

**CANNABIS**  
— NB —

2024–2025

# ANNUAL REPORT



# TABLE OF CONTENTS

03	CHAIR'S LETTER
04	PRESIDENT'S MESSAGE
05	STRATEGIC PLAN
06	CANNABIS NB BY THE NUMBERS
08	FINANCIAL OVERVIEW
09	BRAND AND MARKETING
10	PERFORMANCE CULTURE
12	STORE AWARDS
13	GOVERNANCE
14	STORE NETWORK
15	SALES OVERVIEW
16	MANAGEMENT AND AUDITOR'S REPORT
20	FINANCIAL STATEMENTS

## CANNABIS-NB.COM

170 Wilsey Road, PO Box 20787  
Fredericton, NB, E3B 5B8

ISSN 2562-7619  
ISBN 978-1-4605-4358-0



# CHAIR'S LETTER

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

Minister Randall,

On behalf of the Cannabis NB (CNB) Board of Directors, I am pleased to present you with the 2024–2025 annual report. The Board of Directors is accountable for the specific goals and objectives outlined in this report and recognizes and upholds this accountability collectively, seriously, and with great pride.

For the year in question and the five years preceding it, John Correia held the position of Chair at CNB and did so very commendably. I, along with the Board of Directors, recognize John's strong commitment to CNB and wish him the very best.

CNB achieved a net income of \$23.1M and sales of \$100.9M with continued competition from the illicit market. The team's focus on customer service and expense control contributed this year's results.

The focus for CNB remains on youth protection, reducing the illicit market, education, and safety, while returning all profits to the province and its NB taxpayers. The network expansion with Private Retail Operators and FarmGate stores broadens the access to safe and legal cannabis, with increasing public awareness and education supported by the new Good to Know campaign and a very successful Cannabis Expo.

On behalf of the Board of Directors, I hope that you will join me in extending congratulations to the CNB Team for the achievements of the past year. We look forward to sharing further successes with the people of New Brunswick.



## BOARD OF DIRECTORS

*\*As of March 30, 2025*

**John Correia**  
*Chair*

**Cédric Laverdure**  
*Director*

**Joanne Bérubé Gagné**  
*Director*

**Kathryn Craig**  
*Director*

**Paul Elliott**  
*Director*

**Kevin Berry**  
*Director*

**Bruce Wood**  
*Director*

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

**Lori Stickles**  
*President & CEO*

**Andrea Dewitt**  
*Secretary*



Respectfully submitted,

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

# PRESIDENT'S MESSAGE

As the second year of our 2024–2026 strategic plan draws to a close, CNB continues to grow at a steady pace, strengthened by an efficient organization, access to quality, regulated Canadian products, and guided by social responsibility.

In fiscal 2024–2025, we increased our sales by 7.6%, enabling us to give back \$18.7 million dollars to New Brunswick to help fund valuable programs and services, across communities in New Brunswick.

Behind these results is our mission: to ensure every customer experience is positive, memorable and built on a foundation of education and responsibility every time for the benefit of our communities.

With this goal in mind, we have continued to offer our customers more options and better access to safe, tested, legal cannabis products. CNB continued to grow with 27 corporate stores, 10 private retailers, and 7 farmgate private retailers in over 30 communities across New Brunswick.

Our strong foundation in social responsibility continues to help educate consumers on the risks of illegal cannabis. We continue to have great success with our Good to Know campaign which helps New Brunswickers make good choices when it comes to cannabis, supported by findings from the testing performed by the Research and Productivity Council (RPC).

In addition to our many accomplishments this past year, I'd also like to highlight the success of the second edition of our Expo Cannabis consumer education event. Held on March 15, the event brought together over 30 of Canada's leading cannabis supply partners and welcomed nearly 1,000 visitors.

I want to personally thank each and every team member for their continued dedication, leadership, and commitment to CNB and our customers.

On behalf of the entire CNB team, I extend my heartfelt thanks to our partners and stakeholders, our Board of Directors, the Cannabis Management Corporation and the Province of New Brunswick for their support.



Respectfully submitted,

**Lori Stickles**  
President & CEO

## EXECUTIVE MANAGEMENT

*\*As of March 30, 2025*

**Lori Stickles**  
President and CEO

**Lara Wood**  
Senior Vice President  
of Marketing and Communications

**Dana Scott**  
Vice President of Operations

**Jamie LeBlanc**  
Senior Vice President and  
Chief Financial Officer

**Craig Clark**  
Senior Vice-President  
of Information Technology

**Mike Harty**  
Vice President of Operations  
(Property Management)



## STRATEGIC FOUNDATION

Fiscal 2024–2025 marked another successful year for CNB, as the organization completed the second year of its three-year strategic plan. Guided by its strategic goals and core values, CNB continues to strengthen its position as a leader in the cannabis industry. The organization remains committed to delivering exceptional customer value, supporting local producers and businesses, and advancing education and consumer safety.

With this strong focus on customer experience, operational excellence, market expansion, and education, CNB is well-positioned to continue to drive growth and create a lasting, positive impact for all New Brunswickers.

## MODEL EVOLUTION

This year, CNB's Private Retail channel continued to evolve with the addition of two legal private retail locations, bringing the total number of legal private retail stores in the province to 10. In addition, two additional Farmgate locations opened, while one closed this year.

With seven Farmgate stores in operation in New Brunswick, the province continues to offer the largest number of Farmgate stores in the country.

This year, CNB also added two new corporate stores (Saint John and Fredericton) bringing the total number of CNB stores to 27 across the province. We also had the opportunity to participate in Cannabis Expo with a pop-up store for the duration of the event.

## CATEGORY MANAGEMENT

In fiscal year 2024–2025, CNB's Category Management team continued to focus on optimizing the product mix, enhancing consumer experience, and driving sustainable growth through a data-informed approach to merchandising and inventory planning. The commitment to delivering quality, variety, and value remains central to CNB's mission of supporting safe and responsible cannabis consumption across New Brunswick.

An area of focus for the category team was continuing to strengthen local partnerships through collaborative planning sessions. Improvements were also made to forecasting and product calls which resulted in better stock rates, exclusive product launches and supply chain responsiveness. The team is also working with partners to evaluate packaging standards and work with licensed producers to support environmental friendly solutions without compromising product quality and safety.

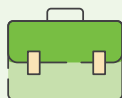
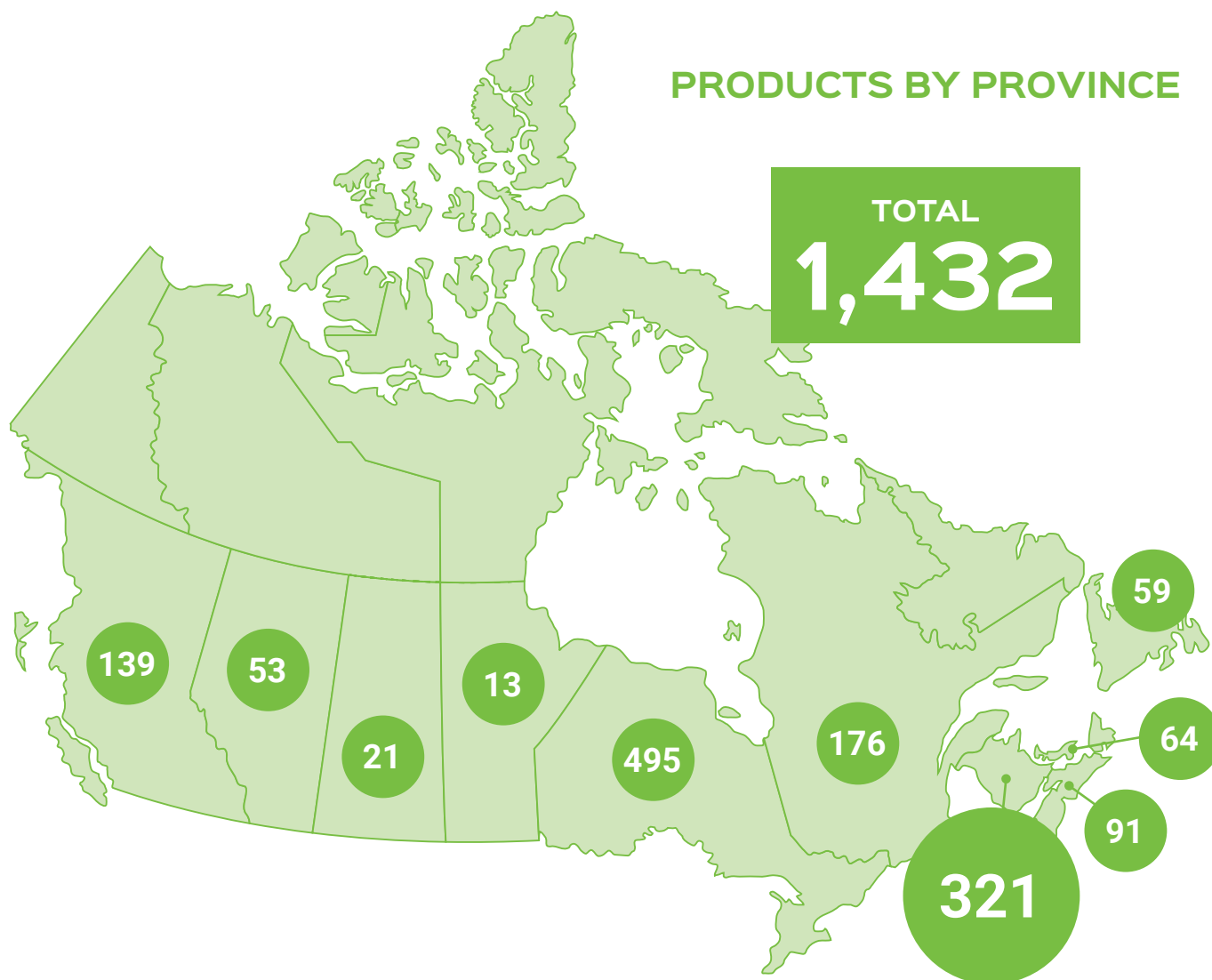
CNB remains committed to aligning product portfolio with customer preferences while upholding regulatory standards and corporate values.



# CANNABIS NB BY THE NUMBERS

\*As of March 30, 2025

## PRODUCTS BY PROVINCE



## OUR TEAM

103

CUSTOMER FACING  
(FULL-TIME/PART-TIME)  
EMPLOYEES

133

CUSTOMER FACING  
OCCASIONALS

27

NON-CUSTOMER  
FACING EMPLOYEES

TOTAL  
263

\*Employment #s reflect active employees and employees on leave as of March 30, 2025.

# — CANNABIS NB BY THE NUMBERS —

\*As of March 30, 2025

## PRODUCTS FROM NEW BRUNSWICK

TOTAL **321**



**43**

WHOLE BUDS



**13**

ACCESSORIES



**120**

CONCENTRATES



**44**

PRE ROLLS



**36**

EDIBLES



**18**

TOPICALS



**19**

CLONES



**9**

MILLED



**4**

CAPSULES



**12**

SEEDS



**3**

INFUSED  
EDIBLE OIL

## RETURN TO THE PROVINCE OF NEW BRUNSWICK

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

**\$18.7M**





## FINANCIAL OVERVIEW

The information below provides an overview of CNB's financial position for the year ended March 30, 2025, and should be read in conjunction with CNB's audited financial statements and note disclosures.

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

CNB remained committed to its strategic goals and objectives, including fiscal responsibilities, and successfully generated *Net income* of \$23.1M, an increase of 1.5% over prior year.

Driving the bottom-line increase were *Total sales* at \$100.9M, up 7.6% year-over-year. Both the dried flower and concentrates categories generated significant growth, at \$3.4M and \$3.6M respectively. Despite strong year-over-year growth, the dried flower category remained relatively flat as a percentage of total sales as consumers gravitated toward more convenient forms

of consumption, and from continued competition from the illicit market. The operational mix of corporate stores, the Private Retail Channel, and Farmgate locations are aimed at continuing to improve access to regulated products across the province, which will better support customers having improved access to the legal market.

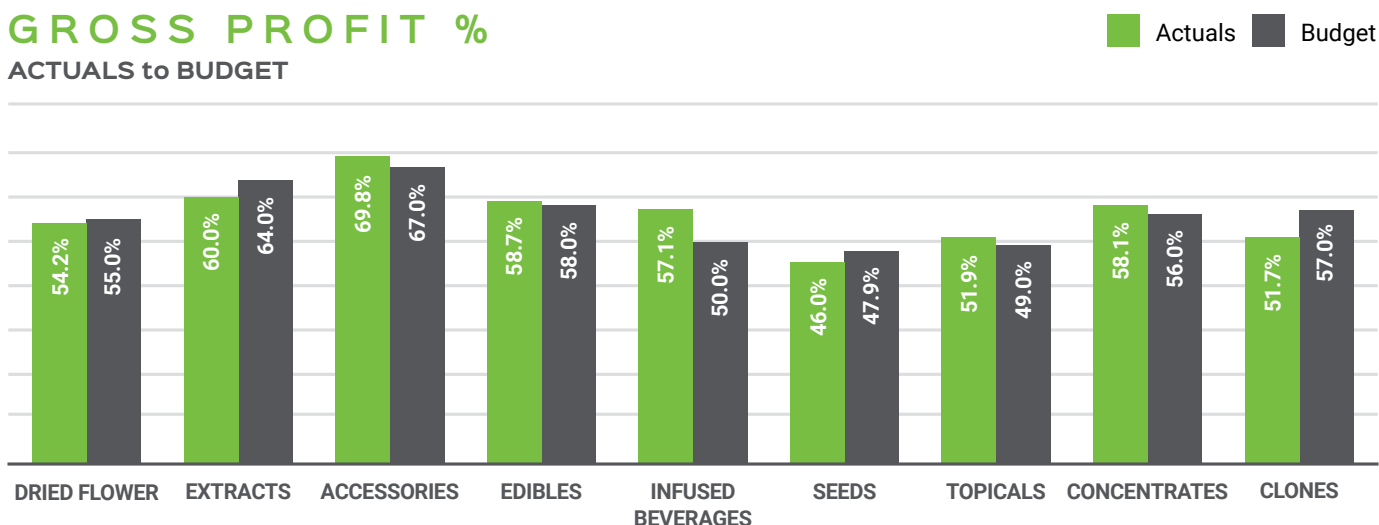
In-store sales saw the average annual ticket remain relatively stable at \$58.73 from prior year's \$58.89, with transaction counts increasing to 1.6M.

Strong *Total sales* translated into strong total *Gross profit %s*, approximating targets across all product categories as highlighted below.

Along with strong expense management in several controllable areas, and a focus on alignment of resources to sales needs, the nominal increase in *Operating expense* year-over-year further demonstrates the organization's commitment to fiscal responsibility.

## GROSS PROFIT %

ACTUALS to BUDGET





**Safety is our #1 so you  
don't have to worry  
about #2.**

**NO ONE IS TESTING ILLEGAL CANNABIS FOR POOP.**



**GOODTOKNOWNB.CA**



## BRAND AND MARKETING

Given the restrictive federal regulations related to the marketing and advertising of legal cannabis, CNB's marketing approach differs from that of other retailers, focusing on education and safety in marketing initiatives. Brand development is also an important part of marketing at CNB to differentiate the company from the illicit market, and ensure a positive customer experience and connection.

CNB's social responsibility platform, Good to Know, continues to resonate with cannabis consumers, and those curious about cannabis, to help deepen their awareness and understanding about responsible cannabis consumption and the health and safety risks of consuming cannabis from the illicit market.

CNB partnered with the New Brunswick **Research and Productivity Council (RPC)** to leverage the findings of their most recent **report**, an analysis of illicit vape cartridges (and other illicit products), to evolve and refresh CNB's educational advertising campaigns for the fiscal year.

To continue to engage with 19+ community members in a more direct way, age-gated Good to Know activations were held in two community events: Moonlight Bazaar in Saint John in August and Harvest Music Festival in Fredericton in September. At these educational activations, an average of 60+ productive and positive conversations happened per hour. CNB also received feedback from event organizers and patrons on the positive impact of the activation.



# CANNABIS EXPO CANNABIS

The Brand and Marketing team led the execution of CNB's second annual Cannabis Expo in Saint John on March 15, 2025. This age-gated, educational event involved 27 exhibitors (an increase from 2024), including vendor partners, CNB's hiring team, RPC, a cannabis technology company, Good to Know and a new booth to showcase the Cannabis NB Cup. Over 930 people were in attendance and an attendee survey demonstrated that learning, interacting with exhibitors and the community feel and atmosphere were the highlights of the event. About 30% of attendees traveled from outside the region to attend Cannabis Expo. The onsite pop-up store at the event saw strong sales and highly engaged customers. An exhibitor survey showed that exhibitors made meaningful connections with attendees and felt the event was valuable to attend to build their brand and drive education.

The Brand and Marketing team continues to find innovative ways to increase awareness of CNB, and educate consumers about the illicit market while respecting the regulatory restrictions of this industry.

## PERFORMANCE CULTURE

At CNB, building and sustaining a performance driven culture remains a priority. Over the past year we've continue to foster this culture through investment in our people, process improvement, gathering feedback from team members and in growing our leadership.

### Employee Engagement

CNB conducted an Employee Engagement Survey in July 2024 and January 2025. The overall score was 4.57 on both the Annual Survey and the Pulse Survey. Scores reflected strong leadership and a positive workplace culture.





## Team Development

The CNB Learning Symposium was held in Moncton from October 22–24, 2024. All team members from across the province attended this learning event which included learning sessions from our various licensed producers and operational updates.

CNB continues to invest in team development and growth by offering targeted learning sessions on areas such as finance and leadership. These sessions help build business acumen and increase awareness of financial and operational performance across the team. As business needs evolve, so do these development opportunities, ensuring they remain relevant and impactful. This ongoing investment has cultivated a team of engaged, business-minded individuals who take ownership of their roles and contribute to meaningfully to CNB's overall success.

New hire training guidelines and checklist were updated and rolled out to the organization. The purpose is to have consistency in training across the organization and to set the new Customer Experience Representatives up for success in their roles.

A new hire onboarding checklist was also designed and rolled out for new head office team members.





# CUSTOMER SERVICE AWARDS

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

## BUDGET BUSTER

(TOP SALES TO BUDGET)

5023 SAINT JOHN FAIRVILLE: 149.82%

## GOLDEN TICKET

(HIGHEST AVERAGE TICKET)

5019 EDMUNDSTON: \$76.34

## AUDIT STAR

(TOP DM AUDIT SCORE)

5024 GRAND FALLS: 95.16%

## SMOOTH OPERATOR

(TOP OPERATIONAL SCORECARD RESULT)

5023 SAINT JOHN FAIRVILLE: 104.07%

## TICKET TRAILBLAZER

(% TICKET INCREASE)

5024 GRAND FALLS:  
6.53% INCREASE

## SAFETY CULTURE EXCELLENCE

NANCY-ANN TAYLOR

## SALES BREAKTHROUGH

(% INCREASE SALES VS LY)

5023 SAINT JOHN FAIRVILLE:  
37.79% INCREASE

## GUIDE GREATNESS

5018 PERTH ANDOVER

# BUD OF THE YEAR AWARDS

2024 - 2025

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

## OUR WINNERS THIS YEAR WERE:

JAKOB KNORR  
WYSE RD

JOSHUA CRICH  
MIRAMICHI

TRINITY EVENDEN  
BROOKSIDE

SOPHIA HENWOOD  
FAIRVILLE

JILLIAN GALLANT  
MAIN ST., MONCTON

ALEX FULLERTON  
BATHUST

STEPHANIE JOHNSEN  
WOODSIDE

DANIKA MOREAU  
GRAND FALLS

JOREY PATERSON  
DIEPPE

SCOTT JANSE-YOUNG  
LANSDOWNE

REBECCA LECLAIR  
OROMOCTO

BRENNAN MCFARLANE  
RIVERVIEW

EMMA DUPLESSIE  
SHEDIAC

MATTHEW MACKENZIE  
ROTHESAY AVE

TIM MCNALLY  
PERTH

VANESSA HACHEY  
GRANITE

CARLEY  
MORICE-CHASE  
SACKVILLE

CHRIS WALTON  
ROTHESAY KV

NANCY-ANN TAYLOR  
EDMUNDSTON

MADISON LOGAN  
GERMAIN

LISA ARSENAULT  
TRACADIE

ADAM ENGELSMAN  
SUSSEX

JORDON ROUSSIE  
CAMPBELLTON

MICHAEL TAGGART  
QUEEN ST

ARIANNE MCLAUGHLIN  
RICHIBUCTO

KAYLA MADSEN  
ST. STEPHEN

CASSANDRA  
RICHARDSON  
WOODSTOCK

## GOVERNANCE

### **Report on the *Official Languages Act***

CNB received one language complaint in fiscal 2024–2025. CNB worked with the Office of the Commissioner of Official Languages for New Brunswick to determine appropriate solutions. The complaint has been resolved, and a response has been sent.

### **Report on the *Public Interest Disclosure Act***

As provided under section 18(1) of the *Public Interest Disclosure Act*, the chief executive shall prepare a report of any disclosures of wrongdoing that have been made to a supervisor or designated officer of the public service for which the chief executive is responsible. There were no disclosures made during fiscal 2024–2025 pursuant to the policy

### ***Right to Information and Protection of Privacy Act***

During fiscal 2024–2025, there were two requests received under the *Right to Information and Protection of Privacy Act*. A third request was carried over from the previous fiscal year; in total, all three requests were answered and closed during the fiscal year.

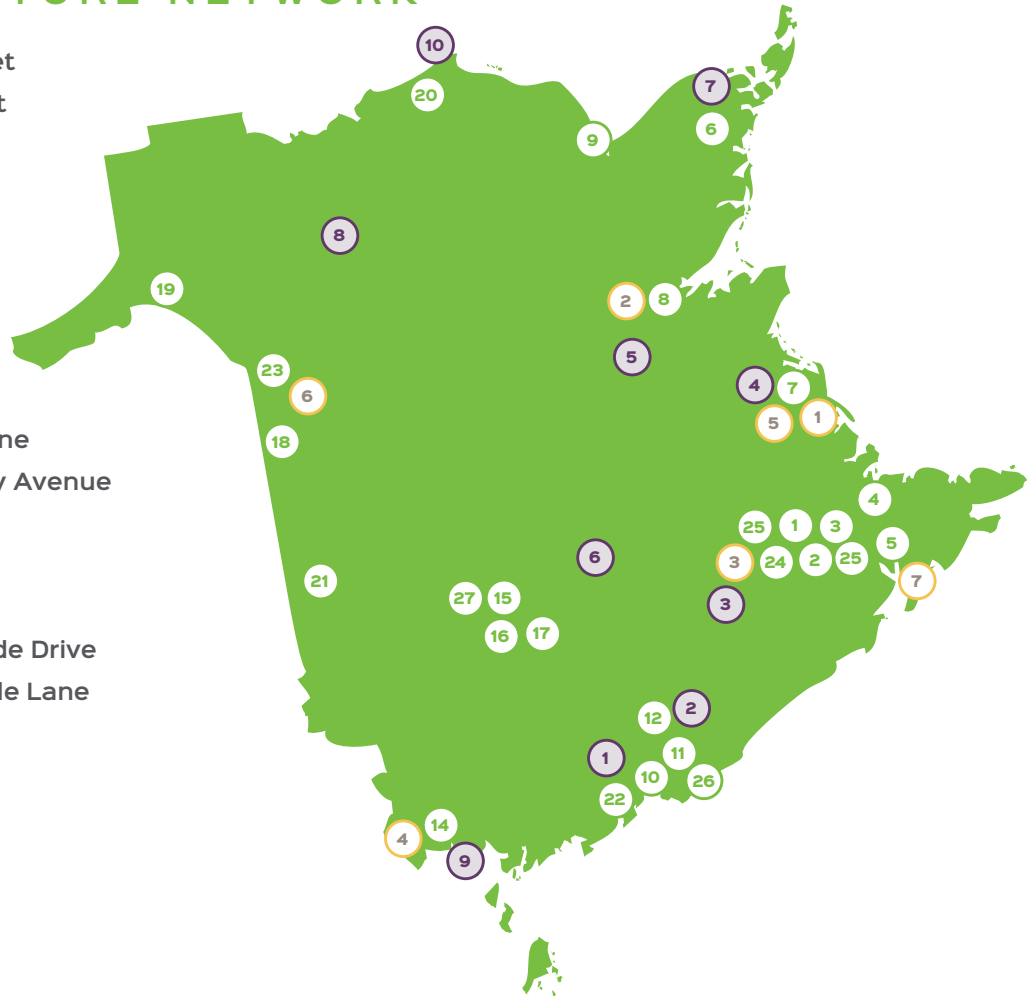


# STORE NETWORK

\*As of March 30, 2025

## CORPORATE STORE NETWORK

- 1 Moncton – Wyse Street
- 2 Moncton – Main Street
- 3 Dieppe
- 4 Shediac
- 5 Sackville
- 6 Tracadie
- 7 Richibucto
- 8 Miramichi
- 9 Bathurst
- 10 Saint John – Lansdowne
- 11 Saint John – Rothesay Avenue
- 12 Rothesay
- 13 Sussex
- 14 St. Stephen
- 15 Fredericton – Brookside Drive
- 16 Fredericton – Woodside Lane
- 17 Oromocto
- 18 Perth Andover
- 19 Edmundston
- 20 Campbellton
- 21 Woodstock
- 22 Saint John – Fairville
- 23 Grand Falls
- 24 Riverview
- 25 Moncton – Granite
- 26 Saint John – Germain
- 27 Fredericton – Queen Street



## PRIVATE RETAIL OPERATOR STORE NETWORK

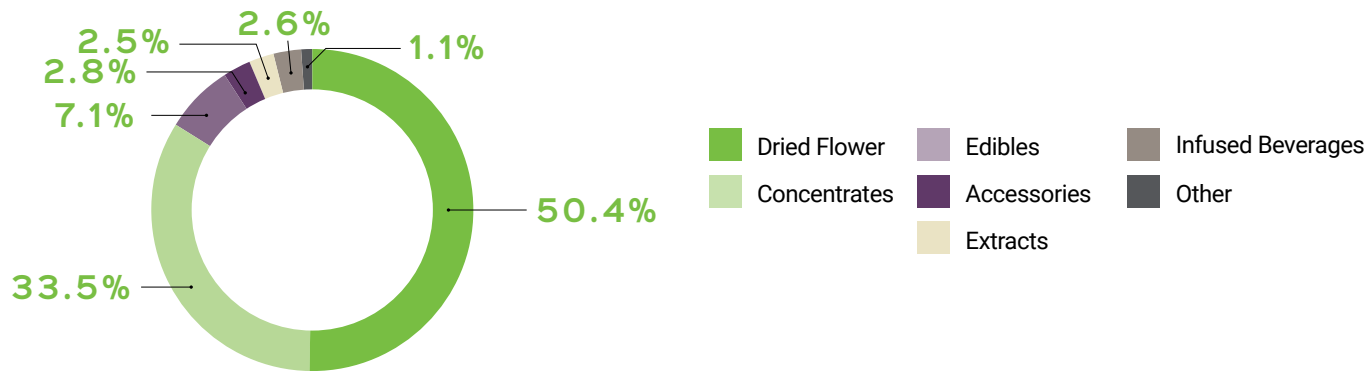
- 1 Cannabis Xpress – Grand Bay-Westfield
- 2 Cannabis Xpress – Hampton
- 3 McCannabis
- 4 Cost Cannabis – Bouctouche
- 5 Cost Cannabis – Blackville
- 6 Green Timber Cannabis
- 7 Le Marchand de Cannabis
- 8 Pinnacle Cannabis
- 9 Cannabis Xpress – St. Andrews
- 10 Cannabis Xpress – Dalhousie

## FARMGATE STORE NETWORK

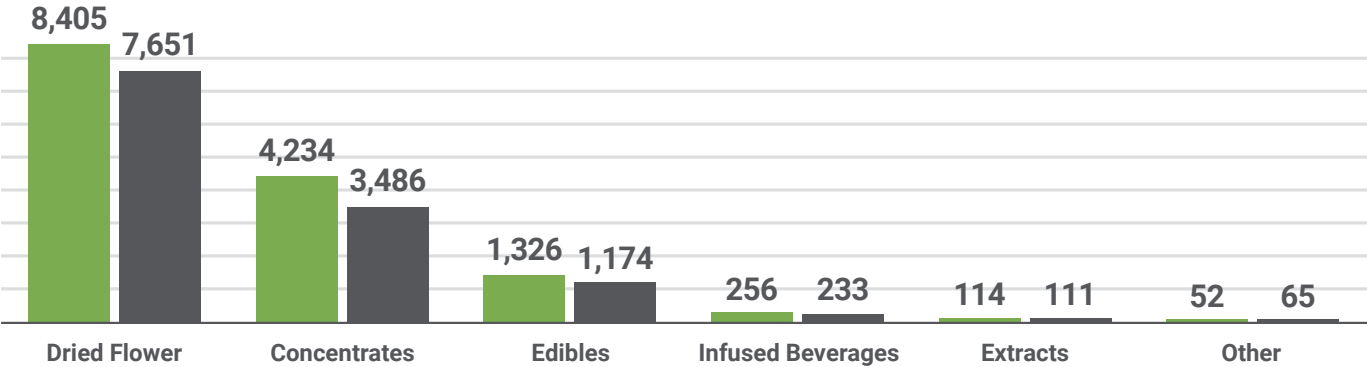
- 1 ECO Canadian Organic
- 2 Sana'a Cannabis
- 3 Hidden Harvest
- 4 Stewart Farms
- 5 Greenherb Farms
- 6 Pinnacle Farms
- 7 Wildwood Flowr



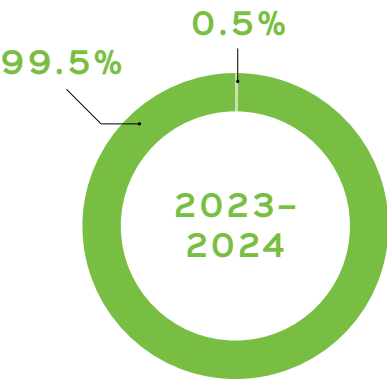
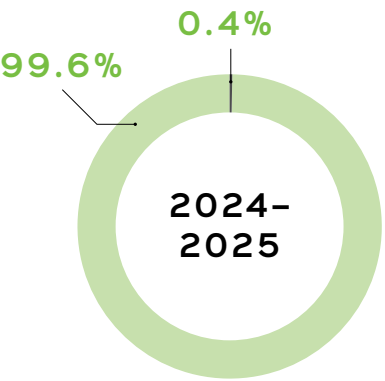
# SALES BY PRODUCT CATEGORY (%)



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



## PERCENTAGE SALES



## MANAGEMENT REPORT

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

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

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

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

[signed by]

Lori Stickles  
PRESIDENT AND CEO

[signed by]

Jamie LeBlanc  
SENIOR VICE PRESIDENT AND CFO

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

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Cannabis NB Ltd.

### ***Opinion***

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

- the statement of financial position as at March 30, 2025
- the statement of operations and other comprehensive income for the 52-week period then ended
- the statement of changes in equity for the 52-week period then ended
- the statement of cash flows for the 52-week period then ended
- and notes to the financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at March 30, 2025, and its financial performance and its cash flows for the 52-week period then ended in accordance with IFRS Accounting Standards.

### ***Basis for Opinion***

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

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

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

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.



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

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

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

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

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

We also:

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants

Fredericton, Canada

July 21, 2025

# CANNABIS NB LTD.

Statement of Financial Position  
(In thousands)

March 30, 2025, with comparative information for March 31, 2024

	March 30 2025	March 31 2024
<b>Assets</b>		
<i>Current Assets</i>		
Cash	\$ 1,512	\$ 1,000
Trade and other receivables	154	313
Inventories	15,030	11,327
Prepaid expenses	817	796
	<u>17,513</u>	<u>13,436</u>
<i>Non Current Assets</i>		
Property and equipment (note 4)	943	528
Intangible assets (note 5)	1,904	2,589
Right-of-use assets (note 6)	<u>19,792</u>	<u>21,788</u>
	<u>22,639</u>	<u>24,905</u>
<b>Total Assets</b>	<b>\$ 40,152</b>	<b>\$ 38,341</b>
<b>Liabilities</b>		
<i>Current Liabilities</i>		
Trade and other payables	\$ 5,185	\$ 5,859
Lease liabilities due within one year (note 6)	<u>2,489</u>	<u>2,329</u>
	<u>7,674</u>	<u>8,188</u>
<i>Non Current Liabilities</i>		
Long-term lease liabilities (note 6)	<u>19,230</u>	<u>21,257</u>
<b>Total Liabilities</b>	<b>26,904</b>	<b>29,445</b>
<b>Equity of the Province of New Brunswick</b>		
Equity	<u>13,248</u>	<u>8,896</u>
<b>Total Liabilities and Equity</b>	<b>\$ 40,152</b>	<b>\$ 38,341</b>

Contingencies (note 11)

See accompanying notes to financial statements.

On behalf of the Board:

[signed by]  
Paul Elliott  
Chair of the Board

[signed by]  
Cédric Laverdure  
Chair of the Audit Committee



# CANNABIS NB LTD.

Statement of Operations and Comprehensive Income  
(In thousands)

52 weeks ended March 30, 2025 with comparative information for the 52 weeks ended March 31, 2024

	<b>March 30 2025 (52 weeks)</b>	<b>March 31 2024 (52 weeks)</b>
Total sales (note 8)	\$ 100,943	\$ 93,829
Less: discounts	<u>9,793</u>	<u>8,019</u>
Net sales	91,150	85,810
Cost of sales	<u>43,971</u>	<u>40,105</u>
Gross profit	47,179	45,705
Other income	<u>627</u>	<u>880</u>
	47,806	46,585
Operating expenses (note 9)	<u>24,733</u>	<u>23,860</u>
Net income and comprehensive income	<b><u>\$ 23,073</u></b>	<b><u>\$ 22,725</u></b>

See accompanying notes to financial statements.

# CANNABIS NB LTD.

## Statement of Changes in Equity (In thousands)

52 weeks ended March 30, 2025 with comparative information for the 52 weeks ended March 31, 2024

	March 30 2025 (52 weeks)	March 31 2024 (52 weeks)
Balance at beginning of year	\$ 8,896	\$ 10,990
Net income and comprehensive income	23,073	22,725
Payments to the Province of New Brunswick	<u>(18,721)</u>	<u>(24,819)</u>
Balance at end of the year	<u>\$ 13,248</u>	<u>\$ 8,896</u>

See accompanying notes to financial statements.

# CANNABIS NB LTD.

## Statement of Cash Flows (In thousands)

52 weeks ended March 30, 2025 with comparative information for the 52 weeks ended March 31, 2024

	March 30 2025 (52 weeks)	March 31 2024 (52 weeks)
<b>Operating</b>		
Net income and comprehensive income	\$ 23,073	\$ 22,725
Items not involving cash:		
Depreciation	2,735	3,179
Amortization of intangible assets (note 5)	685	535
Lease liabilities - interest portion (note 6)	715	771
Gain on sale of property and equipment	(1)	-
Change in non-cash working capital (note 7)	(4,239)	1,255
Cash generated from operations	22,968	28,465
<b>Investing</b>		
Additions to property and equipment (note 4)	(590)	(244)
Additions to intangible assets (note 5)	-	(205)
Proceeds from sale of property and equipment	1	16
Net cash used for investing activities	(589)	(433)
<b>Financing</b>		
Lease payments (note 6)	(3,146)	(3,068)
Payments to the Province of New Brunswick	(18,721)	(24,819)
Net cash used for financing activities	(21,867)	(27,887)
<b>Increase in cash</b>	512	145
<b>Cash at beginning of year</b>	1,000	855
<b>Cash at end of year</b>	<b>\$ 1,512</b>	<b>\$ 1,000</b>

See accompanying notes to financial statements.

# CANNABIS NB LTD.

Notes to Financial Statements  
(In thousands)

52 weeks ended March 30, 2025

---

## 1. Nature of operations and reporting entity:

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

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

## 2. Basis of presentation:

### (a) Statement of compliance:

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

The financial statements for the year ended March 30, 2025, were approved, and authorized for issue by the Board of Directors on July 21, 2025.

### (b) Fiscal year:

The Corporation's fiscal year ends on the Sunday closest to March 31. All references to 2025 and 2024 represent the fiscal years ended March 30, 2025, and March 31, 2024, respectively. Under an accounting convention common in the retail industry, the Corporation follows a 52-week reporting cycle, which periodically necessitates a fiscal year of 53 weeks. The year ended March 30, 2025, contained 52 weeks and the year ended March 31, 2024, contained 52 weeks. Typically, the inclusion of an extra week occurs every fifth or sixth fiscal year due to the Corporation's floating year-end date. The next 53-week year will occur in fiscal 2028.

### (c) Basis of measurement:

The financial statements have been prepared on the historical cost basis. These financial statements are presented in Canadian dollars, which is the Corporation's functional currency.



# CANNABIS NB LTD.

Notes to Financial Statements (continued)  
(In thousands)

52 weeks ended March 30, 2025

---

## 3. Summary of material accounting policies:

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

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

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

#### Significant management judgements

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

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

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

#### *Capitalization of internally developed software*

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

#### *Right-of-use assets and lease liabilities*

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

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

# CANNABIS NB LTD.

Notes to Financial Statements (continued)  
(In thousands)

52 weeks ended March 30, 2025

---

### 3. Summary of material accounting policies (continued):

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

Significant estimations and assumptions

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

*Useful lives of property and equipment and intangible assets*

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

(b) Cash:

Cash includes cash and bank deposits.

(c) Inventories:

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

(d) Property and equipment:

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

*Derecognition*

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

# CANNABIS NB LTD.

Notes to Financial Statements (continued)  
(In thousands)

52 weeks ended March 30, 2025

## 3. Summary of material accounting policies (continued):

### (d) Property and equipment (continued):

#### *Subsequent costs*

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

#### *Depreciation*

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

---

Furniture, fixtures, and equipment	2-5 years
Automotive	4-5 years
Retail equipment	5 years
IT equipment	4-5 years
Refrigeration equipment	10 years
Leasehold improvements	1-10 years

---

#### *Impairment*

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

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

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

# CANNABIS NB LTD.

Notes to Financial Statements (continued)  
(In thousands)

52 weeks ended March 30, 2025

---

## 3. Summary of material accounting policies (continued):

### (d) Property and equipment (continued):

#### *Impairment (continued)*

Impairment losses recognized in prior periods are reversed if the recoverable amount in a later period exceeds the carrying amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. At March 30, 2025, there were no indicators of impairment.

### (e) Intangible assets:

Intangible assets include purchased computer software which are recorded at cost and amortized on a straight-line basis over the estimated useful life, as these assets are considered to have finite useful lives. Useful lives are reviewed at each reporting date. Computer software is amortized on a straight-line basis for 5 to 10 years. The Corporation assesses the carrying value of intangible assets for impairment on an annual basis. At March 30, 2025, there were no indicators of impairment.

### (f) Leased assets:

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

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

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

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

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

# CANNABIS NB LTD.

Notes to Financial Statements (continued)  
(In thousands)

52 weeks ended March 30, 2025

---

## 3. Summary of material accounting policies (continued):

### (f) Leased assets (continued):

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

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

ROU assets are measured at cost comprising the following:

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

The ROU asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The Corporation's ROU assets are buildings which are depreciated over the lease period which ranges from 2 to 15 years.

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

### (g) Financial instruments:

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



# CANNABIS NB LTD.

Notes to Financial Statements (continued)  
(In thousands)

52 weeks ended March 30, 2025

---

## 3. Summary of material accounting policies (continued):

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

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

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

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

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

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

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

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

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

### *Derecognition*

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

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

# CANNABIS NB LTD.

Notes to Financial Statements (continued)  
(In thousands)

52 weeks ended March 30, 2025

---

## 3. Summary of material accounting policies (continued):

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

#### *Impairment of financial assets*

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

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

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

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

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

#### *Measurement of ECL*

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

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

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

#### *Presentation of allowance for ECL in the statement of financial position*

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

# CANNABIS NB LTD.

Notes to Financial Statements (continued)  
(In thousands)

52 weeks ended March 30, 2025

---

## 3. Summary of material accounting policies (continued):

### (i) Provisions:

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

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

### (j) Post-employment benefits:

#### *Pension plan*

Most employees of the Corporation are members of the New Brunswick Public Service Pension Plan, a multi-employer, shared risk pension plan. Contributions are made by both the Corporation and the employees. Since sufficient information is not readily available to account for the Corporation's participation in the plan using defined benefit pension plan accounting, these financial statements have been prepared using accounting for defined contribution pension plans. The Corporation has no direct liability to any unfunded liability, nor does it have any entitlement to any surplus, for the plan related to current or former employees. Contributions made by the Corporation during the year totaled \$682 (\$638 in 2024). Contributions made to the plan by the Corporation for 2025 are expected to approximate 11.25% of eligible salaries. In addition, some employees of the Corporation are members of the Part-Time and Seasonal Pension Plan for Employees of the Province of New Brunswick. Contributions made by the Corporation during the year to this plan totaled \$18 (\$24 in 2024).

### (k) Revenue:

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

# CANNABIS NB LTD.

Notes to Financial Statements (continued)  
(In thousands)

52 weeks ended March 30, 2025

---

### 3. Summary of material accounting policies (continued):

(l) Standards and interpretations not yet applied:

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

*Presentation and Disclosure in Financial Statements IFRS 18:*

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

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

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

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

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

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

# CANNABIS NB LTD.

Notes to Financial Statements (continued)  
(In thousands)

52 weeks ended March 30, 2025

## 4. Property and equipment:

Cost	Furniture Fixtures and Equipment	Automotive	Retail Equipment	IT Equipment	Refrigeration Equipment	Leasehold Improvements	Total
<b>Balance at April 2, 2023</b>	\$ 2,365	\$ 188	\$ 128	\$ 2,709	\$ 76	\$ 49	\$ 5,515
Additions	62	60	-	106	6	10	244
Disposals	-	(29)	-	-	-	-	(29)
<b>Balance at March 31, 2024</b>	\$ 2,427	\$ 219	\$ 128	\$ 2,815	\$ 82	\$ 59	\$ 5,730
<b>Balance at April 1, 2024</b>	\$ 2,427	\$ 219	\$ 128	\$ 2,815	\$ 82	\$ 59	\$ 5,730
Additions	156	65	-	321	-	48	590
Disposals	-	(10)	-	-	-	-	(10)
<b>Balance at March 30, 2025</b>	\$ 2,583	\$ 274	\$ 128	\$ 3,136	\$ 82	\$ 107	\$ 6,310
<b>Accumulated Depreciation</b>							
<b>Balance at April 2, 2023</b>	\$ 2,005	\$ 86	\$ 67	\$ 2,310	\$ 25	\$ 32	\$ 4,525
Depreciation	281	40	22	323	7	17	690
Disposals	-	(13)	-	-	-	-	(13)
<b>Balance at March 31, 2024</b>	\$ 2,286	\$ 113	\$ 89	\$ 2,633	\$ 32	\$ 49	\$ 5,202
<b>Balance at April 1, 2024</b>	\$ 2,286	\$ 113	\$ 89	\$ 2,633	\$ 32	\$ 49	\$ 5,202
Depreciation	37	49	15	47	8	19	175
Disposals	-	(10)	-	-	-	-	(10)
<b>Balance at March 30, 2025</b>	\$ 2,323	\$ 152	\$ 104	\$ 2,680	\$ 40	\$ 68	\$ 5,367
<b>Carrying Amounts</b>							
At March 31, 2024	\$ 141	\$ 106	\$ 39	\$ 182	\$ 50	\$ 10	\$ 528
At March 30, 2025	\$ 260	\$ 122	\$ 24	\$ 456	\$ 42	\$ 39	\$ 943



# CANNABIS NB LTD.

Notes to Financial Statements (continued)  
(In thousands)

52 weeks ended March 30, 2025

## 5. Intangible assets:

	March 30 2025 (52 weeks)	March 31 2024 (52 weeks)
<b>Cost</b>		
Opening	\$ 5,279	\$ 5,074
Additions	-	205
Closing	5,279	5,279
<b>Accumulated Amortization</b>		
Opening	2,690	2,155
Amortization	685	535
Closing	3,375	2,690
<b>Carrying Amount</b>	<b>\$ 1,904</b>	<b>\$ 2,589</b>

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

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

### *Right-of-use assets*

	March 30 2025 (52 weeks)	March 31 2024 (52 weeks)
<b>Cost</b>		
Opening	\$ 33,385	\$ 33,111
Additions	564	274
Closing	33,949	33,385
<b>Accumulated Depreciation</b>		
Opening	11,597	9,108
Depreciation	2,560	2,489
Closing	14,157	11,597
<b>Carrying Amount</b>	<b>\$ 19,792</b>	<b>\$ 21,788</b>

# CANNABIS NB LTD.

Notes to Financial Statements (continued)  
(In thousands)

52 weeks ended March 30, 2025

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

### *Lease liabilities*

	March 30 2025 (52 weeks)	March 31 2024 (52 weeks)
Opening	\$ 23,586	\$ 25,609
Additions	564	274
Lease payments	(3,146)	(3,068)
Interest expense on lease liabilities	715	771
Closing	<u>\$ 21,719</u>	<u>\$ 23,586</u>
Current	\$ 2,489	\$ 2,329
Long-term	19,230	21,257
	<u>\$ 21,719</u>	<u>\$ 23,586</u>

### *Maturity of lease liabilities*

A maturity analysis of discounted payments are as follows:

	March 30 2025 (52 weeks)	March 31 2024 (52 weeks)
Due within one year or less	\$ 2,489	\$ 2,329
Between one and five years	9,715	9,273
More than five years	9,515	11,984
	<u>\$ 21,719</u>	<u>\$ 23,586</u>

# CANNABIS NB LTD.

Notes to Financial Statements (continued)  
(In thousands)

52 weeks ended March 30, 2025

## 7. Changes in non-cash operating working capital:

	March 30 2025 (52 weeks)	March 31 2024 (52 weeks)
Trade and other receivables	\$ 159	\$ (295)
Inventories	(3,703)	(1,164)
Prepaid expenses	(21)	962
Trade and other payables	(674)	1,752
	<u>\$ (4,239)</u>	<u>\$ 1,255</u>

## 8. Sales:

	March 30 2025 (52 weeks)	March 31 2024 (52 weeks)
Dried Flower	\$ 50,881	\$ 47,439
Concentrates	33,836	30,236
Edibles	7,209	6,944
Accessories	2,790	3,080
Infused Beverages	2,691	2,301
Extracts	2,529	2,803
Topicals	657	781
Clones	255	137
Seeds	95	108
	<u>\$ 100,943</u>	<u>\$ 93,829</u>

# CANNABIS NB LTD.

Notes to Financial Statements (continued)  
(In thousands)

52 weeks ended March 30, 2025

## 9. Operating expenses:

	March 30 2025 (52 weeks)	March 31 2024 (52 weeks)
Employee costs	\$ 14,294	\$ 12,999
Depreciation and amortization	3,420	3,714
Other	1,800	1,513
Technology	1,553	1,458
Financial services	1,524	1,802
Services	1,104	1,306
Occupancy costs and supplies	1,038	1,068
	<u>\$ 24,733</u>	<u>\$ 23,860</u>

# CANNABIS NB LTD.

Notes to Financial Statements (continued)  
(In thousands)

52 weeks ended March 30, 2025

## 10. Financial risk management objectives and policies

### (a) Liquidity risk:

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

	<b>March 30 2025 (52 weeks)</b>	<b>March 31 2024 (52 weeks)</b>
Due within one year or less	\$ 3,132	\$ 3,034
Between one and five years	11,535	11,325
More than five years	10,070	12,921
	<b>\$ 24,737</b>	<b>\$ 27,280</b>

### (b) Credit risk:

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

### (c) Capital management:

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

## 11. Contingencies:

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



# CANNABIS NB LTD.

Notes to Financial Statements (continued)  
(In thousands)

52 weeks ended March 30, 2025

---

## 12. Related party transactions:

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

The Corporation receives services from ANBL, which are allocated to the Corporation through a shared service agreement. These services include human capital in the areas of executive management; corporate governance; property management; information technology services; strategic compliance; financial services; community and stakeholder relations, as well as the associated portion of benefits. In addition, ANBL incurred costs on behalf of the Corporation for the purchase of goods or services from external third parties. All transactions are recorded on a cost recovery basis and are recognized in operating expenses. During the year ended March 30, 2025, ANBL charged the Corporation \$2,305 (\$2,070 in 2024) for salaries-administration.

Trade and other payables include \$248 (\$398 in 2024) which represents the current portion of the cost recovery allocation as described above. The total amount outstanding is non-interest bearing, unsecured, with no set term of repayment. Amounts owing to ANBL are considered current liabilities and repayment is guaranteed under the terms of the agreement with CMC. These transactions are recorded at the amount of consideration as established and agreed to by the related parties.

### *Compensation of key management personnel*

Members of the Board of Directors and Executive Team are considered to be key management personnel. Total compensation and benefits amounted to \$282 (\$247 in 2024).

## 13. Comparative information:

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