	—	15,000
Warrant liability	—	1,092
Current portion of lease liabilities	7,437	6,941
Current portion of long-term debt	16,889	14,767
<b>Total current liabilities</b>	<b>259,315</b>	<b>280,303</b>
<b>Long - term liabilities</b>		
Lease liabilities	61,742	64,925
Long-term debt	138,739	148,493
Convertible debentures payable	86,255	86,428
Deferred tax liabilities, net	5,622	3,748
Other liabilities	417	855
<b>Total liabilities</b>	<b>552,090</b>	<b>584,752</b>
<b>Commitments and contingencies (refer to Note 19)</b>		
<b>Stockholders' equity</b>		
Common stock (\$0.0001 par value; 1,416,000,000 common shares authorized; 116,522,600 and 106,067,875 common shares issued and outstanding, respectively) <sup>1</sup>	116	106
Treasury Stock (321,391 and 200,422 treasury shares issued and outstanding, respectively) <sup>1</sup>	—	—
Preferred shares (\$0.0001 par value; 10,000,000 preferred shares authorized; nil and nil preferred shares issued and outstanding, respectively)	—	—
Additional paid-in capital	6,511,483	6,401,657
Accumulated other comprehensive loss	(39,293)	(43,063)
Accumulated deficit	(4,892,479)	(4,847,226)
<b>Total Tilray Brands, Inc. stockholders' equity</b>	<b>1,579,827</b>	<b>1,511,474</b>
Non-controlling interests	(33,318)	(21,899)
<b>Total stockholders' equity</b>	<b>1,546,509</b>	<b>1,489,575</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 2,098,599</b>	<b>\$ 2,074,327</b>

<sup>1</sup>Current and prior year share amounts have been retrospectively adjusted to reflect the Reverse Stock Split (as defined below), which became effective on December 2, 2025. See Note 1 for details.

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

**TILRAY BRANDS, INC.**  
**Consolidated Statements of Loss and Comprehensive Loss**  
(in thousands of United States dollars, except for share and per share data, unaudited)

	Three months ended		Six months ended	
	November 30, 2025	November 30, 2024	November 30, 2025	November 30, 2024
Net revenue	\$ 217,507	\$ 210,950	\$ 427,008	\$ 410,994
Cost of goods sold	160,010	149,730	312,042	290,068
Gross profit	57,497	61,220	114,966	120,926
Operating expenses:				
General and administrative	51,175	45,997	92,228	90,110
Selling	11,781	16,162	24,704	27,852
Amortization	4,358	22,927	8,287	44,731
Marketing and promotion	9,981	9,720	20,136	21,286
Research and development	78	60	119	165
Change in fair value of contingent consideration	—	—	(15,000)	—
Litigation costs, net of recoveries	869	901	1,876	2,496
Restructuring costs	965	6,869	1,834	11,116
Transaction costs (income), net	569	802	969	1,958
Total operating expenses	79,776	103,438	135,153	199,714
Operating loss	(22,279)	(42,218)	(20,187)	(78,788)
Interest expense, net	(5,374)	(7,766)	(12,070)	(17,608)
Non-operating income (expense), net	(12,310)	(33,255)	(8,478)	(20,609)
Loss before income taxes	(39,963)	(83,239)	(40,735)	(117,005)
Income tax expense (recovery), net	3,546	2,036	1,261	2,922
Net loss	\$ (43,509)	\$ (85,275)	\$ (41,996)	\$ (119,927)
Total net income (loss) attributable to:				
Stockholders of Tilray Brands, Inc.	(44,931)	(85,342)	(45,253)	(124,507)
Non-controlling interests	1,422	67	3,257	4,580
Other comprehensive gain (loss), net of tax				
Foreign currency translation gain (loss)	4,464	(8,966)	4,276	(4,806)
Comprehensive loss	\$ (39,045)	\$ (94,241)	\$ (37,720)	\$ (124,733)
Total comprehensive income (loss) attributable to:				
Stockholders of Tilray Brands, Inc.	(40,994)	(93,422)	(41,483)	(128,965)
Non-controlling interests	1,949	(819)	3,763	4,232
Weighted average number of common shares - basic <sup>1</sup>	110,343,368	86,497,456	108,173,486	83,740,894
Weighted average number of common shares - diluted <sup>1</sup>	110,343,368	86,497,456	108,173,486	83,740,894
Net loss per share - basic <sup>1</sup>	\$ (0.41)	\$ (0.99)	\$ (0.42)	\$ (1.49)
Net loss per share - diluted <sup>1</sup>	\$ (0.41)	\$ (0.99)	\$ (0.42)	\$ (1.49)

<sup>1</sup>Current and prior year share and amounts have been retrospectively adjusted to reflect the Reverse Stock Split, which became effective on December 2, 2025. See Note 1 for details.

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

**TILRAY BRANDS, INC.**  
**Consolidated Statements of Stockholders' Equity**  
(in thousands of United States dollars, except for share data, unaudited)

	Number of common shares <sup>1</sup>	Common Stock	Number of treasury shares <sup>1</sup>	Treasury stock	Additiona l paid-in capital	Accumulated		Non- controlling interests	Total
						other comprehensive loss	Accumulated Deficit		
Balance at May 31, 2024	83,192,537	\$ 83	—	\$ —	\$6,146,810	\$ (43,499)	\$ (2,660,488)	\$ 272	\$3,443,178
Share issuance - At-the-Market (“ATM”) program	3,669,331	4	—	—	66,468	—	—	—	66,472
Share issuance - RSUs exercised	682,314	1	—	—	(1)	—	—	—	—
Share issuance - options exercised	301	—	—	—	—	—	—	—	—
Shares effectively repurchased for employee withholding tax	—	—	—	—	(2,661)	—	—	—	(2,661)
Stock-based compensation	—	—	—	—	6,917	—	—	—	6,917
Comprehensive income (loss) for the period	—	—	—	—	—	3,622	(39,165)	5,051	(30,492)
Balance at August 31, 2024	87,544,483	\$ 88	—	\$ —	\$6,217,533	\$ (39,877)	\$ (2,699,653)	\$ 5,323	\$3,483,414
Share issuance - At-the-Market (“ATM”) program	3,051,756	3	—	—	45,041	—	—	—	45,044
Share issuance - Repurchase of TLR Y 27 convertible note	1,003,464	1	(368,261)	—	17,084	—	—	—	17,085
Share issuance - Settlement of equity component of TLR Y 27 convertible note	—	—	—	—	(4,931)	—	—	—	(4,931)
Share issuance - Double Diamond Holdings dividend settlement	1,321,759	1	—	—	23,823	—	—	(23,824)	—
Share issuance - RSUs exercised	3,598	—	—	—	—	—	—	—	—
Share issuance - options exercised	735	—	—	—	—	—	—	—	—
Stock-based compensation	—	—	—	—	7,237	—	—	—	7,237
Comprehensive loss for the period	—	—	—	—	—	(8,080)	(85,342)	(819)	(94,241)
Balance at November 30, 2024	92,925,795	\$ 93	(368,261)	—	6,305,787	(47,957)	(2,784,995)	(19,320)	3,453,608
Balance at May 31, 2025	106,067,875	\$ 106	(200,422)	\$ —	\$6,401,657	\$ (43,063)	\$ (4,847,226)	\$ (21,899)	\$1,489,575
Share issuance - At-the-Market (“ATM”) program	3,444,380	3	—	—	22,488	—	—	—	22,491
Share issuance - Repurchase of TLR Y 27 convertible note	1,259,182	1	(120,969)	—	4,799	—	—	—	4,800
Share issuance - Settlement of equity component of TLR Y 27 convertible note	—	—	—	—	(1,158)	—	—	—	(1,158)
Share issuance - RSUs exercised	1,057,680	1	—	—	(1)	—	—	—	—

Shares effectively repurchased for employee withholding tax	—	—	—	—	(1,427)	—	—	—	(1,427)
Stock-based compensation	—	—	—	—	5,052	—	—	—	5,052
Comprehensive income (loss) for the period	—	—	—	—	—	(167)	(322)	1,814	1,325
Balance at August 31, 2025	<u>111,829,117</u>	<u>\$ 111</u>	<u>(321,391)</u>	<u>\$ —</u>	<u>\$6,431,410</u>	<u>\$ (43,230)</u>	<u>\$ (4,847,548)</u>	<u>\$ (20,085)</u>	<u>\$1,520,658</u>
Share issuance - At-the-Market (“ATM”) program	3,332,844	3	—	—	50,562	—	—	—	50,565
Share issuance - RSUs exercised, net of cancellations	(121,968)	—	—	—	—	—	—	—	—
Share issuance - Warrant exercised	620,900	1	—	—	6,954	—	—	—	6,955
Share issuance - Double Diamond Holdings dividend settlement	861,707	1	—	—	14,821	—	—	(15,182)	(360)
Stock-based compensation	—	—	—	—	7,736	—	—	—	7,736
Comprehensive income (loss) for the period	—	—	—	—	—	3,937	(44,931)	1,949	(39,045)
Balance at November 30, 2025	<u>116,522,600</u>	<u>\$ 116</u>	<u>(321,391)</u>	<u>\$ —</u>	<u>\$6,511,483</u>	<u>\$ (39,293)</u>	<u>\$ (4,892,479)</u>	<u>\$ (33,318)</u>	<u>\$1,546,509</u>

<sup>1</sup>Current and prior year share amounts have been retrospectively adjusted to reflect the Reverse Stock Split, which became effective on December 2, 2025. See Note 1 for details.

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

**TILRAY BRANDS, INC.**  
**Consolidated Statements of Cash Flows**  
(in thousands of United States dollars, unaudited)

	<b>For the six months ended</b>	
	<b>November 30, 2025</b>	<b>November 30, 2024</b>
<b>Cash provided by (used in) operating activities:</b>		
Net loss	\$ (41,996)	\$ (119,927)
Adjustments for:		
Deferred income tax (recovery) expense, net	1,261	1,529
Unrealized foreign exchange gain	4,899	9,627
Amortization	31,519	65,864
Accretion of convertible debt discount	3,964	5,985
Unrealized loss on digital assets	172	—
Other non-cash items	1,767	3,281
Stock-based compensation	17,335	14,154
Gain on long-term investments	306	66
Loss (gain) on derivative instruments	3,495	(1,558)
Change in fair value of contingent consideration	(15,000)	—
Change in non-cash working capital:		
Accounts receivable	12,418	(9,051)
Prepays and other current assets	(7,394)	(13,046)
Inventory	(12,316)	(8,127)
Accounts payable and accrued liabilities	(10,308)	(24,828)
Net cash used in operating activities	<u>(9,878)</u>	<u>(76,031)</u>
<b>Cash provided by (used in) investing activities:</b>		
Investment in capital and intangible assets	(19,219)	(12,172)
Proceeds from disposal of capital and intangible assets	427	631
Investment in digital assets	(1,000)	—
Purchase of marketable securities, net	(10,151)	(30,369)
Investment in long-term investments	(3,595)	—
Business acquisitions, net of cash acquired	—	(18,210)
Net cash used in investing activities	<u>(33,538)</u>	<u>(60,120)</u>
<b>Cash provided by (used in) financing activities:</b>		
Share capital issued, net of cash issuance costs	73,058	111,517
Proceeds from warrants exercised	2,367	—
Repayment of long-term debt	(6,872)	(10,388)
Repayment of convertible debt	—	(330)
Repayment of lease liabilities	(1,991)	(1,724)
Net decrease in bank indebtedness	1,386	(282)
Net cash provided by financing activities	<u>67,948</u>	<u>98,793</u>
Effect of foreign exchange on cash and cash equivalents	505	(1,284)
Net increase (decrease) in cash and cash equivalents	25,037	(38,642)
Cash and cash equivalents, beginning of period	221,666	228,340
Cash and cash equivalents, end of period	<u>\$ 246,703</u>	<u>\$ 189,698</u>

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

**TILRAY BRANDS, INC.**  
**Notes to Consolidated Financial Statements**

**Note 1. Basis of presentation and summary of significant accounting policies**

The accompanying unaudited interim consolidated financial statements reflect the accounts of the Company for the quarterly period ended November 30, 2025 (the "Financial Statements"). The Financial Statements were prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP") for interim financial information and pursuant to the rules and regulations of the United States Securities and Exchange Commission ("SEC") for interim financial information. Accordingly, they do not include all of the information and notes required by U.S. GAAP and should be read in conjunction with the audited consolidated financial statements (the "Annual Financial Statements") included in the Company's Annual Report on Form 10-K for the fiscal year ended May 31, 2025 (the "Annual Report"). These Financial Statements reflect all adjustments, which, in the opinion of management, are necessary for a fair presentation of the results for the interim periods presented. Interim results are not necessarily indicative of results for the full fiscal year.

The Financial Statements have been prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and, accordingly, will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due, under the historical cost convention except for certain financial instruments that are measured at fair value, as detailed in the Company's accounting policies.

All amounts in the Financial Statements, and the accompanying notes and tables have been rounded to the nearest thousand, except par values and per share amounts, and unless otherwise indicated.

*Basis of consolidation*

Subsidiaries are entities controlled by the Company. Control exists when the Company either has a controlling voting interest or is the primary beneficiary of a variable interest entity. The financial statements of all subsidiaries are included in the Financial Statements from the date that control commences until the date that control ceases. All intercompany balances and transactions have been eliminated on consolidation. A complete list of our subsidiaries that existed as of our most recent fiscal year end is included in the Annual Report.

*Reverse Stock Split*

Effective December 2, 2025, the Company implemented a reverse stock split of its outstanding shares of Common Stock, at a ratio of one-for-ten (the "Reverse Stock Split").

No fractional shares were issued in connection with the Reverse Stock Split. Fractional shares resulting from the Reverse Stock Split were rounded down to the nearest whole share and stockholders received cash in lieu of any fractional shares that were created by the Reverse Stock Split. Each stockholder's percentage ownership interest in the Company and proportional voting power remained unchanged as a result of the Reverse Stock Split, except for adjustments that resulted from rounding fractional shares down to whole shares.

All issued and outstanding Common Stock, per share amounts, and outstanding equity instruments and awards exercisable into Common Stock contained in the condensed interim consolidated financial statements of the Company and notes thereto have been retroactively adjusted to reflect the Reverse Stock Split for all prior periods presented.

*Earnings (loss) per share*

Basic earnings (loss) per share is computed by dividing reported net loss attributable to stockholders of Tilray Brands, Inc. by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is computed by dividing reported net loss attributable to stockholders of Tilray Brands, Inc. by the sum of the weighted average number of common shares and the number of dilutive potential common share equivalents outstanding during the period. Potential dilutive common share equivalents consist of the incremental common shares issuable upon the exercise of vested share options, warrants, and RSUs and the incremental shares issuable upon conversion of the convertible debentures and similar instruments. Shares of Common Stock outstanding under the share lending arrangement entered into in conjunction with the TLRY 27 Notes, see Note 12 (Convertible debentures payable) are excluded from the calculation of basic and diluted earnings per share because the borrower of the shares is required under the share lending arrangement to refund any dividends paid on the shares lent.

In computing diluted earnings (loss) per share, common share equivalents are not considered in periods in which a net loss attributable to Tilray shareholders is reported, as the inclusion of the common share equivalents would be anti-dilutive. For the three

months ended November 30, 2025 and November 30, 2024, the dilutive potential common share equivalents outstanding consisted of the following: 7,734,265 and 2,336,535 common shares from RSUs, 303,203 and 306,032 common shares from share options, nil and 620,900 common shares for warrants and 3,766,478 and 5,875,706 common shares for convertible debentures, respectively. Current and prior year share amounts have been retrospectively adjusted to reflect the Reverse Stock Split, which became effective on December 2, 2025.

#### *New accounting pronouncements not yet adopted*

In August 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2023-05, Business Combination - Joint Venture Formations (Subtopic 805-60) Recognition and Initial Measurement (“ASU 2023-05”), which is intended to address the accounting for contributions made to a joint venture. ASU 2023-05 is effective for the Company beginning June 1, 2026. This update will be applied prospectively and the Company is currently evaluating the effect of adopting this ASU.

In October 2023, the FASB issued ASU 2023-06, Disclosure Improvements: Codification Amendments in Response to the SEC’s Disclosure Update and Simplification Initiative, which amends the disclosure or presentation requirements related to various subtopics in the FASB Accounting Standards Codification (the “Codification”). The effective date for each amendment will be the date on which the SEC’s removal of that related disclosure from Regulation S-X or Regulation S-K becomes effective, with early adoption prohibited. If by June 30, 2027, the SEC has not removed the applicable requirement from Regulation S-X or Regulation S-K, the pending content of the related amendment will be removed from the Codification and will not become effective for any entity. The Company is currently evaluating the effect of adopting this ASU.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740) Improvements to Income Tax Disclosures, which requires public entities to disclose specific categories in the rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold on an annual basis. ASU 2023-09 is effective for the Company beginning with its fiscal year ended May 31, 2026 and will be disclosed in the Financial Statements reported in our Annual Report on Form 10-K filed with the SEC for such period. The Company is in the process of evaluating the impact of the financial statement disclosure requirement.

In November 2024, the FASB issued ASU 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses, which requires disaggregated disclosure of income statement expenses for public business entities. ASU 2024-03 is effective for the Company beginning fiscal year ended May 31, 2028 and will be disclosed in the Annual Report on Form 10-K. The Company is currently evaluating the effect of adopting this ASU.

#### *New accounting pronouncements recently adopted*

In November 2024, the FASB issued ASU 2024-04, Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments, which seeks to clarify the requirements for determining whether certain settlements of convertible debt instruments should be accounted for as an induced conversion. The Company adopted ASU 2024-04 beginning June 1, 2025, however, it did not have any impact on our unaudited interim consolidated financial statements.

#### *Digital Assets*

In December 2023, FASB issued ASU 2023-08, Intangibles—Goodwill and Other—Crypto Assets (Subtopic 350-60): Accounting for and Disclosure of Crypto Assets. ASU 2023-08 requires certain crypto assets to be measured at fair value separately on the balance sheet with gains and losses from changes in the fair value reported as unrealized gains or losses in the consolidated statement of income (loss) and comprehensive income (loss) each reporting period. ASU 2023-08 also enhances the other intangible asset disclosure requirements by requiring the name, cost basis, fair value, and number of units for each significant crypto asset holding. In conjunction with the acquisition of digital assets during the fiscal quarter ended August 31, 2025, the Company adopted and applied ASU-2023-08 henceforth.

The Company's digital assets are initially recorded at cost, and are subsequently measured at fair value as of each reporting period. The Company determines the fair value of its digital assets in accordance with ASC 820, Fair Value Measurement, based on quoted prices in its principal market for Bitcoin (Level 1). Changes in fair value are recognized as incurred in the Company's consolidated statement of income (loss) and comprehensive income (loss), as “Unrealized (gain) loss on digital assets,” within non-operating (income) and expenses, net.

## Note 2. Inventory

Inventory consisted of the following:

	November 30, 2025	May 31, 2025
Beverage inventory	\$ 67,363	\$ 63,965
Cannabis plants	29,117	24,045
Dried cannabis	106,114	103,507
Cannabis derivatives	3,798	7,877
Cannabis vapes	1,639	1,860
Packaging and other inventory items	13,532	15,366
Distribution inventory	48,104	38,735
Wellness inventory	13,531	15,527
Total	<u>\$ 283,198</u>	<u>\$ 270,882</u>

## Note 3. Capital assets

Capital assets consisted of the following:

	November 30, 2025	May 31, 2025
Land	\$ 45,188	\$ 44,529
Production facilities	415,110	407,650
Equipment	278,205	280,585
Leasehold improvements	22,060	20,415
Finance lease, right-of-use assets	39,406	40,308
Construction in progress	12,469	11,241
	<u>\$ 812,438</u>	<u>\$ 804,728</u>
Less: accumulated amortization	(262,337)	(236,295)
Total	<u>\$ 550,101</u>	<u>\$ 568,433</u>

Assets held for sale consisted of the following:

	November 30, 2025	May 31, 2025
Production facilities	\$ 4,000	\$ 5,800
Total	<u>\$ 4,000</u>	<u>\$ 5,800</u>

As of November 30, 2025, the Company classified the Fort Collins, CO partially vacant warehouse facility from its Cannabis reporting segment as held for sale. During the three months ended November 30, 2025, the Company recorded a reduction in fair value of \$1,800 for the Fort Collins, CO asset group in the consolidated statement of loss and comprehensive loss. Subsequent to the period ended November 30, 2025, the Company completed the sale of the Fort Collins asset group.

#### Note 4. Leases

The table below presents the lease-related assets and liabilities recorded on the balance sheet.

	Classification on Balance Sheet	November 30, 2025	May 31, 2025
<b>Assets</b>			
Finance lease, right-of-use assets	Capital assets	\$ 39,406	\$ 40,308
Operating lease, right-of-use assets	Operating lease, right-of-use assets	19,802	22,279
Total right-of-use assets		<u>\$ 59,208</u>	<u>\$ 62,587</u>
<b>Liabilities</b>			
Current:			
Current portion of finance lease liabilities	Current portion of lease liabilities	\$ 1,628	\$ 1,560
Current portion of operating lease liabilities	Current portion of lease liabilities	5,809	5,381
Non-current:			
Finance lease liabilities	Lease liabilities	43,597	44,295
Operating lease liabilities	Lease liabilities	18,145	20,630
Total lease liabilities		<u>\$ 69,179</u>	<u>\$ 71,866</u>

The following table presents the future undiscounted payments associated with lease liabilities as of November 30, 2025:

	Operating leases	Finance leases
2026 (remaining six months)	\$ 3,711	\$ 2,260
2027	6,938	4,521
2028	5,920	4,521
2029	2,939	4,373
Thereafter	11,004	66,816
Total minimum lease payments	<u>\$ 30,512</u>	<u>\$ 82,491</u>
Imputed interest	(6,558)	(37,266)
Obligations recognized	<u>\$ 23,954</u>	<u>\$ 45,225</u>

#### Note 5. Intangible Assets

Intangible assets consisted of the following items:

	Customer relationships & distribution channel	Licenses, permits & applications	Intellectual property, trademarks, knowhow & brands	November 30, 2025
Cost	\$ 2,376	\$ 15,101	\$ 15,466	\$ 32,943
Accumulated amortization	(100)	(7,245)	(3,863)	(11,208)
Total	<u>\$ 2,276</u>	<u>\$ 7,856</u>	<u>\$ 11,603</u>	<u>\$ 21,735</u>

As of November 30, 2025, the Company also has the following intangible assets which have been fully impaired; \$444,208 of customer relationships and distribution channels, \$367,022 of licenses, permits and applications, and \$452,530 of intellectual property, trademarks, know-how and brands.

Customer relationships & distribution channel	Licenses, permits & applications	Non- compete agreements	Intellectual property, trademarks, knowhow & brands	May 31,
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	<b>2025</b>				
Cost	\$ 610,240	\$ 387,238	\$ 12,449	\$ 618,514	\$ 1,628,441
Accumulated amortization	(166,032)	(9,693)	(12,449)	(155,084)	(343,258)
Accumulated impairment losses	(444,208)	(367,022)	—	(452,530)	(1,263,760)
Total	<u>\$ —</u>	<u>\$ 10,523</u>	<u>\$ —</u>	<u>\$ 10,900</u>	<u>\$ 21,423</u>

Licenses, permits & applications are predominantly comprised of multi-period sponsorship rights.

Expected future amortization expense for intangible assets as of November 30, 2025 is as follows:

	<b>Amortization</b>
2026 (remaining six months)	\$ 3,238
2027	6,476
2028	4,512
2029	2,548
2030	2,548
Thereafter	2,413
Total	<u>\$ 21,735</u>

**Note 6. Goodwill**

The following table shows the carrying amount of goodwill by reporting units:

					<b>November 30, 2025</b>
Cannabis Goodwill					\$ 2,640,669
Accumulated impairment losses					(1,888,319)
Total					<u>\$ 752,350</u>

  

	<b>Reporting Unit</b>				<b>May 31, 2025</b>
	<b>Beverage</b>	<b>Cannabis</b>	<b>Wellness</b>	<b>Distribution</b>	
Goodwill	\$ 120,802	\$ 2,640,669	\$ 77,470	\$ 4,458	\$ 2,843,399
Accumulated impairment losses	(120,802)	(1,888,319)	(68,186)	(4,235)	(2,090,654)
Effect of foreign exchange	—	—	(9,284)	(223)	(395)
Total	<u>\$ —</u>	<u>\$ 752,350</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 752,350</u>

## Note 7. Business acquisitions

### Acquisition of Craft Beverage Business Portfolio II

Effective September 1, 2024, the Company acquired four craft beer brands and breweries from Molson Coors Beverage Company (“Molson”) including Atwater Brewery, Hop Valley Brewing Company, Terrapin Beer Co., and Revolver Brewing (the “Craft Acquisition II”). The purpose of the acquisition was to continue broadening Tilray's beverage brand strategy. In consideration for the acquisition, the Company paid a total purchase price of \$22,979 in cash, which was subject to certain customary post-closing working capital adjustments.

The table below summarizes the fair value of the assets acquired and the liabilities assumed for the Craft Acquisition II at the effective acquisition date as follows:

	<u>Amount</u>
<b>Consideration</b>	
Cash consideration	\$ 22,979
<b>Net assets acquired</b>	
<b>Current assets</b>	
Cash and cash equivalents	4,869
Accounts receivable	1,993
Inventory	6,844
Prepays and other current assets	185
<b>Long-term assets</b>	
Capital assets	20,916
Finance lease, right-of-use assets	1,869
Operating lease, right-of-use assets	1,884
<b>Total assets</b>	<u>38,560</u>
<b>Current liabilities</b>	
Accounts payable and accrued liabilities	11,828
Current portion of finance lease liabilities	354
Current portion of operating lease liabilities	564
<b>Long - term liabilities</b>	
Finance lease liabilities	1,515
Operating lease liabilities	1,320
<b>Total liabilities</b>	<u>15,581</u>
<b>Total net assets acquired</b>	<u><u>22,979</u></u>

In the event that the Craft Acquisition II had occurred on June 1, 2024, the Company would have had, on an unaudited proforma basis, additional net revenue of approximately \$nil and \$nil for the three and six months ended November 30, 2025 and approximately \$nil and \$13,700 for the three and six months ended November 30, 2024, respectively, and its consolidated net loss and comprehensive net loss would have increased by approximately \$nil and \$nil for the three and six months ended November 30, 2025 and approximately \$nil and \$4,000 for the three and six months ended November 30, 2024, respectively. This unaudited pro forma financial information does not reflect the realization of any expected ongoing synergies relating to the integration of the Craft Acquisition II.

**Note 8. Long term investments**

Long term investments consisted of the following:

	<b>November 30, 2025</b>	<b>May 31, 2025</b>
Equity investments measured at fair value	\$ 5,233	\$ 1,972
Equity investments under measurement alternative	8,160	8,160
<b>Total</b>	<b>\$ 13,393</b>	<b>\$ 10,132</b>

As of November 30, 2025 and May 31, 2025, included within equity investment under measurement alternative is an option to acquire a 68% membership interest in SH Acquisition for \$1.00 upon U.S. federal cannabis legalization valued at \$8,160. See Note 24 (Financial risk management and financial instruments).

## Note 9. Bank indebtedness

Aphria Inc., a subsidiary of the Company, has an operating line of credit in the amount of C\$1,000, which bears interest at the lender's prime rate plus 75 basis points. As of November 30, 2025, the Company has not drawn on the line of credit. The operating line of credit is secured by a security interest on certain real property located at 265 Talbot St. West, Leamington, Ontario.

CC Pharma GmbH, a subsidiary of the Company, has two operating lines of credit in the amounts of €7,000 and €500. These lines bear interest at Euro Short-Term Rate ("ESTR") plus 2.50% and Euro Interbank Offered Rate ("EURIBOR") plus 4.00%, respectively. As of November 30, 2025, a total of €7,386 (\$8,567) was drawn down from the total available credit of €7,500. The operating line of credit for €7,000 is secured by an interest in the inventory of CC Pharma GmbH as well as the Densborn, Germany production facility and underlying real property. The operating line of credit for €500 is unsecured.

On July 25, 2025, the Company's wholly-owned subsidiary, American Beverage Crafts Group Inc. ("ABC Group"), formerly known as Four Twenty Corporation, finalized its fifth amendment (the "Amendment") to that certain Credit Agreement dated as of June 30, 2023 (the "ABC Group Credit Agreement") by and among the Borrower, Bank of America, N.A., in its capacity as Administrative Agent, and certain other guarantors and lenders party thereto. Specifically, the Amendment amended and restated the ABC Group Credit Agreement to provide for the contribution of the Manitoba Harvest entities' equity to the Borrower as additional collateral. Additionally, the Amendment added financial covenants for (i) minimum consolidated trailing-twelve-months EBITDA for each of the four quarters, beginning May 31, 2025 and (ii) minimum liquidity. ABC Group has a revolving credit facility of \$25,000, which bears interest at SOFR plus an applicable margin. As of November 30, 2025, the Company has drawn \$nil on the revolving line of credit under the ABC Group Credit Agreement.

## Note 10. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are comprised of:

	November 30, 2025	May 31, 2025
Trade payables	\$ 114,496	\$ 107,348
Accrued liabilities	82,519	103,260
Litigation accruals	12,013	12,431
Accrued payroll and employment related taxes	5,151	1,436
Income taxes payable	1,905	58
Accrued interest	3,873	4,193
Sales taxes payable	6,465	6,596
Total	<u>\$ 226,422</u>	<u>\$ 235,322</u>

## Note 11. Long-term debt

The following table sets forth the net carrying amount of long-term debt instruments:

	<b>November 30, 2025</b>	<b>May 31, 2025</b>
Term loan - C\$53,000 - Canadian prime plus an applicable margin, 3-year term, with a 10-year amortization, repayable in equal quarterly payments due in February 2028	\$ 36,720	\$ 38,690
Term loan - C\$25,000 - Canadian prime plus 1.00%, compounded monthly, 5-year term, with a 15-year amortization, repayable in equal monthly installments of C\$181 including interest, due in July 2033	10,788	11,501
Term loan - C\$25,000 - Canadian prime plus 1.00%, compounded monthly, 5-year term, with a 15-year amortization, repayable in equal monthly installments of C\$196 including interest, due in July 2033	8,772	9,354
Term loan - C\$1,250 - Canadian prime plus 1.50%, 5-year term, with a 10-year amortization, repayable in equal monthly installments of C\$12 including interest, due in August 2026	90	157
Mortgage payable - C\$3,750 - Canadian prime plus 1.50%, 5-year term, with a 20-year amortization, repayable in equal monthly installments of C\$23 including interest, due in August 2026	1,930	2,020
Term loan - €3,500 - at 4.59%, 5-year term, repayable in monthly installments of €52 plus interest, due in August 2028	2,216	2,546
Mortgage payable - \$22,635 - EURIBOR rate plus 1.5%, 10-year term, repayable in monthly installments of \$57 to \$69, due in October 2030	19,047	19,418
Term loan - \$90,000 - SOFR plus an applicable margin, 5-year term, repayable in quarterly installments of \$875 to \$2,250 due in June 2028	77,063	80,438
Carrying amount of long-term debt	<u>156,626</u>	<u>164,124</u>
Unamortized financing fees	(998)	(864)
Net carrying amount	155,628	163,260
Less principal portion included in current liabilities	(16,889)	(14,767)
Total non-current portion of long-term debt	<u>\$ 138,739</u>	<u>\$ 148,493</u>

## Note 12. Convertible debentures payable

The following table sets forth the net carrying amount of the convertible debentures payable:

	November 30, 2025	May 31, 2025
5.20% Convertible Notes ("TLRY 27")	\$ 86,255	\$ 86,428
Deduct - current portion	—	—
Total convertible debentures payable, non current portion	\$ 86,255	\$ 86,428

### *TLRY 27 Notes*

	November 30, 2025	May 31, 2025
5.20% Contractual debenture	\$ 172,500	\$ 172,500
Debt settlement	(72,500)	(67,500)
Unamortized discount	(13,745)	(18,572)
Net carrying amount	\$ 86,255	\$ 86,428

The TLRY 27 convertible debentures were issued on May 30, 2023 and on June 9, 2023 by way of overallotment, in the principal amount of \$172,500 (the "TLRY 27 Notes"). The TLRY 27 Notes bear interest at a rate of 5.20% per annum, payable semi-annually in arrears on June 15 and December 15 of each year, and mature on June 15, 2027, unless earlier converted. The TLRY 27 Notes are Tilray's general unsecured obligations and rank senior in right of payment to all of Tilray's indebtedness that is expressly subordinated in right of payment to the notes; equal in right of payment with any of Tilray's unsecured indebtedness that is not so subordinated, effectively junior in right of payment to any of Tilray's secured indebtedness to the extent of the value of the assets securing such indebtedness; and structurally junior to all indebtedness and other liabilities (including trade payables but excluding intercompany obligations) of Tilray's current or future subsidiaries. Noteholders have the right to convert their TLRY 27 Notes into shares of Tilray's Common Stock at their option, at any time, until the close of business on the second scheduled trading day immediately before June 15, 2027. The initial conversion rate is approximately 37.66 shares per \$1,000 principal amount of TLRY 27 Notes, which represents a conversion price of approximately \$26.55 per share. The conversion rate and conversion price will be subject to adjustment upon the occurrence of certain events.

The TLRY 27 Notes are now redeemable, in whole and not in part, at Tilray's option at any time on or after June 20, 2025 at a cash redemption price equal to the principal amount of the notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date, but only if the last reported sale price of Tilray's Common Stock exceeds 130% of the conversion price for a specified period of time. If certain corporate events that constitute a fundamental change occur, then, subject to a limited exception, noteholders may require Tilray to repurchase their TLRY 27 Notes for cash. The repurchase price will be equal to the principal amount of the notes to be repurchased, plus accrued and unpaid interest, if any, to, but excluding, the applicable repurchase date. In connection with the Company's offering of the TLRY 27 Notes, the Company entered into a share lending agreement with an affiliate of Jefferies LLC (the "Share Borrower"), pursuant to which it lent to the Share Borrower 3,850,000 shares of the Company's Common Stock (the "Borrowed Shares"). The Borrowed Shares were newly-issued shares, will be held as treasury shares until the expiration or early termination of the share lending agreement and may be used by purchasers of the TLRY 27 Notes to sell up to 3,850,000 shares of the Company's Common Stock. The fair value of the share lending agreement has been recorded as part of the unamortized discount on the debenture. The Company expects that the selling stockholders will use their position created by such sales to establish their initial hedge with respect to their investments in the TLRY 27 Notes. The Company did not receive any proceeds from the sale of the Borrowed Shares.

During the six months ended November 30, 2025, the Company exchanged an aggregate \$5,000 of its TLRY 27 Notes for cancellation, by issuing 1,259,182 shares of Common Stock and paying \$6 in cash to settle accrued interest. Upon exchanging the TLRY 27 Notes, a portion of the settlement consideration was allocated to the equity component of the instrument and was recognized as a \$1,158 reduction of additional paid-in capital in the Consolidated Statements of Stockholders' Equity. Additionally, this repurchase resulted in a gain of \$495 which was recorded in other non-operating (losses) gains, net as shown in Note 23 (Non-operating income (expense)). Following consummation of the exchange, the number of outstanding Borrowed Shares of Common Stock was reduced by 120,969 shares which were then returned as Treasury Stock. As of November 30, 2025 and May 31, 2025, a total of 2,231,884 and 2,343,478 shares remained outstanding under the share lending arrangement, respectively. Current and prior year share amounts have been retrospectively adjusted to reflect the Reverse Stock Split, which became effective on December 2, 2025.

During the three and six months ended November 30, 2025, the Company recognized interest expense of \$1,256 and \$2,623 and accretion of amortized discount interest of \$1,988 and \$3,964 respectively. During the three and six months ended November 30, 2024, the Company recognized interest expense of \$2,133 and \$4,375 and accretion of amortized discount interest of \$2,919 and \$5,985 respectively.

As of November 30, 2025, there was \$100,000 principal outstanding compared to \$105,000 principal outstanding as of May 31, 2025 under the TLRY 27 Notes.

### **Note 13. Warrant liability**

Between September 5, 2025 and 15, 2025, certain holders elected to exercise an aggregate of 620,900 of the Company's issued and outstanding warrants in accordance with their terms. Pursuant to the exercise of such warrants, Tilray received \$2,367 of cash consideration and delivered 620,900 shares of common stock to such holders. As of November 30, 2025 and May 31, 2025, there were nil and 620,900 warrants outstanding respectively. Current and prior year share amounts have been retrospectively adjusted to reflect the Reverse Stock Split, which became effective on December 2, 2025.

### **Note 14. Stockholders' equity**

#### *Issued and outstanding*

Pursuant to its Fifth Amended and Restated Certificate of Incorporation, the total number of shares that the Company is authorized to issue is 1,426,000,000 shares, of which 1,416,000,000 shares are Common Stock, and 10,000,000 shares of which are Preferred Stock (the "Preferred Stock"). As of November 30, 2025, the Company had issued and outstanding 116,522,600 shares of Common Stock, 321,391 shares of Treasury Stock (the "Treasury Stock") and no Preferred Stock. Historically, the Company has issued shares of its Common Stock in consideration for acquisitions and other strategic transactions, settlement of convertible notes, settlement of litigation claims, in connection with public offerings and as payment of dividends to non-controlling interests for profit distributions.

During the six months ended November 30, 2025, the Company issued the following shares of Common Stock:

- a) 6,777,224 shares of Common Stock pursuant to its At-the-Market ("ATM") program, which generated gross proceeds of \$76,643 and net proceeds of \$73,056, after deducting \$3,587 in commissions and other fees associated with these issuances.
- b) 1,259,182 shares of Common Stock in the amount of \$4,800 to exchange the aggregate principal of \$5,000 of its TLRY 27 Notes for cancellation. Upon exchanging the TLRY 27 Notes, a portion of the settlement consideration was allocated to the equity component of the instrument and was recognized as a \$1,158 reduction of additional paid-in capital. Following consummation of the exchange, the number of outstanding Borrowed Shares of Common Stock was reduced by approximately 120,969 shares which were then returned as Treasury Stock, see Note 12 (Convertible debentures payable).
- c) 620,900 shares of Common Stock to settle exercised warrants.
- d) 861,707 shares of Common Stock to settle dividends payable to the non-controlling shareholders of Aphria Diamond in the amount of \$14,821.
- e) 935,712 shares of Common Stock in connection with the exercise of previously awarded stock-based compensation awards, net of cancellations.

During the six months ended November 30, 2025, the Company granted 4,551,621 time-based Restricted Stock Units ("RSUs").

During the fiscal year ended May 31, 2024, the Company issued 756,615 performance-based RSUs. These RSUs were not considered granted for accounting purposes at the time of issuance, as the performance conditions had not yet been established or approved and no amounts have been recorded within the Consolidated Statement of Income (Loss). During the intervening period, from their initial issuance to the current quarter, the total number of performance-based RSUs was reduced to 744,117 due to attrition. During the three months ended November 30, 2025, the Company established and approved the relevant performance targets for the performance-based RSUs and consequently considered them granted for accounting purposes. In conjunction with this award, an additional component of these performance based grants are payable in cash or its equivalent in shares of Common Stock at the discretion of Company's Compensation Committee. Given the expected settlement in Common Stock, the fair value of these awards has also been recorded as stock-based compensation, with the corresponding liability reflected on the Statement of Financial Position. As a result, during the three months ended November 30, 2025, the Company began accruing the fair value of these awards over the remaining requisite service period.

The Company's total stock-based compensation expense incurred for the three and six months ended November 30, 2025 was \$12,283 and \$17,335 compared to \$7,237 and \$14,154 for the three and six months ended November 30, 2024, respectively.

All current and prior year share amounts have been retrospectively adjusted to reflect the Reverse Stock Split, which became effective on December 2, 2025.



**Note 15. Accumulated other comprehensive income (loss)**

Accumulated other comprehensive income (loss) is comprised of foreign currency translation gain (loss) as follows:

	<b>Total Foreign currency translation gain (loss)</b>
Balance May 31, 2024	\$ (43,499)
Other comprehensive income (loss)	3,622
Balance August 31, 2024	\$ (39,877)
Other comprehensive income (loss)	(8,080)
Balance November 30, 2024	<u>\$ (47,957)</u>
Balance May 31, 2025	\$ (43,063)
Other comprehensive income (loss)	(167)
Balance August 31, 2025	\$ (43,230)
Other comprehensive income (loss)	3,937
Balance November 30, 2025	<u>\$ (39,293)</u>

**Note 16. Non-controlling interests**

The following are majority-owned subsidiaries of the Company and the percentage of ownership interest maintained by the Company is set forth in the parenthetical: Enroot (75%), Aphria Diamond (51%), and ColCanna S.A.S. (90%).

The following table provides a summary of certain balance sheet information before intercompany eliminations relating to the above-referenced majority-owned subsidiaries of the Company in which there was a non-controlling interest as of November 30, 2025:

	<b>Enroot</b>	<b>Aphria Diamond</b>	<b>ColCanna S.A.S.</b>	<b>November 30, 2025</b>
Current assets	\$ 203	\$ 69,005	\$ 3	\$ 69,211
Non-current assets	—	108,486	3,761	112,247
Current liabilities	(4)	(124,948)	(7,030)	(131,982)
Non-current liabilities	—	(31,529)	(1,440)	(32,969)
Net assets	<u>\$ 199</u>	<u>\$ 21,014</u>	<u>\$ (4,706)</u>	<u>\$ 16,507</u>

The following table provides a summary of certain balance sheet information before intercompany eliminations relating to the above-referenced majority-owned subsidiaries of the Company in which there was a non-controlling interest as of May 31, 2025:

	<b>SH Acquisition</b>	<b>CC Pharma Nordic ApS</b>	<b>Aphria Diamond</b>	<b>ColCanna S.A.S.</b>	<b>May 31, 2025</b>
Current assets	\$ —	\$ —	\$ 83,390	\$ 20	\$ 83,410
Non-current assets	—	—	114,677	3,348	118,025
Current liabilities	—	—	(126,986)	(6,953)	(133,939)
Non-current liabilities	—	—	(31,720)	(1,442)	(33,162)
Net assets	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 39,361</u>	<u>\$ (5,027)</u>	<u>\$ 34,334</u>

The following table provides a summary of certain income statement information before intercompany eliminations relating to the above referenced majority-owned subsidiaries of the Company in which there was a non-controlling interest for the six months ended November 30, 2025:

	Enroot	Aphria Diamond	ColCanna S.A.S.	November 30, 2025
Revenue	\$ 4	\$ 31,258	\$ —	\$ 31,262
Total expenses	7	24,762	(736)	24,033
Net (loss) income	(3)	6,496	736	7,229
Other comprehensive (loss) income	—	1,120	(415)	705
Net comprehensive (loss) income	\$ (3)	\$ 7,616	\$ 321	\$ 7,934
Non-controlling interest %	25%	49%	10%	NA
Comprehensive (loss) income attributable to NCI	(1)	3,732	32	3,763
Net comprehensive (loss) income attributable to NCI	\$ (1)	\$ 3,732	\$ 32	\$ 3,763

The following table provides a summary of certain income statement information before intercompany eliminations relating to the above referenced majority-owned subsidiaries of the Company in which there was a non-controlling interest for the six months ended November 30, 2024:

	SH Acquisition	CC Pharma Nordic ApS	Aphria Diamond	ColCanna S.A.S.	November 30, 2024
Revenue	\$ —	\$ —	\$ 36,429	\$ —	\$ 36,429
Total expenses	—	5	26,919	793	27,717
Net (loss) income	—	(5)	9,510	(793)	8,712
Other comprehensive (loss) income	—	(1)	(796)	434	(363)
Net comprehensive (loss) income	\$ —	\$ (6)	\$ 8,714	\$ (359)	\$ 8,349
Non-controlling interest %	32%	25%	49%	10%	NA
Comprehensive (loss) income attributable to NCI	—	(2)	4,270	(36)	4,232
Net comprehensive (loss) income attributable to NCI	\$ —	\$ (2)	\$ 4,270	\$ (36)	\$ 4,232

#### Note 17. Income taxes

The determination of the Company's overall effective tax rate requires significant judgment, the use of estimates, and the interpretation and application of complex tax laws. The effective tax rate reflects the income earned and taxed in various United States federal, state, and foreign jurisdictions. Tax law changes, increases, and decreases in temporary and permanent differences between book and tax items, valuation allowances against the deferred tax assets, stock compensation, and the Company's change in income in each jurisdiction all affect the overall effective tax rate. It is the Company's practice to recognize interest and penalties related to uncertain tax positions in income tax expense.

The Company reported income tax expense of \$3,546 and \$1,261 for the three and six months ended November 30, 2025, and \$2,036 and \$2,922 for the three and six months ended November 30, 2024. The income tax expense in the current period varies from the US statutory income tax rate and prior year period primarily due to the geographical mix of earnings and losses with no tax benefit resulting from valuation allowances in certain jurisdictions.

## Note 18. Commitments and contingencies

### *Purchase and other commitments*

The Company has financial commitments on long-term debt, refer to Note 11 (Long-term debt), convertible notes, refer to Note 12 (Convertible debentures payable), material purchase commitments inclusive of multi-period sponsorship rights and construction commitments as follows:

	<b>Total</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>Thereafter</b>
Long-term debt repayment	\$ 156,626	\$ 16,889	\$ 13,624	\$ 94,715	\$ 3,619	\$ 27,779
Convertible debentures payable	100,000	—	—	100,000	—	—
Material purchase obligations	63,319	33,363	28,261	615	530	550
Construction commitments	1,209	1,209	—	—	—	—
<b>Total</b>	<b>\$ 321,154</b>	<b>\$ 51,461</b>	<b>\$ 41,885</b>	<b>\$ 195,330</b>	<b>\$ 4,149</b>	<b>\$ 28,329</b>

### *Legal proceedings*

In the ordinary course of business, we are at times subject to various legal proceedings and disputes, including the proceedings specifically discussed below. We assess our liabilities and contingencies in connection with outstanding legal proceedings utilizing the latest information available. Where it is probable that we will incur a loss and the amount of the loss can be reasonably estimated, we record a liability in our consolidated financial statements. These legal reserves may be increased or decreased to reflect any relevant developments on a quarterly basis. Where a loss is not probable or the amount of loss is not estimable, we do not accrue legal reserves. While the outcome of legal proceedings is inherently uncertain, based on information currently available and available insurance coverage, our management believes that it has established appropriate legal reserves. Any incremental liabilities arising from pending legal proceedings are not expected to have a material adverse effect on our consolidated financial position, consolidated results of operations, or consolidated cash flows. However, it is possible that the ultimate resolution of these matters, if unfavorable, may be material to our consolidated financial position, consolidated results of operations, or consolidated cash flows.

There have been no material changes in the legal proceedings since our Annual Report on Form 10-K for the fiscal year ended May 31, 2025.

### **Summary of litigation accruals**

As described in Note 10 (Accounts payable and accrued liabilities), the total estimated litigation expense accrual included in accrued liabilities as of November 30, 2025 and May 31, 2025 was \$12,013 and \$12,431, respectively. This estimated accrual is intended to cover various ongoing litigation matters with probable losses that can be reasonably estimated.

## Note 19. Net revenue

The Company reports Net revenue in four reporting segments: beverage, cannabis, distribution, and wellness. Net revenue for the three and six months ended November 30, 2025 and three and six months ended November 30, 2024 were as follows:

	For the three months ended		For the six months ended	
	November	November	November	November
	30,	30,	30,	30,
	2025	2024	2025	2024
Beverage revenue	\$ 53,552	\$ 66,861	\$ 112,064	\$ 126,024
Beverage excise taxes	(3,469)	(3,780)	(6,242)	(6,971)
Net beverage revenue	50,083	63,081	105,822	119,053
Cannabis revenue	90,208	87,208	177,943	168,402
Cannabis excise taxes	(22,676)	(21,556)	(45,900)	(41,501)
Net cannabis revenue	67,532	65,652	132,043	126,901
Distribution revenue	85,316	67,611	159,323	135,682
Wellness revenue	14,576	14,606	29,820	29,358
Total	\$ 217,507	\$ 210,950	\$ 427,008	\$ 410,994

## Note 20. Cost of goods sold

The Company reports Cost of goods sold in four reporting segments: beverage, cannabis, distribution, and wellness. Cost of goods sold for the three and six months ended November 30, 2025 and three and six months ended November 30, 2024 were as follows:

	For the three months ended		For the six months ended	
	November	November	November	November
	30,	30,	30,	30,
	2025	2024	2025	2024
Beverage costs	34,351	37,925	68,764	\$ 70,975
Cannabis costs	41,398	42,475	82,639	79,529
Distribution costs	74,334	59,207	140,342	119,345
Wellness costs	9,927	10,123	20,297	20,219
Total	\$ 160,010	\$ 149,730	\$ 312,042	\$ 290,068

## Note 21. General and administrative expenses

General and administrative expenses for the three and six months ended November 30, 2025 and three and six months ended November 30, 2024 were as follows:

	For the three months ended		For the six months ended	
	November	November	November	November
	30,	30,	30,	30,
	2025	2024	2025	2024
Salaries and wages	\$ 24,764	22,726	\$ 46,500	\$ 44,293
Office and general	8,284	9,458	16,981	18,718
Stock-based compensation	12,283	7,237	17,335	14,154
Insurance	2,456	3,155	4,849	5,610
Professional fees	1,034	1,126	2,252	2,304
Gain on sale of capital assets	(134)	(505)	(375)	(531)
Travel and accommodation	1,292	1,754	2,604	3,247
Rent	1,196	1,046	2,082	2,315
Total	\$ 51,175	\$ 45,997	\$ 92,228	\$ 90,110



## Note 22. Restructuring charges

In connection with the integration of certain acquisitions and strategic transactions, the Company has incurred restructuring and exit costs in the amount of \$965 and \$1,834 for the three and six months ended November 30, 2025, compared to \$6,869 and \$11,116 for the three and six months ended November 30, 2024. All restructuring plans are approved at the executive level, and their associated expenses are recognized in the period in which the plan is committed or otherwise incurred.

Within the Cannabis segment, during the six months ended November 30, 2025, the Company incurred restructuring-related expenses totaling \$1,834. These charges included \$670 associated with the restructuring of the Quebec facility to transition from vegetable cultivation to cannabis cultivation in response to increased global cannabis demand, \$843 related to employee termination severance and benefits associated with the reorganization of the Canadian cannabis commercial function, and \$177 related to the wind-down of certain non-operating entities. Additionally, the Company recognized \$144 related to its Fort Collins, CO partially vacant warehouse recorded under assets held of sale. See Note 3 (capital assets).

During the fiscal year ended May 31, 2025, the Company accrued \$8,500 of restructuring charges related to the closure of Hop Valley and other Project 420 initiatives within the Beverage segment, of which \$4,570 was recognized in the six months ended November 30, 2025 thereby, reducing the accrual to \$3,930.

## Note 23. Non-operating income (expense), net

Non-operating income (expense), net for the three and six months ended November 30, 2025 and three and six months ended November 30, 2024 were as follows:

	For the three months ended		For the six months ended	
	November	November	November	November
	30,	30,	30,	30,
	2025	2024	2025	2024
Change in fair value of warrant liability	\$ 175	\$ 862	\$ (3,495)	\$ 1,558
Foreign exchange gain (loss)	(10,327)	(33,797)	(3,399)	(21,916)
(Loss) gain on long-term investments	(345)	(27)	(306)	(66)
Unrealized loss on digital assets	(164)	—	(172)	—
Other non-operating (losses) gains, net	(1,649)	(293)	(1,106)	(185)
Total	<u>\$ (12,310)</u>	<u>\$ (33,255)</u>	<u>\$ (8,478)</u>	<u>\$ (20,609)</u>

The other non-operating losses (gains), net for the three and six months ended November 30, 2025, were losses of \$1,649 and \$1,106 which was mainly comprised of a loss of \$1,800 on the change in fair value of assets held for sale related to the Fort Collins, CO partially vacant warehouse, as described in Note 3 (capital assets), offset by a gain of \$495 resulting from the exchange transaction of the TLR 27 Note, as described in Note 12 (Convertible debentures payable).

## Note 24. Financial risk management and financial instruments

### Financial instruments

The Company's classification of its financial instruments is described in Note 3 (Significant accounting policies) in the Notes to our Annual Financial Statements.

The carrying values of marketable securities, accounts receivable, bank indebtedness and accounts payable and accrued liabilities approximate their fair values due to their short periods to maturity.

On November 30, 2025 and May 31, 2025, the Company had long-term debt of \$2,216 and \$2,546, respectively, and the principal portion of convertible debentures payable of \$100,000 and \$105,000, respectively, subject to fixed interest rates. The Company's long-term debt is valued based on discounting the future cash outflows associated with the long-term debt. The discount rate is based on the incremental premium above market rates for the U.S. Department of the Treasury securities of similar duration. In each period thereafter, the incremental premium is held constant while the U.S. Department of the Treasury security is based on the then current market value to derive the discount rate.



The following tables present information about the Company's assets and liabilities that are measured at fair value on a recurring basis as of November 30, 2025 and May 31, 2025 and indicates the fair value hierarchy of the valuation techniques the Company utilized to determine such fair value:

	Level 1	Level 2	Level 3	November 30, 2025
<b>Financial assets</b>				
Cash and cash equivalents	\$ 246,703	\$ —	\$ —	\$ 246,703
Marketable securities	44,848	—	—	44,848
Equity investments measured at fair value	4,229	1,004	8,160	13,393
Digital assets	828	—	—	828
Total recurring fair value measurements	<u>\$ 296,608</u>	<u>\$ 1,004</u>	<u>\$ 8,160</u>	<u>\$ 305,772</u>
	Level 1	Level 2	Level 3	May 31, 2025
<b>Financial assets</b>				
Cash and cash equivalents	\$ 221,666	\$ —	\$ —	\$ 221,666
Marketable securities	34,697	—	—	34,697
Equity investments measured at fair value	909	1,063	8,160	10,132
<b>Financial liabilities</b>				
Warrant liability	—	—	(1,092)	(1,092)
Contingent consideration	—	—	(15,000)	(15,000)
Total recurring fair value measurements	<u>\$ 257,272</u>	<u>\$ 1,063</u>	<u>\$ (7,932)</u>	<u>\$ 250,403</u>

The Company's financial assets and liabilities required to be measured on a recurring basis are its equity investments measured at fair value, digital assets, acquisition-related contingent consideration, and warrant liability.

During the six months ended November 30, 2025, the Company purchased 9.16 units of Bitcoin. Digital assets recorded at fair value have quoted prices in active markets for identical assets and are classified as Level 1. The following table presents the Company's digital asset holdings as of November 30, 2025:

	Quantity	Cost Basis	Fair Value	Cumulative Unrealized Gain (Loss)
Bitcoin	9.16	\$ 1,000	\$ 828	\$ (172)
Total digital assets	<u>9.16</u>	<u>\$ 1,000</u>	<u>\$ 828</u>	<u>\$ (172)</u>

Certain equity investments recorded at fair value have quoted prices in active markets for identical assets and are classified as Level 1. The Company classified securities with observable inputs as Level 2 and without a quoted market price as Level 3.

A portion of the consideration to be paid in connection with the Company's acquisition of Montauk Brewing Company ("Montauk") is contingent upon the achievement of certain financial measures as of December 31, 2025. If achieved, such contingent consideration is payable in cash. During the six months ended November 30, 2025, the contingent consideration amount was reassessed and was estimated by applying a probability of achievement of 0% on the \$15,000 sales earn-out component and 0% on the remaining criteria. The Montauk contingent earn-out is no longer expected to be achieved based on Montauk's current operating results, and as such resulted in a corresponding change in fair value of \$15,000 for the contingent consideration liability recognized. The unobservable inputs into the future expected cash outflows result in a fair value measurement classified as Level 3.

The balances of assets and liabilities categorized within Level 3 of the fair value hierarchy measured at fair value on a recurring basis are reconciled, as follows for the period ended November 30, 2025:

	<b>Equity Investments</b>	<b>Warrant Liability</b>	<b>Contingent Consideration</b>
Balance, May 31, 2025	\$ 8,160	\$ (1,092)	\$ (15,000)
Unrealized gain (loss) on fair value	—	(3,495)	15,000
Instruments exercised	—	4,587	—
Balance, November 30, 2025	<u>\$ 8,160</u>	<u>\$ —</u>	<u>\$ —</u>

The balances of assets and liabilities categorized within Level 3 of the fair value hierarchy measured at fair value on a recurring basis are reconciled, as follows for the period ended November 30, 2024:

	<b>Convertible notes receivable</b>	<b>Equity Investments</b>	<b>Warrant Liability</b>	<b>Contingent Consideration</b>	<b>APHA 24 Convertible Debt</b>
Balance, May 31, 2024	\$ 32,000	\$ 5,500	\$ (3,253)	\$ (15,000)	\$ (330)
Additions/(Repayments)	—	—	—	—	330
Unrealized gain (loss) on fair value	—	—	1,558	—	—
Balance, November 30, 2024	<u>\$ 32,000</u>	<u>\$ 5,500</u>	<u>\$ (1,695)</u>	<u>\$ (15,000)</u>	<u>\$ —</u>

The unrealized gain (loss) on fair value for the convertible debenture, the warrant liability, contingent consideration, and debt securities classified under available-for-sale method is recognized in the consolidated statements of loss and comprehensive loss using the following inputs:

<b>Financial asset / financial liability</b>	<b>Valuation technique</b>	<b>Significant unobservable input</b>	<b>Inputs</b>
Contingent consideration	Discounted cash flows	Probability of achievement	0%
Equity investments	Discounted cash flows	Probability of achievement	70%

*Items measured at fair value on a non-recurring basis*

The Company's prepaids and other current assets, long lived assets, including property and equipment, goodwill and intangible assets are measured at fair value when there is an indicator of impairment and are recorded at fair value only when an impairment charge is recognized.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There have been no changes to the Company's capital management approach in the period. The Company considers its cash and cash equivalents and marketable securities as capital.

**Note 25. Segment reporting**

Our Company's Chief Operating Decision Maker ("CODM") is the Chairman of the Board of Directors and Chief Executive Officer. The CODM uses segment gross profit for the purpose of resource allocation, assessment of segment performance against determined targets, and in deciding whether to implement cost saving targets. The Company operates in four segments. 1) cannabis operations, which encompasses the production, distribution, sale, co-manufacturing and advisory services of both medical and adult-use cannabis, 2) beverage operations, which encompasses the production, marketing and sale of beverage products, 3) distribution operations, which encompasses the purchase and resale of pharmaceuticals products to customers, and 4) wellness products, which encompasses wellness and better-for-you foods and beverages. This structure is in line with how our CODM assesses our performance and allocates resources.

Operating segments have not been aggregated and no asset information is provided for the segments because the Company's CODM does not receive asset information by segment on a regular basis.

The following tables reconcile the Company's segment gross profit to consolidated U.S. GAAP results:

	For the three months ended		For the six months ended	
	November	November	November	November
	30,	30,	30,	30,
	2025	2024	2025	2024
<b>Beverage</b>				
Net beverage revenue	\$ 50,083	\$ 63,081	\$ 105,822	\$ 119,053
Beverage costs	34,351	37,925	68,764	70,975
Beverage gross profit	<u>15,732</u>	<u>25,156</u>	<u>37,058</u>	<u>48,078</u>
<b>Cannabis</b>				
Net cannabis revenue	67,532	65,652	132,043	126,901
Cannabis costs	41,398	42,475	82,639	79,529
Cannabis gross profit	<u>26,134</u>	<u>23,177</u>	<u>49,404</u>	<u>47,372</u>
<b>Distribution</b>				
Distribution revenue	85,316	67,611	159,323	135,682
Distribution costs	74,334	59,207	140,342	119,345
Distribution gross profit	<u>10,982</u>	<u>8,404</u>	<u>18,981</u>	<u>16,337</u>
<b>Wellness</b>				
Wellness revenue	14,576	14,606	29,820	29,358
Wellness costs	9,927	10,123	20,297	20,219
Wellness gross profit	<u>4,649</u>	<u>4,483</u>	<u>9,523</u>	<u>\$ 9,139</u>
<b>Total</b>				
Total revenue	217,507	210,950	427,008	410,994
Total costs	160,010	149,730	312,042	290,068
Total gross profit	<u>\$ 57,497</u>	<u>\$ 61,220</u>	<u>\$ 114,966</u>	<u>\$ 120,926</u>

Segment costs are comprised of cost of goods sold, which include product costs, salaries and an allocation of overhead costs.

The following table reconciles the total segment gross profit to the Company's consolidated totals:

	For the three months ended		For the six months ended	
	November	November	November	November
	30,	30,	30,	30,
	2025	2024	2025	2024
Gross profit	\$ 57,497	\$ 61,220	\$ 114,966	\$ 120,926
Operating expenses:				
General and administrative	51,175	45,997	92,228	90,110
Selling	11,781	16,162	24,704	27,852
Amortization	4,358	22,927	8,287	44,731
Marketing and promotion	9,981	9,720	20,136	21,286
Research and development	78	60	119	165
Change in fair value of contingent consideration	—	—	(15,000)	—
Litigation costs, net of recoveries	869	901	1,876	2,496
Restructuring costs	965	6,869	1,834	11,116
Transaction costs (income), net	569	802	969	1,958
Total operating expenses	<u>79,776</u>	<u>103,438</u>	<u>135,153</u>	<u>199,714</u>
Operating loss	(22,279)	(42,218)	(20,187)	(78,788)
Interest expense, net	(5,374)	(7,766)	(12,070)	(17,608)
Non-operating income (expense), net	(12,310)	(33,255)	(8,478)	(20,609)
Loss before income taxes	(39,963)	(83,239)	(40,735)	(117,005)
Income tax expense (recovery), net	3,546	2,036	1,261	2,922
Net loss	<u>\$ (43,509)</u>	<u>\$ (85,275)</u>	<u>\$ (41,996)</u>	<u>\$ (119,927)</u>

Channels of Cannabis revenue were as follows:

	For the three months ended	For the six months ended
	November	November

	<b>30, 2025</b>	<b>30, 2024</b>	<b>30, 2025</b>	<b>30, 2024</b>
Revenue from Canadian medical cannabis	\$ 6,234	\$ 6,673	\$ 12,380	\$ 12,934
Revenue from Canadian adult-use cannabis	62,448	59,077	126,515	116,312
Revenue from wholesale cannabis	1,346	6,593	5,501	12,100
Revenue from international cannabis	20,180	14,865	33,547	27,056
Less excise taxes	(22,676)	(21,556)	(45,900)	(41,501)
Total	<u>\$ 67,532</u>	<u>\$ 65,652</u>	<u>\$ 132,043</u>	<u>\$ 126,901</u>

Geographic net revenue:

	For the three months ended		For the six months ended	
	November	November	November	November
	30,	30,	30,	30,
	2025	2024	2025	2024
USA	\$ 57,838	\$ 71,753	\$ 121,799	\$ 135,633
Canada	54,173	56,720	112,340	112,625
EMEA	103,155	79,254	188,408	156,926
Rest of World	2,341	3,223	4,461	5,810
Total	<u>\$ 217,507</u>	<u>\$ 210,950</u>	<u>\$ 427,008</u>	<u>\$ 410,994</u>

Geographic capital assets:

	November 30,	May 31,
	2025	2025
USA	\$ 193,897	\$ 200,003
Canada	253,515	267,458
EMEA	98,446	97,371
Rest of World	4,243	3,601
Total	<u>\$ 550,101</u>	<u>\$ 568,433</u>

Major customers are defined as customers that are materially significant to the Company's annual revenues. For the three and six months ended November 30, 2025 and 2024, there were no major customers representing a material contribution to our quarterly revenues.